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**天津發展控股有限公司**  
**TIANJIN DEVELOPMENT HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 882)**

## **DISCLOSEABLE TRANSACTIONS**

### **PROPOSED SHARE REPURCHASE(S) AND PROPOSED ADOPTION OF SHARE AWARD SCHEME BY A LISTED SUBSIDIARY**

#### **PROPOSED SHARE REPURCHASE(S)**

On 20 December 2024, the board of directors of Lisheng Pharmaceutical, an indirect non-wholly owned subsidiary of the Company whose shares are listed on the Shenzhen Stock Exchange, has approved the adoption of the Share Repurchase Program, pursuant to which, Lisheng Pharmaceutical is permitted to conduct the repurchase of its ordinary shares by way of centralised auction trading on the Shenzhen Stock Exchange for an aggregate amount of not less than RMB76,500,000 (equivalent to approximately HK\$82,258,065) and up to RMB153,000,000 (equivalent to approximately HK\$164,516,129) at the prevailing market prices from time to time within the term of 12 months from 21 December 2024.

#### **PROPOSED ADOPTION OF THE SHARE AWARD SCHEME**

On 20 December 2024, the board of directors of Lisheng Pharmaceutical proposed, subject to approval by its shareholders at a general meeting, the adoption of the Share Award Scheme to grant up to 7,210,000 Restricted Shares, representing 2.80% of the issued share capital of Lisheng Pharmaceutical as at the date of this announcement, to 150 targeted Participants consisting of its senior and mid-level management personnel as well as key employees.

## LISTING RULES IMPLICATIONS

Based on the maximum possible repurchase amount under the Share Repurchase Program, the Proposed Share Repurchase(s), if materialised in full, will constitute an acquisition of assets by the Company under Chapter 14 of the Listing Rules. Since one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the maximum possible repurchase amount exceeds 5% but all of them are less than 25%, the Proposed Share Repurchase(s) constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As Lisheng Pharmaceutical is not a principal subsidiary of the Company under Rule 17.14 of the Listing Rules, the relevant requirements in relation to share schemes of a principal subsidiary of the listed issuer under Chapter 17 of the Listing Rules are not applicable. However, pursuant to Rule 14.32A of the Listing Rules, granting Restricted Share(s) to the Participant(s) under the Share Award Scheme will constitute a disposal and/or a deemed disposal of interest in a subsidiary of the Company. Since one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Company's disposal and/or deemed disposal of interests in Lisheng Pharmaceutical exceeds 5% but all of them are less than 25%, the adoption of the Share Award Scheme constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Since the Transactions involve both an acquisition and a disposal, pursuant to Rule 14.24 of the Listing Rules, the Transactions will be classified by reference to the larger of the two, i.e. the Proposed Share Repurchase(s). Accordingly, the Transactions are subject to the reporting and announcement requirements but are exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Granting Restricted Shares to the Connected Grantees is a transaction between the Group and connected persons of the Company at the subsidiary level. Given that all of the percentage ratios applicable to such grant to the Connected Grantees calculated on an aggregated basis are less than 1%, pursuant to Rule 14A.76(1)(b) of the Listing Rules, such grants are fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**Shareholders and potential investors of the Company should note that Lisheng Pharmaceutical has the discretion whether or not to conduct the Proposed Share Repurchase(s) based on the market conditions and the available funds at the time, and the adoption of the Share Award Scheme is conditional upon approval by shareholders of Lisheng Pharmaceutical. Accordingly, the Share Repurchase Program and/or the Share Award Scheme may or may not proceed in full or at all.**

**Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## **THE SHARE REPURCHASE PROGRAM**

On 20 December 2024, the board of directors of Lisheng Pharmaceutical, an indirect non-wholly owned subsidiary of the Company, whose shares are listed on the Shenzhen Stock Exchange (Stock Code: 002393), has approved the adoption of the Share Repurchase Program.

Pursuant to the Share Repurchase Program, Lisheng Pharmaceutical is permitted to conduct the repurchase of its ordinary shares by way of centralised auction trading on the Shenzhen Stock Exchange for an aggregate amount of not less than RMB76,500,000 (equivalent to approximately HK\$82,258,065) and up to RMB153,000,000 (equivalent to approximately HK\$164,516,129) at the prevailing market price, which shall not be higher than the Maximum Price, i.e. RMB21.22 per share of Lisheng Pharmaceutical from time to time within the term of 12 months from 21 December 2024. It is estimated that up to 7,210,000 shares of Lisheng Pharmaceutical, representing approximately 2.80% of its issued share capital, will be repurchased. The Proposed Share Repurchase(s) will be funded by Lisheng Pharmaceutical's own internal resources.

As at the date of this announcement, none of the directors, supervisors, senior management personnel, controlling shareholder(s) or their ultimate controller(s) (including the Group other than Lisheng Pharmaceutical) of Lisheng Pharmaceutical has indicated his/her/its intention to dispose of Lisheng Pharmaceutical's shares via the Share Repurchase Program.

The shares of Lisheng Pharmaceutical repurchased under the Share Repurchase Program are intended to be used as the Restricted Shares to be granted under the Share Award Scheme. In the event that approval on the Share Award Scheme not being obtained from the shareholders of Lisheng Pharmaceutical, or even if approval is given, the intended Participants decide not to subscribe for such Restricted Shares so granted, Lisheng Pharmaceutical reserves the right to change the intended uses of such shares or to cancel such shares from its issued share capital.

As confirmed by Lisheng Pharmaceutical, in accordance with the applicable laws and regulatory requirements, the adoption of the Share Repurchase Program does not require approval from shareholders of Lisheng Pharmaceutical and will become effective once it is approved by the board of directors of Lisheng Pharmaceutical. However, the Proposed Share Repurchase(s) will not be conducted if the share price of Lisheng Pharmaceutical consistently exceeds the Maximum Price throughout the term of the Share Repurchase Program. Lisheng Pharmaceutical also reserves the right not to carry out any Proposed Share Repurchase(s) if there is any event which affects its share price significantly, unforeseeable circumstances which will severely affect its business operation or financial condition, or if there is insufficient fund for the Proposed Share Repurchase(s).

## THE SHARE AWARD SCHEME

In order to enhance the long-term incentive mechanism of Lisheng Pharmaceutical for talent retention, with a view to motivating its senior and mid-level management personnel as well as key employees, on 20 December 2024, the board of directors of Lisheng Pharmaceutical proposed the adoption of the Share Award Scheme, aiming at aligning the interests of its shareholders, individual interests of its core working team with Lisheng Pharmaceutical's interest.

The principal terms of the Share Award Scheme are as follows:

Duration : The Share Award Scheme will only become effective upon approval by Lisheng Pharmaceutical's shareholders at its general meeting, and if so approved, will last for no more than 10 years from the date of such general meeting.

Type and source of shares to be granted : Restricted Shares, being the ordinary shares of Lisheng Pharmaceutical repurchased on the open market pursuant to the Share Repurchase Program and/or new ordinary shares to be issued by Lisheng Pharmaceutical, will be granted to the Participants.

It is intended that the Restricted Shares primarily are the shares of Lisheng Pharmaceutical repurchased under the Share Repurchase Program. In the event that, after conducting the Proposed Share Repurchase(s) there are insufficient Restricted Shares available for grant for the Share Award Scheme, Lisheng Pharmaceutical may issue not more than 4,300,000 new shares in aggregate at the Purchase Price to the certain Participants, which shall be held as Restricted Shares. Even if all such 4,300,000 new shares are issued in full, assuming that, other than the Proposed Share Repurchase(s), there will no change in the share capital of Lisheng Pharmaceutical, the Company, through the Immediate Shareholder, will still control not less than 50% of the voting rights attached to the shares of Lisheng Pharmaceutical, calculated on a fully diluted basis, regardless of the actual number of shares being repurchased under the Share Repurchase Program.

Participants : Currently, there are 150 targeted Participants to whom Restricted Shares will be granted under the Share Award Scheme, including directors, senior and mid-level management personnel, first-tier managers and other key personnel (including employees in the sales and marketing, and research and development functions) of Lisheng Pharmaceutical or its subsidiaries. The board of directors of Lisheng Pharmaceutical reserves the right to grant Restricted Shares for future key employees and/or certain personnel to be promoted.

None of the Participants are directors, chief executives of the Company or their associates. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save and except for the Connected Grantees, being directors and/or chief executives of Lisheng Pharmaceutical and thus connected persons of the Company at the subsidiary level, the Participants are third parties independent of the Company and its connected persons.

Maximum entitlements of the Participants : In aggregate, no more than 7,210,000 Restricted Shares, representing approximately 2.80% of the issued share capital of Lisheng Pharmaceutical as at the date of this announcement, will be granted to all Participants under the Share Award Scheme.

Among such 7,210,000 Restricted Shares, only 5,770,000 Restricted Shares will be granted to the targeted Participants, with the remaining 1,440,000 Restricted Shares reserved for future grant.

The allocation of Restricted Shares to be granted to the Participants is as follows:-

| Name/Category of the Participant(s)   | Capacity/ Position in Lisheng Pharmaceutical                                       | Number of Restricted Shares to be granted | Approximate proportion to the total share capital of Lisheng Pharmaceutical as at the announcement date |
|---|--|---|---|
| Zhang Ping (張平)   | Connected Grantee, Director, chairman of the board of directors                    | 80,000                                    | 0.03%   |
| Wang Fujun (王福軍)  | Connected Grantee, Director, general manager                                       | 80,000                                    | 0.03%   |
| Wang Qian (王茜)  | Connected Grantee, Director  | 70,000                                    | 0.03%   |
| Other senior management personnel (5 people)                                  | Deputy general managers, financial controller, secretary to the board of directors | 350,000                                   | 0.15%   |
| Other Participants (142 people)   |  | 5,190,000                                 | 2.01%   |
| <b>All Participants (150 people)</b>  |  | <b>5,770,000</b>                          | <b>2.24%</b>  |
| Reserved Restricted Shares  |  | 1,440,000                                 | 0.56%   |
| <b>All Restricted Shares available for grant under the Share Award Scheme</b> |  | <b>7,210,000</b>                          | <b>2.80%</b>  |

The reserved Restricted Shares will be granted to new Participant(s) other than the above 150 Participants to whom Restricted Shares are targeted to be granted. No individual Participant will be granted more than 80,000 Restricted Shares in total under the Share Award Scheme.

- Purchase Price : RMB10.59 per Restricted Share, meaning the price payable by a Participant to purchase every Restricted Share granted to him/her, which shall not be lower than 50% of the higher of the following:-
- (1) the closing share price of Lisheng Pharmaceutical on the trading day preceding the date of announcement of the Share Award Scheme, which is RMB17.18;
  - (2) the average closing share price of Lisheng Pharmaceutical on the 30 trading days preceding the date of announcement of the Share Award Scheme, which is RMB17.65;
  - (3) the average trading share price of Lisheng Pharmaceutical on the trading day preceding the date of announcement of the Share Award Scheme, which is RMB17.13; and
  - (4) one of the average trading share price of Lisheng Pharmaceutical for 20 trading days preceding the date of announcement of the Share Award Scheme, which is RMB17.63,
- provided that, if the fair market share price of Lisheng Pharmaceutical is lower than its net asset value per share, the Purchase Price shall not be less than 60% of the fair market share price.
- Date of Grant : 5,770,000 Restricted Shares designated for the targeted Participants shall be granted on a trading day within 60 days from the general meeting of Lisheng Pharmaceutical whereat the Share Award Scheme is approved. If the relevant announcement and share registration in respect of the grant of Restricted Shares are not completed within the said 60-day period, the Share Award Scheme shall be terminated.
- The reserved 1,440,000 Restricted Shares shall be granted within 12 months from the general meeting of Lisheng Pharmaceutical whereat the Share Award Scheme is approved. If no Participant is identified for grant, such reserved Restricted Shares shall lapse and be cancelled.
- Vesting period : During the vesting period, no transfer in respect of the Restricted Shares could be effected, nor could the Restricted Shares be disposed of or used as collateral for guarantee or repayment of loans. Holders of Restricted Shares shall be entitled to all rights attached to ordinary shares of Lisheng Pharmaceutical, including the rights to receive dividend, right issues and voting rights, provided that all bonus shares, capitalisation issue, right issue shares etc. issued as a result of such Restricted Shares shall be subject to the same transfer restrictions and vesting period in respect of such Restricted Shares.

The vesting period in respect of the Restricted Shares commences from the Date of Grant to the unlocking date, which shall be 24 months, 36 months, 48 months from the Date of Grant, in the following proportion and schedule.

| <b>Unlocking period</b>  | <b>Duration of the unlocking period</b>  | <b>Proportion of Restricted Shares unlocked</b> |
|--------------------------|--|---|
| The 1st unlocking period | From the first trading day after expiry of 24 months from the Date of Grant to the last trading day of 36 months from the Grant Date | 33%   |
| The 2nd unlocking period | From the first trading day after expiry of 36 months from the Date of Grant to the last trading day of 48 months from the Grant Date | 33%   |
| The 3rd unlocking period | From the first trading day after expiry of 48 months from the Date of Grant to the last trading day of 60 months from the Grant Date | 34%   |

Upon expiry of the relevant vesting period, the Participants may apply for removal of the transfer restrictions in respect of the relevant portion of Restricted Shares in the corresponding unlocking period, provided that Lisheng Pharmaceutical has achieved the company-level performance target and the Participant has achieved the personal performance target for unlocking the Restricted Shares in the relevant year, without which, such relevant Restricted Shares will be repurchased at the Purchase Price with the accrued deposit interests and cancelled by Lisheng Pharmaceutical.

After the expiry of the unlocking period, if no application for removal of the transfer restriction is made or if a Participant fails to achieve the designated personal performance target for unlocking the relevant portion of the Restricted Shares, such portion of the Restricted Shares will be repurchased from the Participant at the Purchase Price with the accrued deposit interests and cancelled by Lisheng Pharmaceutical.

For any Participant who has resigned as an employee of Lisheng Pharmaceutical, Lisheng Pharmaceutical will repurchase (at the lower of the Purchase Price and the market share price) and cancel his/her remaining Restricted Shares. If a Participant ceases to be an employee of Lisheng Pharmaceutical as a result of redundancy or due to work allocation imposed on him/her, the remaining Restricted Shares will be repurchased at the Purchase Price with the accrued deposit interests.

Performance targets :  
for the unlocking  
of Restricted  
Shares

(1) Performance targets at the company-level

In order to unlock the corresponding Restricted Shares in the three unlocking periods of the Share Award Scheme, Lisheng Pharmaceutical shall have achieved the following performance targets in the three accounting years from 2025 to 2027 respectively:

| Unlocking periods        | The required performance targets   |
|--------------------------|--|
| The 1st unlocking period | <p>(1) The cash dividend ratio in 2025 shall not be less than that in the preceding year. At the same time, as compared with the performance achieved in 2023, the basic earnings per share after deduction of non-recurring profit or loss in 2025 shall increase for not less than 10%, and it shall not be lower than the industry's average in 2025;</p> <p>(2) As compared with the performance achieved in 2023, the operating income in 2025 shall increase for not less than 20%, and it shall not be lower than the industry's average in 2025; and</p> <p>(3) The inventory turnover rate in 2025 shall not be less than 2.35 times, and the number of drug registration certificates and "Notification of Approval of Application for Marketing of Active Pharmaceutical Ingredients" obtained in 2025 shall not be less than 4.</p>                      |
| The 2nd unlocking period | <p>(1) The cash dividend ratio in 2026 shall not be less than that in the preceding year. At the same time, as compared with the performance achieved in 2023, the basic earnings per share after deduction of non-recurring profit or loss in 2026 shall increase for not less than 15%, and it shall not be lower than the industry's average in 2026;</p> <p>(2) As compared with the performance achieved in 2023, the operating income in 2026 shall increase for not less than 30%, and it shall not be lower than the industry's average in 2026; and</p> <p>(3) The inventory turnover rate in 2026 shall not be less than 2.40 times, and the cumulative number of drug registration certificates and "Notification of Approval of Application for Marketing of Active Pharmaceutical Ingredients" obtained from 2025 to 2026 shall not be less than 9.</p> |



|                          |   |
|--------------------------|---|
| The 3rd unlocking period | <p>(1) The cash dividend ratio in 2027 shall not be less than that in the preceding year. At the same time, as compared with the performance achieved in 2023, the basic earnings after deduction of non-recurring profit or loss per share in 2027 shall increase for not less than 20%, and it shall not be lower than the industry's average;</p> <p>(2) As compared with the performance achieved in 2023, the operating income in 2027 shall increase for not less than 40%, and it shall not be lower than the industry's average; and</p> <p>(3) The inventory turnover rate in 2027 shall not be less than 2.45 times, and the cumulative number of drug registration certificates and "Notification of Approval of Application for Marketing of Active Pharmaceutical Ingredients" obtained from 2025 to 2027 shall not be less than 16.</p> |
|--------------------------|---|

*Notes:*

1. The abovementioned "basic earnings after deduction of non-recurring profit or loss per share" will be calculated based on the net profit attributable to shareholders of Lisheng Pharmaceutical (as a listed company) after deducting non-recurring gains and losses and the total share capital of Lisheng Pharmaceutical (adjusted for comparability with the benchmark period), and excluding the impact of share-based payment expenses of the Share Award Scheme and other award schemes (if any). After the Share Award Scheme has been announced, if Lisheng Pharmaceutical has any capitalisation issue, bonus issue, issuance and allotment of new shares, and conversion of convertible bonds into shares, etc., the total share capital of Lisheng Pharmaceutical under the calculation of earnings per share shall not be adjusted, and the total share capital of Lisheng Pharmaceutical will be based on the total share capital of Lisheng Pharmaceutical when the board of directors of Lisheng Pharmaceutical reviewed the Share Award Scheme.
2. In case of issuance of shares to unspecified or specific targets during the validity period of the Share Award Scheme, such newly increased shares shall be excluded from the calculation of the increase in share capital of Lisheng Pharmaceutical in that year and subsequent years.
3. Indicators calculation:

Cash dividend ratio = (total cash dividend + cash amount for repurchase and cancelling shares) ÷ net profit attributable to owners of the parent company × 100%

Inventory turnover ratio = Operating costs ÷ ( (Opening inventory balance + Closing inventory balance) ÷ 2 )

The performance targets and the relevant financial year for determining whether the Reserved Restricted Shares could be unlocked are the same as the above.

(2) Performance target at the individual-level

If the company-level performance targets for the relevant unlocking period are achieved, the targeted Participants must achieve an appraisal review of at least a “Generally Competent” level or above in the preceding year to be eligible for unlocking the relevant portion of Restricted Shares in such unlocking period. The details are as follows:

| Results of appraisal | Competent<br>(A) | Generally Competent<br>(B) | Incompetent<br>(C) |
|----------------------|------------------|----------------------------|--------------------|
| Standard coefficient | 1.0              | 0.8                        | 0                  |

The number of Restricted Shares of a Participant which could be actually unlocked for the relevant unlocking period = Standard coefficient × all the Restricted Shares vested in that Participant which could be unlocked in the relevant unlocking period.

Pursuant to the Share Award Scheme, if the appraisal result of the targeted Participants for the preceding year is “(B) Generally Competent”, Lisheng Pharmaceutical will unlock the Restricted Shares in accordance with the above ratio, and repurchase and cancel the remaining Restricted Shares that could not be unlocked in such unlocking period. If the appraisal result is “(C) Incompetent”, Lisheng Pharmaceutical will cancel all the Restricted Shares vested to such Participant for such unlocking period, and repurchase and cancel such the Restricted Shares.

Claw-back mechanism : So long as a Participant remains to be employed by Lisheng Pharmaceutical, his/her rights in respect of the Restricted Shares will remain the same regardless of any change in his/her position or rank. However, Lisheng Pharmaceutical reserves the right to repurchase at the lower of the Purchase Price and the market share price and cancel any remaining Restricted Shares of a Participant who has been demoted due to unsatisfactory work performance.

If a Participant is in breach of law, in contravention of professional ethics or in serious breach of disciplinary requirements, or has committed gross negligence or similar severe acts that are adverse to Lisheng Pharmaceutical’s interest, Lisheng Pharmaceutical reserves the right to claw-back any gain received by such Participant from the unlocked Restricted Shares and repurchase (at the lower of the Purchase Price and the market share price) and cancel any of his/her remaining Restricted Shares.

## **USE OF PROCEEDS**

The proceeds from the Participants' payments for the Purchase Prices in respect of the Restricted Shares granted to them will be used as the general working capital of Lisheng Pharmaceutical.

## **FINANCIAL EFFECT OF THE TRANSACTIONS**

As at the date of this announcement, the Company indirectly holds 67% of equity interest in the Immediate Shareholder, which in turn directly holds 50.86% of the issued shares of Lisheng Pharmaceutical. Assuming that (a) the Share Award Scheme will be duly approved by Lisheng Pharmaceutical's shareholders at the general meeting, and (b) other than the Proposed Share Repurchase(s) and the grant of Restricted Shares to the Participants pursuant to the Share Award Scheme, there will no change in the share capital of Lisheng Pharmaceutical, there are two scenarios of changes in the shareholding structure of Lisheng Pharmaceutical, as far as the Immediate Shareholder is concerned, namely:-

- (1) if the source of the Restricted Shares is entirely shares of Lisheng Pharmaceutical repurchased under the Share Repurchase Program, after all Restricted Shares under the Share Award Scheme has been granted to the Participants, the shareholding percentage of the Immediate Shareholder in Lisheng Pharmaceutical will remain unchanged; and
- (2) if the source of the Restricted Shares are partly shares of Lisheng Pharmaceutical repurchased from the secondary market under the Share Repurchase Program (being all shares that could be repurchased as far as practicable under the Proposed Share Repurchase(s)), and partly new shares to be issued by Lisheng Pharmaceutical, the latter of which is capped at 4,300,000, after all Restricted Shares under the Share Award Scheme has been granted to the Participants, the Immediate Shareholder's shareholding percentage in Lisheng Pharmaceutical will be diluted from 50.86% to 50.03%.

In either case, Lisheng Pharmaceutical will continue to be a subsidiary of the Company. It is not expected that the Company will make any gain or loss from the Transactions, save for the incidental taxes, costs and charges arising therefrom, and the financial results of Lisheng Pharmaceutical (including earnings, assets and liabilities) will continue to be consolidated in the Group's results.

## **REASONS AND BENEFITS OF ENTERING INTO THE TRANSACTIONS**

The Proposed Share Repurchase(s) will be used for implementation of the Share Award Scheme, with a view to improving the long-term incentive scheme of Lisheng Pharmaceutical and promoting the long-term and sustainable development of Lisheng Pharmaceutical, while enhancing the confidence of shareholders of Lisheng Pharmaceutical in its share value, by utilising the idle funds of Lisheng Pharmaceutical.

The proposed adoption of the Share Award Scheme aims to motivate the senior and mid-level management personnel as well as key employees of Lisheng Pharmaceutical. With the performance targets set to both the company and individual levels, the Participants' personal interest will be aligned with Lisheng Pharmaceutical's as a whole, and if such performance targets could be achieved, the Company as an indirect shareholder will also benefit from the returns of Lisheng Pharmaceutical with better financial and operation performances. If the Restricted Shares granted to the Participants consist of shares repurchased from the Share Repurchase Program only, the Company's shareholding in Lisheng Pharmaceutical will not be diluted after the Transactions.

None of the Directors has a material interest in the Transactions, and accordingly, no Director shall be required to abstain from voting in the Board resolutions in relation to the Transactions.

The Directors consider that the terms of the Transactions are fair and reasonable, the entering into of the Transactions albeit not in the ordinary and usual course of business of the Group, the transactions contemplated under the Share Repurchase Program and the Share Award Scheme are conducted on normal commercial terms and in the interests of the Company and Shareholders as a whole.

## INFORMATION ON LISHENG PHARMACEUTICAL

Lisheng Pharmaceutical and its subsidiaries are principally engaged in the manufacturing and sale of chemical drugs in the PRC. As at the date of this announcement, the Company has an effective interest of approximately 34.08% of the issued share capital of Lisheng Pharmaceutical.

Set out below is the published audited financial information of Lisheng Pharmaceutical for the two financial years ended 31 December 2022 and 31 December 2023 and its published unaudited financial information for the nine months ended 30 September 2024 prepared in accordance with China Accounting Standards for Business Enterprise:-

|                       | <b>2022</b><br><i>RMB</i><br><i>(audited)</i> | <b>As at 31 December</b><br><b>2023</b><br><i>RMB</i><br><i>(audited)</i>              | <b>As at 30 September</b><br><b>2024</b><br><i>RMB</i><br><i>(unaudited)</i> |
|-----------------------|---|--|--|
| Net assets            | 4,349,378,652                                 | 4,903,429,846  | 5,002,783,156  |
|                       |   | <b>For the year ended 31 December</b><br><b>2022</b><br><i>RMB</i><br><i>(audited)</i> | <b>2023</b><br><i>RMB</i><br><i>(audited)</i>                                |
| Net profit before tax |   | 118,364,463  | 420,214,332  |
| Net profit after tax  |   | 93,606,639   | 361,827,990  |

## INFORMATION ON THE COMPANY

The principal activity of the Company is investment holding. The principal activities of the Group are (i) utilities including supply of electricity, water and heat and thermal power; (ii) pharmaceutical including manufacture and sale of chemical drugs, and research and development of new medicine technology and new products, as well as design, manufacture and printing for pharmaceutical packaging and sale of other paper-based packaging materials; (iii) hotel; (iv) electrical and mechanical including the manufacture and sale of hydroelectric equipment and large scale pump units; and (v) strategic and other investments including investments in associates which are principally engaged in the manufacture and sale of elevators and escalators and provision of port services in Tianjin.

## LISTING RULES IMPLICATIONS

Based on the maximum possible repurchase amount under the Share Repurchase Program, the Proposed Share Repurchase(s), if materialised in full, will constitute an acquisition of assets by the Company under Chapter 14 of the Listing Rules. Since one of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the maximum possible repurchase amount exceeds 5% but all of them are less than 25%, the Proposed Share Repurchase(s) constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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Since the Transactions involve both an acquisition and a disposal, pursuant to Rule 14.24 of the Listing Rules, the Transactions will be classified by reference to the larger of the two, i.e. the Proposed Share Repurchase(s). Accordingly, the Transactions are subject to the reporting and announcement requirements but are exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Granting Restricted Shares to the Connected Grantees is a transaction between the Group and connected persons of the Company at the subsidiary level. Given that all of the percentage ratios applicable to such grant to the Connected Grantees calculated on an aggregated basis are less than 1%, pursuant to Rule 14A.76(1)(b) of the Listing Rules, such grants are fully exempt from the reporting, annual review, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

**Shareholders and potential investors of the Company should note that Lisheng Pharmaceutical has the discretion whether or not to conduct the Proposed Share Repurchase(s) based on the market conditions and the available funds at the time, and the adoption of the Share Award Scheme is conditional upon approval by shareholders of Lisheng Pharmaceutical. Accordingly, the Share Repurchase Program and/or the Share Award Scheme may or may not proceed in full or at all.**

**Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

|                          |   |
|--------------------------|---|
| “Board”                  | the board of Directors  |
| “Company”                | Tianjin Development Holdings Limited (天津發展控股有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange (Stock Code: 882)  |
| “Connected Grantees”     | collectively, Zhang Ping (張平), Wang Fujun (王福軍) and Wang Qian (王茜), being the directors and/or chief executives of Lisheng Pharmaceutical and thus connected person of the Company at the subsidiary level  |
| “Date of Grant”          | the date on which the Restricted Share(s) are granted   |
| “Directors”              | the directors of the Company  |
| “Group”                  | the Company and its subsidiaries  |
| “HK\$”                   | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”              | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “Immediate Shareholder”  | Tianjin Jinhao Pharmaceutical Co., Ltd. (天津金浩醫藥有限公司), a company established under the laws of the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company   |
| “Lisheng Pharmaceutical” | Tianjin Lisheng Pharmaceutical Co., Ltd. (天津力生製藥股份有限公司), a joint stock limited company established under the laws of the PRC and an indirect non-wholly owned subsidiary of the Company, which is listed on the A Shares Market of the Shenzhen Stock Exchange (Stock Code: 002393). As at the date of this announcement, the Company indirectly holds approximately 34.08% of the issued share capital of Lisheng Pharmaceutical |
| “Listing Rules”          | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Maximum Price”          | RMB21.22 per share of Lisheng Pharmaceutical, being the highest possible price for a Proposed Share Repurchase  |
| “Participant(s)”         | person(s) to be granted with Restricted Shares under the Share Award Scheme   |
| “PRC”                    | the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)   |
| “Purchase Price”         | the price payable by a Participant to purchase every Restricted Share granted to him/her, being RMB10.59  |

|                                |   |
|--------------------------------|---|
| “Proposed Share Repurchase(s)” | collectively, all the share repurchase(s) to be conducted under the Share Repurchase Program  |
| “Restricted Share(s)”          | the ordinary shares of Lisheng Pharmaceutical to be granted to the targeted Participants under the Share Award Scheme and subject to certain restrictions for trading                                     |
| “RMB”                          | Renminbi, the lawful currency of the PRC  |
| “Share Award Scheme”           | the restricted share award scheme of Lisheng Pharmaceutical proposed on 20 December 2024, the details of which are disclosed in the section headed “ <i>THE SHARE AWARD SCHEME</i> ” in this announcement |
| “Share Repurchase Program”     | the share repurchase program of Lisheng Pharmaceutical adopted on 20 December 2024, the details of which are disclosed in the section headed “ <i>THE SHARE REPURCHASE SCHEME</i> ” in this announcement  |
| “Shareholder(s)”               | holder(s) of share(s) in the Company  |
| “Stock Exchange”               | The Stock Exchange of Hong Kong Limited   |
| “Transactions”                 | collectively, (1) the Proposed Share Repurchase(s) and/or the issue of new shares under the Share Repurchase Program, and (2) the grant of Restricted Shares under the Share Award Scheme                 |
| “%”                            | per cent  |

*English names of the PRC established companies/entities in this announcement are only translations of their official Chinese names. In case of inconsistency, the Chinese names prevail.*

*In this announcement, RMB has been converted to HK\$ at the rate of RMB0.93 = HK\$1.00 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.*

By Order of the Board  
**Tianjin Development Holdings Limited**  
**Teng Fei**  
*Chairman and Executive Director*

Hong Kong, 20 December 2024

*As at the date of this announcement, the Board of the Company consists of Mr. Teng Fei, Dr. Zhai Xinxiang, Mr. Sun Lijun\*, Ms. Ng Yi Kum, Estella\*\*, Mr. Wong Shiu Hoi, Peter\*\*, Mr. Lau Ka Keung\*\* and Mr. Sin Hendrick\*\*.*

\* *non-executive director*

\*\* *independent non-executive director*