THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Tianjin Development Holdings Limited(天津發展控股有限公司)**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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 AND CONNECTED TRANSACTION

FORMATION OF FUND AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

红日资本有限公司

RED SUN CAPITAL LIMITED

A letter from the Board is set out on pages 6 to 25 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on page 26 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 27 to 65 of this circular. A notice convening the EGM to be held by way of a virtual meeting on 13 November 2025 (Thursday) at 3:00 p.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM (or any adjournment thereof) is also enclosed with this circular.

Whether or not you are able to attend the fully virtual EGM (or any adjournment thereof), you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (https://evoting.vistra.com) by using the username and password provided on the notification letter sent by the Company's share registrar as soon as possible and in any event no later than 3:00 p.m. on 11 November 2025 (Tuesday), or in case of any adjournment of the EGM, not less than 48 hours (exclusive of any part of a day that is a public holiday) before the time appointed for the holding of the adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting through Vistra eVoting Portal at the EGM (or any adjournment thereof) should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

Hong Kong, 17 October 2025

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In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"Advisory Committee"	advisory committee of the Fund
"associates"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Capital Proportion"	the proportion of a Fund Partner's committed capital to the total capital commitment of the Fund
"CCB"	China Construction Bank (中國建設銀行股份有限公司)
"CCB Investment"	CCB Private Equity Investment Management Co., Ltd (建信股權投資管理有限責任公司)
"CCB Strategic Fund"	Jianxin Pilot Strategic Emerging Industries Development Fund (L.P.) (建信領航戰略性新興產業發展基金(有限合夥))
"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 person(s)"	has the meaning ascribed to it under the Listing Rules
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Custodian Bank"	the custodian bank of the Fund, being China Construction Bank, Tianjin Branch (中國建設銀行股份有限公司天津市分行)
"CXO"	Contract X Organisation, which collectively refers to specialised companies providing pharmaceutical outsourcing services including research and development, clinical trials, production and commercialisation of medical products in the pharmaceutical industry
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be held by way of a virtual meeting on 13 November 2025 (Thursday) at 3:00 p.m. for the Independent Shareholders to consider and, if thought fit, approve the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund)

"Exit Period"	has the meaning ascribed to it under the section "THE PARTNERSHIP AGREEMENT – Term of the Fund" under the letter from the Board of this circular
"First Completion Date"	has the meaning ascribed to it under the section "THE PARTNERSHIP AGREEMENT – Term of the Fund" under the letter from the Board of this circular
"Fund"	the limited partnership enterprise to be established under the laws of the PRC with the tentative name of Tianjin Jiansheng Guoxin TEDA Equity Investment Fund Partnership (Limited Partnership) (天津建生國鑫泰達股權投資基金合夥企業(有限合夥))
"Fund Manager"	CCB Investment, the manager of the Fund under the Partnership Agreement
"Fund Partners"	the partners of the Fund from time to time
"General Partners"	Fund Partners admitted as general partners of the Fund, being CCB Investment and TEDA Private Equity
"GQC Partnership"	Gongqingcheng Jianxing Investment Partnership (Limited Partnership) (共青城建興投資合夥企業(有限合夥)), an employee investment platform established by CCB Investment
"Group"	the Company and its subsidiaries
"Guoxin Fund"	Tianjin Guoxin Industrial Development Guidance Fund I (Limited Partnership) (天津市國鑫一號產業發展母基金合夥企業(有限合夥))
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	an independent committee of the Board comprising all the independent non-executive Directors, which has been established to advise the Independent Shareholders on the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund)

"Independent Financial Adviser" or "Red Sun Capital"	Red Sun Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund)
"Independent Shareholders"	the Shareholders who do not have a material interest in the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund), which shall exclude associates of TEDA Holding
"Investment Committee"	the investment committee of the Fund
"Investment Period"	has the meaning ascribed to it under the section "THE PARTNERSHIP AGREEMENT – Term of the Fund" under the letter from the Board of this circular
"Key Personnel"	the key personnel of the Fund Manager, Ms. Shang Yan (尚妍) and Mr. Lee Rui (李瑞)
"Key Personnel Event"	has the meaning ascribed to it under the section "THE PARTNERSHIP AGREEMENT – Management of the Fund" under the letter from the Board of this circular
"Latest Practicable Date"	13 October 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
"Limited Partner(s)"	Fund Partners admitted as limited partners of the Fund, being GQC Partnership, Lisheng Pharmaceutical, TEDA International, Guoxin Fund and CCB Strategic Fund
"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 is listed on the A-share market of the Shenzhen Stock Exchange (Stock Code: 002393), and an indirect non-wholly owned subsidiary of the Company
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Partnership Agreement"	the limited partnership agreement entered into on 10 September 2025 among CCB Investment, TEDA Private Equity, GQC Partnership, Lisheng Pharmaceutical, TEDA International, Guoxin Fund and CCB Strategic Fund, in relation to the formation of the Fund
"percentage ratios"	has the meaning ascribed to it under the Listing Rules
"PRC"	the People's Republic of China (for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
"Related Party(ies)"	in relation to a particular person, a person who directly or indirectly controls that person, or is controlled or jointly controlled by that person
"Related Party Transaction(s)"	a transaction between Related Parties to subscribe for or dispose of certain interest, which, in the case of the Fund, includes a transaction between the Fund and any of the following entities (but excluding special purpose vehicles): (1) any General Partner; (2) any Limited Partner; (3) the Fund Manager and any private equity fund managed by it; and (4) an entity which has a material interest in or with the aforesaid parties
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	share(s) of the Company
"Shareholder(s)"	holder(s) of Share(s)
"Special Exit Right"	has the meaning ascribed to it under the section "THE PARTNERSHIP AGREEMENT – Transfer restrictions of interest in the Fund" under the letter from the Board of this circular
"Special Limited Partner"	the special limited partner of the Fund, being a special investment vehicle of the management team of the Fund Manager
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subsequent Partners"	has the meaning ascribed to it under the section "THE PARTNERSHIP AGREEMENT – Size of the Fund and capital commitment" under the letter from the Board of this circular
"subsidiary(ies)"	has the meaning ascribed thereto in the Listing Rules

"Suspension Period"	has the meaning ascribed to it under the section "THE PARTNERSHIP AGREEMENT – Management of the Fund" under the letter from the Board of this circular
"TEDA Holding"	Tianjin TEDA Investment Holding (Group) Co., Ltd.(天津泰達投資控股(集團)有限公司(formerly known as Tianjin TEDA Investment Holding Co., Ltd.(天津泰達投資控股有限公司)), a state-owned enterprise established in the PRC which is indirectly wholly-owned by the Tianjin Municipal People's Government of the PRC and is an intermediate controlling Shareholder which indirectly owns approximately 62.81% of the total issued Shares
"TEDA International"	Tianjin TEDA International Holding (Group) Co., Ltd.(天津市泰達國際控股(集團)有限公司), a company incorporated in the PRC with limited liability which is owned as to 53% and 47% by TEDA Holding and Tianjin Bohai respectively
"TEDA Private Equity"	Tianjin TEDA Private Equity Fund Management Co., Ltd.(天津泰達私募基金管理有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of TEDA International
"Term"	the term of the Fund, being a period of five years commencing from the First Completion Date
"Tianjin Bohai"	Tianjin Bohai State-owned Assets Management Co., Ltd.(天津渤海國有資產經營管理有限公司), a state-owned enterprise established in the PRC which is indirectly non-wholly owned by TEDA Holding and is an intermediate controlling shareholder of the Company
"Tianjin SASAC"	the State-owned Assets Supervision and Administration Commission of the Tianjin Municipal People's Government (天津市人民政府國有資產監督管理委員會)
"Transaction"	the entering into of the Partnership Agreement by Lisheng Pharmaceutical
"%"	per cent

English names of the PRC established companies/entities in this circular are only translations of their official Chinese names and are for identification purpose only. In case of inconsistency, the Chinese names prevail.

In this circular, RMB has been converted to HK$ at the rate of RMB0.914 = 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.

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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 882)

Executive Directors:
Mr. Teng Fei *(Chairman)*
Dr. Zhai Xinxiang *(General Manager)*
Mr. Xia Binhui

Non-executive Director:
Mr. Sun Lijun

Independent non-executive Directors:
Ms. Ng Yi Kum, Estella
Mr. Wong Shiu Hoi, Peter
Mr. Lau Ka Keung
Mr. Sin Hendrick

Registered office:
Suites 7-13, 36/F
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

17 October 2025

To the Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

FORMATION OF FUND AND NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the announcements of the Company dated 22 August 2025 and 10 September 2025 respectively in relation to, among other things, the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund), which constitute a discloseable and connected transaction of the Company under Chapters 14 and 14A of the Listing Rules respectively, for which the Company shall seek the Independent Shareholders' approval at the EGM pursuant to the requirements under Chapter 14A of the Listing Rules.

The purpose of this circular is to provide you with, among other things, (i) details of the Partnership Agreement, and the transactions contemplated thereunder (including the proposed formation of the Fund); (ii) the recommendations from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (iv) a notice convening the EGM; and (v) other information as required under the Listing Rules.

THE PARTNERSHIP AGREEMENT

The Company was informed by Lisheng Pharmaceutical that the shareholders' resolution on approving the entering into of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) was duly passed at its general meeting held on 8 September 2025.

On 10 September 2025, Lisheng Pharmaceutical entered into the Partnership Agreement with CCB Investment, TEDA Private Equity, GQC Partnership, TEDA International, Guoxin Fund and CCB Strategic Fund, pursuant to which the Fund shall be formed with a total capital commitment of RMB500,000,000 (equivalent to approximately HK$547,045,952), among which Lisheng Pharmaceutical, as a Limited Partner, has committed RMB173,750,000 (equivalent to approximately HK$190,098,468) to the Fund, representing 34.75% of the total capital commitment of the Fund, subject to the terms and conditions of the Partnership Agreement.

Principal terms of the Partnership Agreement are summarised as follows:

Date

10 September 2025

Name of the Fund

The Fund is a limited partnership enterprise to be established under the laws of the PRC with the tentative name of Tianjin Jiansheng Guoxin TEDA Equity Investment Fund Partnership (Limited Partnership)(天津建生國鑫泰達股權投資基金合夥企業(有限合夥)), the name of which is subject to the approval upon industrial and commercial registration in the PRC.

Parties

(1) CCB Investment (as General Partner and Fund Manager);

(2) TEDA Private Equity (as General Partner);

(3) GQC Partnership (as Special Limited Partner);

(4) Lisheng Pharmaceutical (as Limited Partner);

(5) TEDA International (as Limited Partner);

(6) Guoxin Fund (as Limited Partner); and

(7) CCB Strategic Fund (as Limited Partner).

Term of the Fund

The term of the Fund shall be no more than five years commencing from the date of first payment of capital by the Fund Partners to the Fund (the "**First Completion Date**").

The investment period for the Fund shall be the first two years from the First Completion Date (the "**Investment Period**"), which could be extended for one year (i.e. up to three years in total) at the Fund Manager's discretion. After the expiry of the Investment Period and before the end of the Term (the "**Exit Period**"), the Fund may not make new investment other than those already made during the Investment Period.

Size of the Fund and capital commitment

Committed capital contribution

The total capital commitment of the Fund shall be RMB500,000,000 (equivalent to approximately HK$547,045,952). The committed capital of each Fund Partner is as follows:

Fund Partner	**Type**	**Capital commitment** *(RMB)*	**Capital Proportion** *(%)*
CCB Investment	General Partner	1,000,000	0.20
TEDA Private Equity	General Partner	1,000,000	0.20
GQC Partnership	Special Limited Partner	1,000,000	0.20
Lisheng Pharmaceutical	Limited Partner	173,750,000	34.75
TEDA International	Limited Partner	125,250,000	25.05
Guoxin Fund	Limited Partner	50,000,000	10.00
CCB Strategic Fund	Limited Partner	148,000,000	29.60
	Total:	**500,000,000**	**100.00**

The amount of committed capital was determined after arm's length negotiation between the parties with reference to the anticipated capital requirements of the Fund and its investment objectives.

Capital calls

The Fund Manager will from time to time issue payment notice(s) to the Fund Partners to call for capital payment based on their respective Capital Proportion. The notice(s) should be issued no less than 10 business days prior to the due date for capital payment. Each Fund Partner shall settle the capital amount in full to the designated account on or before the payment due date as specified in such notice. The amount of first capital payment for each Limited Partner shall be 20% of its committed capital due on the First Completion Date.

After the first capital call, the Fund Manager may only call for further capital payment(s) by the Fund Partners if 70% of the paid-up capital of the Fund at that time has been utilised (which means that such amount has been either (a) invested in certain companies; (b) agreed to be invested in certain companies; or (c) paid, reserved, or agreed to be paid for certain expenses or liabilities of the Fund).

After the Investment Period, the Fund Manager could not call for any capital payment except for (a) the Fund's expenses, including management fees, and (b) any further investments permitted to be made during the Exit Period as agreed by all Fund Partners.

Default in payment

If a Fund Partner fails to pay its share of capital by the due date, and after a grace period of not more than 15 business days, it shall be liable to indemnify the Fund and other Fund Partners for losses arising from such default, and its right to vote at the Investment Committee and/or the Advisory Committee (if any) shall be suspended.

Subsequent contribution

During the Investment Period, the Fund is open for further capital commitment, whether by new Fund Partners to be admitted ("**Subsequent Partners**") or existing Fund Partners, such that the total capital commitment of the Fund will be increased from RMB500,000,000 to an amount of not more than RMB1,000,000,000.

For the avoidance of doubt, the maximum amount of Lisheng Pharmaceutical's committed capital to the Fund shall be RMB173,750,000, unless it otherwise agrees in writing. In the event that Lisheng Pharmaceutical decides to provide further capital commitment, depending on the exact further commitment amount, the Company will comply with the relevant requirements under Chapters 14 and/or 14A of the Listing Rules and, where applicable, shall seek Shareholders' approval.

Depending on the paid-up capital in the Fund at the time, a Subsequent Partner shall pay (a) an amount based on its Capital Proportion as if it had been a Fund Partner since the First Completion Date and (b) a compensation equivalent to a simple interest of 8% per annum of such aforesaid amount payable by the Subsequent Partner, which shall accrue from the First Completion Date to the date of first payment by the Subsequent Partner.

Purpose and objectives of the Fund

Subject to the Fund's investment strategies and the investment restrictions under the Partnership Agreement as set out in the section below, the Fund will principally invest in the equity interests (including convertible bonds) of unlisted companies and stocks of listed companies only where such stocks are issued or traded through non-public means (see the exceptions to investment restrictions under sub-paragraph (i) below) in the sectors of health and biotechnology in the PRC, including innovative drugs, medical devices, in vitro diagnostics (IVD) products, medical services, CXO and related pharmaceutical outsourcing services, pharmaceutical-related equipment or consumables, life science instruments and tools, medical technology (medical big data, AI life science, internet healthcare, etc.), synthetic biology, bio-agriculture, biomass energy, brain science, medical consumer goods, senior care, Chinese medicine, cells, gene therapy and other high-quality projects in such fields as approved by the Investment Committee.

Investment restrictions

The Fund shall not engage in the following types of activities or investments:

(i) directly or indirectly trading or investing in listed stocks, options or derivatives (except for (a) the stocks issued and allotted to the Fund by its investee company after its public listing, and the stocks or corporate bonds received by the Fund as consideration when it disposes of its investment; and (b) subject to the applicable laws and regulations, the additional issue, placing or cornerstone investment of its investee companies conducted over-the-counter);

(ii) investment in other private equity funds;

(iii) undertaking unlimited or unlimited joint and several liability in its ultra-group investments;

(iv) provision of sponsorship and donations to any third party;

(v) directly or indirectly taking deposits, or providing debts to any third party;

(vi) issuing trust or wealth management products for fund raising;

(vii) investing in investment funds (including money market funds), corporate bonds, trust products, non-principal guaranteed wealth management or insurance products, options or other derivatives;

(viii) providing guarantee, mortgages for and being involved in real estates businesses (including purchasing self-use properties);

(ix) misappropriating funds from other parties/entities; or

(x) other activities prohibited by the applicable laws and regulations.

The investments of the Fund shall also be subject to the following restrictions:

(a) the Fund shall not invest more than 50% of its capital in one single investee company;

(b) the Fund shall not invest more than 50% of its capital in its Related Party transactions; and

(c) the Fund may subscribe for convertible debt securities of an investee company, of which the Fund intends to invest in the equity, only if (i) in principle, the term of such debt will not exceed one year; (ii) the maturity date of the debt shall be no later than the exit date of the Fund's equity investment in such investee company; and (iii) the investments in all unrepaid or unconverted debts shall not exceed 20% of the Fund's capital at any time during the Term.

Management of the Fund

The Fund Manager and General Partners

As the Fund Manager and one of the General Partners, CCB Investment shall provide investment advisory and investment management services to the Fund and is responsible for managing the Fund's investments and operations, including exercising rights in the investee companies on behalf of the Fund, determining reasonable provisions for its investments, executing agreements on behalf of the Fund, conducting fund raising activities for the Fund, screening and verifying investors, managing the Fund's assets, actively seeking investment projects, conducting investigation and evaluation on investment projects, and assisting in their negotiation, completion and ongoing supervision.

As a General Partner, TEDA Private Equity is responsible for assisting in the Fund's management and operations, such as liaising with government authorities and related institutions for the Fund and giving recommendations to the Fund Manager in selecting investment projects and assisting in the post-investment managements.

The Investment Committee

The Investment Committee will decide on the investments (as well as their exit) of the Fund. It shall consist of five members, of which the Fund Manager and TEDA Private Equity shall be entitled to nominate three and two members respectively. Any resolution of the Investment Committee shall be passed by at least two-thirds of its members. Subject to the Investment Committee's approval, the Fund Manager may formulate and amend from time to time the rules of procedure of the Investment Committee.

The Advisory Committee

After the First Completion Date, the Fund Manager may form the Advisory Committee comprising representatives of Limited Partners, where each of CCB Strategic Fund, TEDA International, Guoxin Fund and Lisheng Pharmaceutical may nominate a member. The Advisory Committee may decide on the appointment of independent valuer (for non-cash distributions), whether there is a conflict of interest or Related Party Transaction in respect of the Fund's investments, the alternative proposal in respect of the Key Personnel and other matters which the Fund Manager will seek advice or recommendations from the Advisory Committee.

The Custodian Bank

China Construction Bank, Tianjin Branch (中國建設銀行股份有限公司天津市分行) will act as the custodian bank of the Fund (the "**Custodian Bank**"). A designated account in the name of the Fund will be opened at the Custodian Bank where the assets of the Fund will be held, subject to the custodian agreement entered into with the Fund. The Custodian Bank has the right to appoint an observer at the Investment Committee, who will have the right to attend the meetings but shall have no voting right.

Related Party Transactions

In case of a Related Party Transaction of the Fund, the Fund Manager shall minimise any potential conflict of interest and ensure that such transaction must be conducted on fair and reasonable terms. The relevant valuation to determine the consideration of such Related Party Transaction must be approved by two-thirds of the members of the Investment Committee (excluding those as nominated by the Related Party(ies)), and the Related Party Transaction shall be reviewed by the Advisory Committee and shall seek the unanimous approval from the eligible members whom do not have a conflict of interest in the Related Party Transaction.

Key Personnel

The key personnel of the Fund Manager are as follows:

– Ms. Shang Yan (尚妍), currently the vice chairman and president of CCB Investment, graduated from Xi'an Jiaotong University with a bachelor's degree in industrial foreign trade and Peking University with a master's degree in history of economic thoughts. She has worked in CCB for more than 20 years and served as the vice president of China Construction Bank, Tianjin Branch before serving in her current position with CCB Investment; and

– Mr. Lee Rui (李瑞), currently the chief investment officer of CCB Investment, graduated from Beijing Normal University with a bachelor's degree in computer science, Cheung Kong Graduate School of Business with a master of business administration degree and Tsinghua University with a master of business administration degree. He has long-standing experiences in private equity investments, mergers and acquisitions of listed companies and mezzanine investments, having previously worked and held senior positions in Accenture China Limited (埃森哲(中國)有限公司), Acer Asia Technology Venture Fund (宏基亞洲風險投資基金), China Fortune Land Development Co., Ltd. (華夏幸福基業控股有限公司) and Huatai Asset Management Company Limited (華泰資產管理有限公司).

In the event that both Key Personnel either (a) cease to provide services to the Fund, the Fund Manager and its Related Parties for more than 120 consecutive business days, (b) become permanently incapacitated, or (c) pass away during the Investment Period (each a "**Key Personnel Event**"), the Fund Manager shall immediately notify the Limited Partners, and the Investment Period shall be suspended at the request of Limited Partners holding over 75% of the Fund's interest (the "**Suspension Period**").

Within 90 days of the commencement of the Suspension Period, the Fund Manager shall propose alternatives to the Key Personnel for the Advisory Committee's consideration. Upon obtaining unanimous approval from the Advisory Committee, the Investment Period shall be resumed and extended accordingly. If the Fund Manager fails to propose a replacement for Key Personnel approved by the Advisory Committee within the Suspension Period, the Investment Period will be terminated early upon expiry of such period.

The Fund Manager shall have the right, with the consent of the Advisory Committee, to appoint one or more natural persons to act as (a) a new or replacement Key Personnel, or (b) successors to some or all Key Personnel with a Key Personnel Event. The Key Personnel Event shall be deemed to be lifted as soon as a successor Key Personnel has been appointed in accordance with the Partnership Agreement.

The Fund Expenses

Costs and expenses of the Fund including (i) management fees and General Partners' remunerations; (ii) custodian fees and bank charges; (iii) legal costs and expenses for litigation or enforcement of rights of the Fund; and (iv) expenses for the liquidation and dissolution of the Fund (collectively, the "**Fund Expenses**") shall be borne by the Fund.

During the Term, in respect of each Limited Partner other than GQC Partnership:

- the Fund Manager shall be entitled to a management fee of (i) during the Investment Period (including the one-year extended period, if any), 1.4% per annum of the paid-up capital as contributed by such Limited Partner; and (ii) during the Exit Period, 1.4% per annum of the investment costs in the un-exited project(s) of the Fund attributable to the paid-up capital as contributed by such Limited Partner; and

- TEDA Private Equity shall be entitled to a remuneration of (i) during the Investment Period (including the one-year extended period, if any), 0.6% per annum of the paid-up capital as contributed by such Limited Partner; and (ii) during the Exit Period, 0.6% per annum of the investment costs in the un-exited project(s) of the Fund attributable to the paid-up capital as contributed by such Limited Partner,

provided that (i) the management fees charged by the Fund Manager shall be inclusive of the expenses to be incurred by the Fund Manager in relation to the formation of the Fund, professional fees for due diligence for the investment projects, other professional expenses (such as audit, valuation, legal and consulting) to be incurred for the Fund, government filings fees of the Fund, disbursements for the Investment Committee, the Advisory Committee and Fund Partners' meetings (if any); and (ii) no management fee or General Partner's remuneration will be charged during the Suspension Period or the extended period of the Term (if so agreed by all the Fund Partners to be extended).

The management fee and remuneration payable to the Fund Manager and TEDA Private Equity respectively are determined based on the nature and extent of their roles in managing the Fund. The Fund Manager plays a primary role in being responsible for managing the Fund's investments and day-to-day operations and seeking investment projects, while TEDA Private Equity serves in a supporting capacity, assisting with the Fund's management, operations and liaisons.

The Fund Expenses other than the management fees and the General Partners' remuneration, as well as any taxes payable by the Fund shall be borne by the Fund Partners based on their respective Capital Proportion.

Transfer restrictions of interest in the Fund

A General Partner shall not transfer any of its interest in the Fund, except by unanimous consent of all Limited Partners and in accordance with the terms and conditions set out in the Partnership Agreement.

A Limited Partner shall not transfer or dispose any of its interest in the Fund without the Fund Manager's prior written approval. If a Limited Partner intends to transfer or dispose of its interest in the Fund, it shall submit a request with the Fund Manager, and have the Fund Manager provide a 40-day notification to other Limited Partners, pursuant to the Partnership Agreement. In general, such Limited Partner will not be entitled to any refund of its paid-up capital, except for the scenarios where the Special Exit Right could be exercised.

Special Exit Right for CCB Strategic Fund, Guoxin Fund and Lisheng Pharmaceutical

In the event of any of the following scenarios, each of CCB Strategic Fund, Guoxin Fund and Lisheng Pharmaceutical (but not the other Fund Partners) shall be entitled not to provide further capital payments, or to request to exit from the Fund or withdraw its paid-up capital, in the manner and procedures prescribed under the relevant regulatory requirements in the PRC ("**Special Exit Right**"):

(1) the Fund does not commence the investment project(s) in accordance with the Partnership Agreement (for either not within the scope, direction or manner of investment as agreed), and without remedy after CCB Strategic Fund, Guoxin Fund and Lisheng Pharmaceutical have made written request to cure such default within a reasonable period of time;

(2) for 1 year after the signing of the Partnership Agreement, the Fund has not been established according to the relevant procedures and prescribed timeline;

(3) for 1 year after CCB Strategic Fund, Guoxin Fund and Lisheng Pharmaceutical have made payment of capital, the Fund has not commenced any investment projects;

(4) the Fund has committed a serious unlawful or non-compliance act which would render the Fund unable to be in normal operation;

(5) there is material adverse change in the Fund Manager's controlling shareholder or ultimate controller or Key Personnel and there is no remedy in satisfaction of CCB Strategic Fund, Guoxin Fund and Lisheng Pharmaceutical; or

(6) by 25 September 2030, the Fund is still in operation or has not been liquidated and dissolved.

Income distribution and loss sharing

Income distribution

The Fund's distributable income ("**Distributable Income**") comprises (i) proceeds from disposal(s) of the Fund's investments (including interim investments); (ii) distributions, dividends, interests and other cash revenue from its investment activities; (iii) unutilised capital; and (iv) liquidated damages and other cash received by the Fund, after having deducted the relevant taxes, liabilities, the Fund Expenses and other payables.

Distributable Income derived from proceeds from disposal(s) of the Fund's investment (along with other distributions, dividends, interests and other cash revenue accrued during such investment period) shall be distributed within 90 days from its receipt by the Fund or on such other date the Fund Manager may reasonably determine when the Fund has exited from such investment project.

The Distributable Income shall be distributed in the following order:

(1) as first priority, to all Fund Partners, in proportion to their respective paid-up capital until each Fund Partner has been repaid the amount of paid-up capital it has contributed to the Fund;

(2) subsequently, to all Fund Partners, a preferential return equivalent to a simple interest of 8% per annum on the paid-up capital as contributed by such Fund Partner accruing from the date(s) of payment(s) of capital by the Fund Partner to the date of repayment of such capital pursuant to paragraph (1) above ("**Preferential Returns**");

(3) after the full repayment of the paid-up capital to the Fund Partners and the Preferential Returns, GQC Partnership will be entitled to a percentage equivalent to the proportion of its paid-up capital contribution to the Fund of such balance (if any), and for the remaining proceeds, (a) 80% of such proceeds will be distributed among the Limited Partners other than GQC Partnership in proportion to their respective paid-up capital contributions; (b) 20% of such proceeds shall be distributed to the General Partners, in the proportion of 40% and 60% to CCB Investment and TEDA Private Equity respectively.

At the expiry of the Term, the Fund Manager shall use all its reasonable endeavours to realise the investments of the Fund into cash for cash distribution to the Fund Partners. However, if the Fund Manager determines that a distribution in specie is more preferable to the interest of the Fund Partners, subject to agreement by the relevant Fund Partners and the valuation on the fair value of the assets to be distributed, the Fund Manager may also distribute the assets in the Fund in accordance with the same principles and order of priorities applicable to the Distributable Income.

Loss sharing

Any loss incurred by the Fund in its investment projects shall be borne by all Fund Partners in proportion to their respective paid-up capital. Other losses and liabilities of the Fund shall be borne by all Fund Partners in proportion to their Capital Proportion.

General Partners shall have unlimited liability to the Fund's liabilities on a joint and several basis, while liability of a Limited Partner to the Fund shall be limited to its capital commitment amount.

Conditions precedent

The Partnership Agreement is conditional upon the following:

1. In respect of Lisheng Pharmaceutical:

   (a) the Partnership Agreement will only become effective upon Lisheng Pharmaceutical having duly passed a valid resolution in accordance with its internal procedures and obtained authorisation for its execution of the Partnership Agreement;

(b) the Partnership Agreement will only become binding on Lisheng Pharmaceutical upon the Company, being the controlling shareholder of Lisheng Pharmaceutical, having complied with the requirements of the Listing Rules in respect of the Transaction, which include:

(i) obtaining necessary approval from the Stock Exchange; and

(ii) seeking the approval from the Independent Shareholders for the Transaction,

and in any event the above shall be fulfilled by no later than 31 December 2025.

2. In respect of Guoxin Fund, its signing of the Partnership Agreement will only become effective after it has obtained:

(a) authorisation for its execution of the Partnership Agreement in accordance with its internal procedures; and

(b) the relevant regulatory approval(s) or consent(s) from the management committee of the Tianjin State-owned Assets Industry Mother Fund（天津市國資產業發展母基金）.

As at the Latest Practicable Date, save for the conditions precedent set out in sub-paragraphs 1(b)(ii) and 2(b) above, all the other conditions precedent had been fulfilled.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PARTNERSHIP AGREEMENT

The Group is involved in the pharmaceutical industry through Lisheng Pharmaceutical, which principally engages in the research and development, manufacturing and sale of pharmaceutical products in the PRC. The purpose of the Fund is to invest in the emerging sector of health and biotechnology nationwide.

By investing in the Fund, the cost exposure of Lisheng Pharmaceutical will be limited to the extent of its committed capital, without the need to incur additional expenses and debts on its own as compared with Lisheng Pharmaceutical's direct investments. While investing in the Fund may carry certain inherent investment risks such as that the investment's performance fell short of initial expectation, investments to be made by the Fund are conditional upon the approval by the Investment Committee, in which decisions could not be made without both CCB Investment's and TEDA Private Equity's mutual consent. Considering both TEDA International, being the holding company of TEDA Private Equity, and CCB Strategic Fund, which is also managed by CCB Investment, have also committed a substantial part of capital to the Fund, the interest of Lisheng Pharmaceutical in the Fund is aligned with the interest of both the General Partners and other Limited Partners, while the risk exposure of Lisheng Pharmaceutical will be spread and shared among all Fund Partners.

As an experienced private equity investment manager with favourable returns in its previous investments, TEDA Private Equity initiated the formation of the Fund and has played an important role in facilitating the coordination between parties, including introducing CCB Investment as the Fund Manager and other existing funds as Limited Partners. As of the first half of 2025, TEDA Private Equity has managed investments of over RMB10 billion. Through its managed funds, TEDA Private Equity has participated in various cornerstone investments of PRC-based biopharmaceutical companies listed on the Stock Exchange which have a focus on the development and manufacturing of pharmaceutical products. The Fund will benefit from both the Fund Manager's and TEDA Private Equity's experience, professional network and resources, which may allow the Fund to have investment opportunities to which a Limited Partner alone may not have exposure. The operation and management of the Fund will be enhanced with the upstream and downstream resources of the Fund Manager and the larger CCB group, with a view to realising both the value of financial return and strategic synergy.

Participation in the Fund will deepen the Group's understanding of the latest industry developments in the pharmaceutical business, diversify its investment risks and enable it to explore potential strategic partners in anticipation of other development opportunities in the future. Given the Fund's investment objectives and blueprint, along with the Fund Manager's expertise and experience, the Directors consider that the Group's capital contribution to the Fund will not only provide access to more industry mergers and acquisitions ("**M&A**") opportunities in line with the Company's development strategy, but will also offer potential returns exceeding those of fixed income, thereby effectively leveraging its existing financial resources and competition edge, enhancing efficiency of capital utilisation and improving capital gains. In the longer run, the investment is conducive to the Company's gradual optimisation and upgrading of its business structure, and will enhance its strength in sustained operation. It is expected that the Company will enjoy future returns of the Fund under risk-controlled conditions, which is conducive to the protection of the interests of Shareholders.

Lisheng Pharmaceutical's participation in the Fund, being funded by its own resources, will not affect the Group's normal operating activities and will not have any material adverse impact on the Group's existing or future financial condition and operating results.

Lisheng Pharmaceutical's interest in the Fund will be recognised as a financial asset in the consolidated financial statements of the Group.

RISK CONTROL MECHANISMS IN THE FUND

Main risk factors

The main risks associated with Lisheng Pharmaceutical's participation in the Fund are as follows:

1. the investment projects of the Fund are subject to a certain degree of market, industry and operational uncertainty. The Fund may fail to exit or obtain desired returns as expected from its investments due to factors such as macro-economic fluctuations, policy adjustments, industry cycles, and mismanagement of enterprises;

2. although the Fund has several exit options for its investments, material adverse changes in the capital market environments may impact the progress of project exits and the realisation of returns;

3. given that the Fund has a fixed Term, it is difficult for Lisheng Pharmaceutical to make an early exit or realise its investment before expiry of the Term, and there are certain liquidity constraints; and

4. further, the Fund involves co-investors as Fund Partners, which will involve collaborative decision-making for investments and major matters of the Fund. While this enhances the Limited Partners' involvement in the Fund, differing opinions on major issues could potentially impact efficiency of the Fund's decision-making progress in practice.

Risk control measures

In relation to the above risk factors, the Fund Manager has imposed the following structural design, timeframe, and industry synergy requirements for the Fund to demonstrate that it is equipped with robust risk mitigation mechanisms in place, including:

1. currently, the overall medical and health industry is undervalued. The Fund enters the market during an adjustment period, in view of accelerated M&A activities and more relaxed initial public offering ("**IPO**") policies in the future, there is potential for valuation recovery, increasing the certainty of exit returns;

2. in light of the current national policies which encourage M&A-based exits, the Fund will be flexible enough to adopt multiple exit routes for its investments projects, such as via IPOs, M&As, or strategic transfers, which will effectively reduce the risks for overreliance on a single exit channel;

3. as the Fund adopts a "multiple projects, multiple tracks" investment strategy to diversify industry fluctuations and individual risks, significant losses concentrated in a single project or sector could be avoided, thus enhancing the risk resilience of the overall investment portfolio;

4. the Fund will employ a phased contribution model, allocating funds it raised from the Fund Partners by phases based on project progress and capital needs, effectively controlling upfront exposure and increasing flexibility in risk management;

5. Lisheng Pharmaceutical, as an industry investor, has certain resources and M&A integration capabilities in the pharmaceutical sector. During the post-investment period, it can enhance the project's operational performance through strategic synergy and upstream-downstream integration via future corporate actions if necessary; and

6. the Fund is managed by CCB Investment, which is a state-backed institution with strong project risk control capabilities, and financial integration resources. The overall structure of the Fund is designed with strict investment disciplines which aim to ensure high-level risk control in the policy and governance aspects. CCB Investment has established a risk management department, centered around its risk management and legal compliance teams, which are responsible for due diligence and risk review of proposed investment projects. It conducts risk research on the proposed industry of investment, advises on risk review at the investment decision stage, regularly conducts risk monitoring, analysis, evaluation, reporting and advisory work for invested projects. It also provides risk management reports as required.

To report on decisions related to the risk management of the Fund, the risk management department of the Fund Manager will report to its chief risk officer, which in turn will report to the responsible person of the Fund Manager (i.e. the Key Personnel), which eventually will report to the Fund's Investment Committee (if required). The Fund Manager strictly adheres to the investment scope, industry restrictions, and concentration limits as set in the Partnership Agreement in operating the Fund, ensuring asset operations stay within the risk control framework to prevent over-concentration or over-diverse investments.

INFORMATION ON THE PARTIES

Lisheng Pharmaceutical principally engages in the research and development, manufacturing and sale of pharmaceutical products in the PRC. As at the Latest Practicable Date, the Company has an effective interest in approximately 34.11% of the issued share capital of Lisheng Pharmaceutical.

TEDA Private Equity is a limited liability company incorporated in the PRC and is wholly-owned by TEDA International. It principally engages in venture capital investment, equity investment, investment management, asset management, fund management, and other activities with private equity funds.

TEDA International is a state-owned limited liability company established in the PRC and is owned as to approximately 53% and 47% by TEDA Holding and Tianjin Bohai respectively. TEDA International is ultimately controlled by the Tianjin SASAC. TEDA International focuses on investment holding in the financial industry and other national economy sectors, supervision and management of various businesses of holding companies, investment management and related consultancy services, design, management and service of computer systems in financial and related industries, and asset management.

Guoxin Fund is an investment fund with a wide investor base formed by various Tianjin state-owned enterprises, and its managing partner is Tianjin Jinrong Guosheng Equity Investment Fund Management Co., Ltd.(天津津融國盛股權投資基金管理有限公司). Guoxin Fund is principally engaged in equity investment, investment management, asset management and other activities with private equity funds.

CCB Investment is a subsidiary of CCB. CCB Investment is wholly-owned by CCB Insurance Asset Management Co., Ltd.(建信保險資產管理有限公司), which is held as to 80.10% by CCB Life Insurance Co., Ltd.(建信人壽保險股份有限公司) and 19.90% by CCB International (China) Co., Ltd.(建銀國際(中國)有限公司). CCB Investment acts as the CCB group's equity investment platform and link for integrated investment and loans, and is directly managed by the CCB's head office. It specialises in private equity investment business, and is mainly committed to managing national strategic emerging industry development funds and other private equity funds. CCB Investment is involved in investment management, investment consultancy, industrial investment, and other businesses as approved by regulatory authorities.

As of the first half of 2025, CCB Investment managed various private equity funds, and sponsored funds with a total size of over RMB30 billion in sectors involving new generation information technology, high-end equipment manufacturing, biotechnology, medical and healthcare, advanced materials, new energy, new energy vehicles, energy conservation and environmental protection, digital creativities, as well as green and low-carbon industries.

GQC Partnership is managed by CCB Investment. It has a wide investor base consisting of CCB Investment's employees, with Mr. Li Rui(李瑞) being the fund partner with the single largest capital proportion of approximately 12.63%. GQC Partnership is an employee investment platform established by CCB Investment pursuant to its internal management scheme to incentivise its employees in the long run. GQC Partnership mainly invests in actively managed equity investment funds initiated and established by CCB Investment as the fund manager. Investors of the GQC Partnership can only invest through the investment platform, and are not allowed to invest in specific projects through other means.

CCB Strategic Fund is a limited partnership enterprise jointly funded by CCB's subsidiaries, certain state-owned enterprises and insurer institutions, and its managing partner is CCB Investment. As a parent fund, it is principally engaged in investment management, equity management and asset management, and invests in sub-funds and direct investment projects in the eight strategic emerging industries in the PRC (including next-generation information technology, high-end equipment, biotechnology, new materials, new energy, new energy vehicles, energy conservation and environmental protection and digital creativity).

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, each of CCB Investment, GQC Partnership, CCB Strategic Fund and their respective ultimate beneficial owners (or in the case of a fund, their general/managing partners and the relevant controlling entities) is an independent third party of the Company and its connected person(s).

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 water, heat and thermal power as well as electricity; (ii) pharmaceutical including manufacture and sale of chemical drugs, proprietary Chinese medicines and other healthcare products, 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 accounted for using the equity method which are principally engaged in the manufacture and sale of elevators and escalators and provision of port services in Tianjin.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Listing Rules based on the capital commitment amount of Lisheng Pharmaceutical under the Partnership Agreement exceeds 5% but none of the applicable percentage ratios exceeds 25%, the entering into of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) constitutes a discloseable transaction of the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, TEDA Holding, through certain of its subsidiaries including Tianjin Bohai, indirectly holds a total of 673,759,143 Shares, representing approximately 62.81% of the total number of issued Shares, and is a controlling Shareholder and connected person of the Company. TEDA International is owned as to approximately 53% and 47% by TEDA Holding and Tianjin Bohai respectively, whereas TEDA Private Equity is a wholly-owned subsidiary of TEDA International. Each of TEDA Private Equity and TEDA International is therefore an associate of TEDA Holding and a connected person of the Company. Accordingly, the entering into of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) also constitutes a connected transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Notwithstanding that Mr. Teng Fei, Dr. Zhai Xinxiang, Mr. Xia Binhui and Mr. Sun Lijun are directors and/or employees of certain subsidiaries of TEDA Holding as disclosed in the appendix to this circular, the Board does not consider them to have a material interest in the Partnership Agreement. The said subsidiaries of TEDA Holding are principally engaged in lines of business operations which are distinct from those of TEDA International and TEDA Private Equity, which are mainly engaged in equity investment and investment management respectively. Further, none of the abovenamed Directors represent in the board of directors of TEDA Holding, TEDA Private Equity or TEDA International. Hence, none of the Directors are considered to have a material interest in the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) and no Director was required to abstain from voting on the Board resolution(s) for approving the entering into of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund).

EGM

An EGM will be convened at which an ordinary resolution will be proposed for the Independent Shareholders to consider and, if thought fit, to approve the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund). A notice convening the EGM to be held by way of a virtual meeting on 13 November 2025 (Thursday) at 3:00 p.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the EGM (or any adjournment thereof) is also enclosed in this circular.

As TEDA Holding is an indirect controlling shareholder of the Company and is materially interested in the transactions conducted and/or contemplated under the Partnership Agreement, the associates of TEDA Holding, which hold a total of 673,759,143 Shares, representing approximately 62.81% of the total issued Shares of the Company as at the Latest Practicable Date, will abstain from voting on the resolution. Save as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, there is no other Shareholder which has a material interest in the Partnership Agreement or is required to abstain from voting on the resolution to be proposed at the EGM.

Registered Shareholders are requested to provide a valid email address of himself/herself/itself or his/her/its proxy (except for the appointment of the chairman of the EGM) for the proxy to receive the login access code to participate online in Vistra eVoting Portal.

Registered Shareholders will be able to attend the EGM, vote, call to raise questions and submit questions online via the designated website (https://evoting.vistra.com) by using the username and password provided on the notification letter sent by the Company's share registrar.

Non-registered Shareholders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may also be able to attend the EGM, vote, call to raise questions and submit questions online. In this regard, they should consult directly with their banks, brokers, custodians, nominees or HKSCC Nominees Limited through which their shares are held (as the case may be) (collectively the "**Intermediary**") and instruct the Intermediary to appoint them as proxy or corporate representative to attend and vote at the EGM electronically and in doing so, they will be asked to provide their email address, before the time limit required by the relevant Intermediary. Details regarding the Vistra eVoting Portal including the login details will be emailed to them by the Company's share registrar, Tricor Investor Services Limited.

If any Shareholder has any question on the arrangements of the EGM, please contact the Company's share registrar, Tricor Investor Services Limited, at the following:

Address	:	17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong
Email	:	is-enquiries@vistra.com
Telephone	:	(852) 2980-1333 (From 9:00 a.m. to 5:00 p.m. Monday to Friday, excluding Hong Kong public holidays)

Whether or not you are able to attend the fully virtual EGM (or any adjournment thereof), you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's share registrar, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (https://evoting.vistra.com) by using the username and password provided on the notification letter sent by the Company's share registrar as soon as possible and in any event no later than 3:00 p.m. on 11 November 2025 (Tuesday), or in case of any adjournment of the EGM, not less than 48 hours (exclusive of any part of a day that is a public holiday) before the time appointed for the holding of the adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting through Vistra eVoting Portal at the EGM (or any adjournment thereof) should you so wish, and in such event, the form of proxy shall be deemed to be revoked.

The register of members of the Company will be closed from 10 November 2025 (Monday) to 13 November 2025 (Thursday), both days inclusive, during which period no transfer of Shares will be registered. The record date for determining the eligibility of the Shareholders to attend and vote at the EGM will be 13 November 2025. In order to determine the entitlement to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on 7 November 2025 (Friday).

RECOMMENDATION

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund). Red Sun Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

Your attention is drawn to (i) the letter from the Independent Board Committee as set out on page 26 of this circular which contains the recommendation from the Independent Board Committee to the Independent Shareholders; and (ii) the letter from the Independent Financial Advisor as set out on pages 27 to 65 of this circular which contains the advice from the Independent Financial Advisor to the Independent Board Committee and the Independent Shareholders in respect of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) and reasons considered by the Independent Financial Advisor in arriving at its advice.

The Directors (including the independent non-executive Directors having taken into the advice of the Independent Financial Advisor) consider that, although the entering into of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) are not in the ordinary and usual course of business of the Group, the terms of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund), having been reached upon arm's length negotiations amongst the parties, are conducted on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Directors would therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund).

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information as set out in the appendix to this circular.

Yours faithfully,
By Order of the Board
Tianjin Development Holdings Limited
Teng Fei
Chairman and Executive Director

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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 882)

17 October 2025

To the Independent Shareholders

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

FORMATION OF FUND

We refer to the circular of the Company to the Shareholders dated 17 October 2025 (the "**Circular**") of which this letter forms part. Terms defined in the Circular shall have the same meaning in this letter unless the context requires otherwise.

We have been appointed by the Board as the members of the Independent Board Committee to consider and to advise the Independent Shareholders as to whether the terms of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Red Sun Capital has been appointed as the independent financial adviser to advise us and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board as set out on pages 6 to 25 of the Circular and the letter from the Independent Financial Adviser as set out on pages 27 to 65 of the Circular.

Having considered the terms, reasons for and benefits of entering into the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) and taking into account the principal factors and reasons considered by, and the advice of the Independent Financial Adviser, we consider that, although the entering into of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) are not in the ordinary and usual course of business of the Group, the terms of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund), having been reached upon arm's length negotiations amongst the parties, are conducted on normal commercial terms, are fair and reasonable, and in the interests of the Company and the Shareholders as a whole. We therefore recommend the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund).

Yours faithfully,
The Independent Board Committee
Tianjin Development Holdings Limited
Ms. Ng Yi Kum, Estella
Mr. Wong Shiu Hoi, Peter
Mr. Lau Ka Keung
Mr. Sin Hendrick
Independent non-executive Directors

Set out below is the full text of the letter from Red Sun Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) for the purpose of inclusion in this circular.

红日资本有限公司
RED SUN CAPITAL LIMITED

Room 2703, Floor 27,
China Insurance Group Building,
141 Des Voeux Road Central,
Hong Kong

Tel: (852) 2857 9208
Fax: (852) 2857 9100

17 October 2025

To: The Independent Board Committee and the Independent Shareholders of Tianjin Development Holdings Limited

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION

FORMATION OF FUND

I. INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) (i.e. the "**Transaction**"), details of which are contained in the letter from the Board (the "**Letter from the Board**") as set out in the circular to the Shareholders dated 17 October 2025 (the "**Circular**"), of which this letter forms part. This letter contains our advice to the Independent Board Committee and the Independent Shareholders in respect of the Transaction. Unless otherwise stated, terms defined in the Circular have the same meanings in this letter.

Reference is made to the announcements dated 22 August 2025 and 10 September 2025 respectively in relation to, among other things, the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund).

The Company was informed by Lisheng Pharmaceutical that the shareholders' resolution on approving the entering into of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) was duly passed at its general meeting held on 8 September 2025.

On 10 September 2025, Lisheng Pharmaceutical entered into the Partnership Agreement with CCB Investment, TEDA Private Equity, GQC Partnership, TEDA International, Guoxin Fund and CCB Strategic Fund, pursuant to which the Fund shall be formed with a total capital commitment of RMB500,000,000 (equivalent to approximately HK$547,045,952), among which Lisheng Pharmaceutical, as a Limited Partner, has committed RMB173,750,000 (equivalent to approximately HK$190,098,468) to the Fund, representing 34.75% of the total capital commitment of the Fund, subject to the terms and conditions of the Partnership Agreement.

As the highest applicable percentage ratio calculated in accordance with Rule 14.07 of the Listing Rules based on the capital commitment amount of Lisheng Pharmaceutical under the Partnership Agreement exceeds 5% but none of the applicable percentage ratios exceeds 25%, the entering into of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) constitute a discloseable transaction of the Company, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the Latest Practicable Date, TEDA Holding, through certain of its subsidiaries including Tianjin Bohai, indirectly holds a total of 673,759,143 Shares, representing approximately 62.81% of the total number of issued Shares, and is a controlling Shareholder and connected person of the Company. TEDA International is owned as to approximately 53% and 47% by TEDA Holding and Tianjin Bohai respectively, whereas TEDA Private Equity is a wholly-owned subsidiary of TEDA International. Each of TEDA Private Equity and TEDA International is therefore an associate of TEDA Holding and a connected person of the Company. Accordingly, the entering into of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) also constitute a connected transaction of the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

II. THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors, namely Ms. Ng Yi Kum, Estella, Mr. Wong Shiu Hoi, Peter, Mr. Lau Ka Keung and Mr. Sin Hendrick has been established to advise the Independent Shareholders in relation to the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund). Red Sun Capital Limited has been appointed by the Board with the approval of the Independent Board Committee as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

Our appointment has been approved by the Independent Board Committee. Our role as the independent financial adviser is to give our recommendation to the Independent Board Committee and the Independent Shareholders in respect of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund), as to whether (i) the terms thereunder are on normal commercial terms and fair and reasonable; and (ii) the transactions contemplated thereunder are conducted in the

ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and how the Independent Shareholders should vote in respect of the relevant resolution to approve the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund), at the EGM.

III. OUR INDEPENDENCE

As at the Latest Practicable Date, we were independent from and not connected with the Company, Lisheng Pharmaceutical, the Fund and their respective shareholders, directors or chief executives, or any of their respective associates. Accordingly, we are qualified to give independent advice to the Independent Board Committee and the Independent Shareholders regarding the transactions contemplated under the Partnership Agreement (including the proposed formation of the Fund).

Save for this appointment and our appointment as the independent financial adviser in respect of (i) the discloseable and connected transaction in relation to the disposal of 15% equity interest in Tianjin Pharmaceutical Group Finance Co., Ltd. held by Tianjin Lisheng Pharmaceutical Co., Ltd., details of which are set out in the circular of the Company dated 10 November 2023; and (ii) the continuing connected transactions in relation to the 2024 steam purchase master agreement, the 2024 products procurement master agreement, and the 2024 integrated services master agreement, details of which are set out in the circular of the Company dated 5 December 2024, Red Sun Capital has not acted as an independent financial adviser to the Company under the Listing Rules in the past two years.

Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we have received or will receive any fees or benefits from the Group or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant from the Group to Rule 13.84 of the Listing Rules.

IV. BASIS OF OUR ADVICE

In formulating our advice, we have relied solely on the statements, information, opinions, beliefs and representations for matters relating to the Group, the connected parties and their respective shareholders and management contained in the Circular and the information and representations provided to us by the Group and/or its senior management (the "**Management**") and/or the Directors.

We have assumed that all such statements, information, opinions, beliefs and representations contained or referred to in the Circular (including this letter) or otherwise provided or made or given by the Group and/or the Management and/or the Directors and for which it is/they are solely and wholly responsible, were true and accurate, and valid and complete in all material respects at the time they were made and given and continue to be so as at the Latest Practicable Date.

We have assumed that all the opinions, beliefs and representations for matters relating to the Group, Lisheng Pharmaceutical, the Fund Partners and the Fund made or provided by the Management and/or the Directors contained in the Circular have been reasonably made after due and careful enquiry. The Company and/or the Management and/or the Directors confirmed that no material facts have been omitted from the information provided and referred to in the Circular.

We consider that we have been provided with sufficient information and documents to enable us to reach an informed view and the Company has assured us no material information has been withheld from us to allow us to reasonably rely on the information provided so as to provide a reasonable basis for our advice. We have no reason to doubt the truth, accuracy and completeness of the statements, information, opinions, beliefs and representations provided to us by the Group and/or the Management and/or the Directors and their respective advisers or to believe that material information has been withheld or omitted from the information provided to us or referred to in the aforesaid documents.

We have not, however, carried out any independent verification nor have we conducted any independent investigation into information provided by the Directors and the Management, background, business or affairs or future prospects of the Group, Lisheng Pharmaceutical, the Fund Partners, the Fund and, where applicable, their respective shareholder(s) and subsidiaries or affiliates, and their respective history, experience and track records, or the prospects of the markets in which they respectively operate.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund), and, except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent. In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

V. PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have taken into consideration the following principal factors and reasons:

1. Information of the Group

1.1 Background information of the Group

As set out in the Letter from the Board, the principal activity of the Company is investment holding. The principal activities of the Group are (i) utilities including supply of water, heat and thermal power as well as electricity; (ii) pharmaceutical including manufacture and sale of chemical drugs, proprietary Chinese medicines and other healthcare products, 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 accounted for using the equity method which are principally engaged in the manufacture and sale of elevators and escalators and provision of port services in Tianjin. The Group's pharmaceutical segment, operated through Lisheng Pharmaceutical, principally engages in the research and development, manufacturing and sale of pharmaceutical products in the PRC.

1.2 Overview of the historical financial information of the Group

Summary of the historical financial performance of the Group

Set out below is the summary of the historical financial performance of the Group for the two years ended 31 December 2023 and 2024 and the six months ended 30 June 2024 and 2025, which were extracted from the annual report of the Company for the year ended 31 December 2024 (the "**2024 Annual Report**") and the interim report of the Company for the six months ended 30 June 2025 (the "**2025 Interim Report**"):

	For the year ended 31 December		**For the six months ended 30 June**	
	2023	**2024**	**2024**	**2025**
	(HK$'million)	*(HK$'million)*	*(HK$'million)*	*(HK$'million)*
	(audited)	***(audited)***	***(unaudited)***	***(unaudited)***
Revenue	**3,338.4**	**3,359.4**	**1,820.3**	**1,718.6**
– Utilities	1,599.8	1,443.7	768.7	712.8
– Pharmaceutical	1,441.4	1,609.7	895.4	863.3
– Hotel	130.4	134.2	66.5	63.0
– Electrical and mechanical	166.8	171.8	89.7	79.5
Gross profit	**1,010.1**	**987.1**	**588.5**	**547.9**
Profit for the period/year attributable to the owners of the Company	**635.6**	**548.1**	**288.1**	**344.5**

*Financial performance of the Group for the six months ended 30 June 2024 ("**1H2024**") and 30 June 2025 ("**1H2025**")*

Based on the 2025 Interim Report, revenue and gross profit of the Group for 1H2025 were largely in line with that of 1H2024. Revenue of the Group was approximately HK$1,718.6 million for 1H2025 compared to approximately HK$1,820.3 million for 1H2024. Gross profit of the Group slightly decreased from approximately HK$588.5 million for 1H2024 to approximately HK$547.9 million for 1H2025.

The aforementioned fluctuation in revenue and gross profit of the Group were primarily attributable to the decrease in revenue contribution from the pharmaceutical and utilities segments from approximately HK$1,664.1 million (in aggregate) for 1H2024 to approximately HK$1,576.1 million (in aggregate) for 1H2025, which was mainly due to the reduction in revenue contribution from (i) the Group's manufacture and sale of chemical drugs, proprietary Chinese medicines and other healthcare products business under its pharmaceutical segment; and (ii) the Group's heat and thermal power business under its utilities segment due to lower volume of steam sold.

Profit for 1H2025 attributable to owners of the Company of approximately HK$344.5 million, represented an increase of approximately HK$56.4 million or 19.6% compared to approximately HK$288.1 million for 1H2024. The increase was primarily attributable to the net effects of (i) the decrease in gross profit as set out in the preceding paragraph; (ii) the increase in other income of approximately HK$325.7 million; (iii) the increase in general and administrative expenses of approximately HK$37.1 million; (iv) the increase in other gains and losses, net of approximately HK$56.9 million; and (v) the increase in tax expense of approximately HK$44.0 million.

*Financial performance of the Group for the years ended 31 December 2023 ("**FY2023**") and 31 December 2024 ("**FY2024**")*

As disclosed in the 2024 Annual Report, revenue and gross profit of the Group for FY2024 remained broadly stable with that of FY2023. Revenue of the Group slightly increased by approximately HK$21.0 million or 0.6% from approximately HK$3,338.4 million for FY2023 to approximately HK$3,359.4 million for FY2024 and gross profit of the Group slightly decreased by approximately HK$23.0 million or 2.3% from approximately HK$1,010.1 million for FY2023 to approximately HK$987.1 million for FY2024.

The slight fluctuation in revenue and gross profit of the Group were primarily the net effects of (i) the increase in revenue from the pharmaceutical segment of approximately HK$168.3 million or 11.7% from approximately HK$1,441.4 million for FY2023 to approximately HK$1,609.7 million for FY2024, which was mainly due to higher revenue contribution from Jiangxi Qingchun Kangyuan Pharmaceutical Co., Ltd., as a subsidiary of the Company that the Group completed the acquisition of its 65% equity interest on 1 February 2024; and (ii) the decrease in revenue from the utilities segment of approximately HK$156.1 million or 9.8% from approximately HK$1,599.8 million for FY2023 to approximately HK$1,443.7 million for FY2024, which was mainly due to lower volume of water sold, decrease in government supplemental income and lower volume of steam sold.

Profit for the year attributable to owners of the Company decreased by approximately HK$87.5 million or 13.8% from approximately HK$635.6 million for FY2023 to approximately HK$548.1 million for the FY2024. Such decrease was primarily attributable to the net effects of (i) the decrease in share of net profit of associates and joint venture accounted for using the equity method of approximately HK$133.2 million; (ii) the increase in other gains and losses, net of approximately HK$83.1 million; and (iii) the increase in selling and distribution expenses of approximately HK$77.5 million.

Summary of the historical financial positions of the Group

Set out below is a summary of the financial positions of the Group as at 31 December 2023, 31 December 2024 and 30 June 2025, which were extracted from the 2024 Annual Report and the 2025 Interim Report:

	As at 31 December 2023 *(HK$' million)* ***(audited)***	**As at 31 December 2024** *(HK$' million)* ***(audited)***	**As at 30 June 2025** *(HK$' million)* ***(unaudited)***
Non-current assets	11,633.9	11,701.2	12,875.5
Current assets	10,658.7	10,491.7	9,574.1
Non-current liabilities	1,951.9	243.5	182.5
Current liabilities	2,827.9	4,494.1	4,579.3
Total equity attributable to owners of the Company	12,534.8	12,592.5	12,857.7

Financial positions of the Group as at 30 June 2025 and 31 December 2024

Based on the 2025 Interim Report, total assets of the Group of approximately HK$22,449.6 million as at 30 June 2025 mainly comprised of (i) investments accounted for using the equity method of approximately HK$6,339.8 million, compared to approximately HK$6,065.0 million as at 31 December 2024; (ii) time deposits with maturity over three months of approximately HK$3,405.7 million (under current assets and non-current assets), compared to approximately HK$2,617.8 million as at 31 December 2024; (iii) cash and cash equivalents (excluding time deposits with maturity over three months) of approximately HK$2,444,5 million, compared to approximately HK$3,535.1 million as at 31 December 2024; and (iv) property, plant and equipment of approximately HK$2,076.1 million, compared to approximately HK$2,125.8 million as at 31 December 2024.

Total liabilities of the Group as at 30 June 2025 mainly comprised of (i) bank borrowings, including both current and non-current portions, of approximately HK$1,972.8 million, compared to approximately HK$1,989.8 million as at 31 December 2024; (ii) other payables and accruals of approximately HK$1,358.9 million, compared to approximately HK$1,174.6 million as at 31 December 2024; and (iii) contract liabilities of HK$579.7 million, compared to approximately HK$670.6 million as at 31 December 2024.

Financial positions of the Group as at 31 December 2024 and 31 December 2023

As set out in the 2024 Annual Report, total assets of the Group as at 31 December 2024 mainly comprised of (i) investments accounted for using the equity method of approximately HK$6,065.0 million, compared to approximately HK$6,826.7 million as at 31 December 2023; (ii) cash and cash equivalents (excluding time deposits with maturity over three months) of approximately HK$3,535.1 million, compared to approximately HK$4,461.1 million as at 31 December 2023; (iii) time deposits with maturity over three months of approximately HK$2,617.8 million (under current assets and non-current assets), compared to approximately HK$1,926.8 million as at 31 December 2023; (iv) equity instruments at fair value through other comprehensive income of approximately HK$2,265.6 million, compared to approximately HK$1,719.5 million as at 31 December 2023; and (v) property, plant and equipment of approximately HK$2,125.8 million, compared to approximately HK$2,111.9 million as at 31 December 2023.

Total liabilities of the Group as at 31 December 2024 mainly comprised of (i) bank borrowings, including both current and non-current portions, of approximately HK$1,989.8 million, compared to approximately HK$1,810.6 million as at 31 December 2023; (ii) other payables and accruals of approximately HK$1,174.6 million, compared to approximately HK$1,294.9 million as at 31 December 2023; (iii) contract liabilities of HK$670.6 million, compared to approximately HK$632.4 million as at 31 December 2023; and (iv) trade payables of approximately HK$444.6 million, compared to approximately HK$518.4 million as at 31 December 2023.

Total equity attributable to owners of the Company as at 31 December 2024 of approximately HK$12,592.5 million was broadly in line with that of 31 December 2023 at approximately HK$12,534.8 million.

2. Information on the parties

Lisheng Pharmaceutical principally engages in the research and development, manufacturing and sale of pharmaceutical products in the PRC. As at the Latest Practicable Date, the Company has an effective interest in approximately 34.11% of the issued share capital of Lisheng Pharmaceutical.

TEDA Private Equity is a limited liability company incorporated in the PRC and is wholly-owned by TEDA International. It principally engages in venture capital investment, equity investment, investment management, asset management, fund management, and other activities with private equity funds.

TEDA International is a state-owned limited liability company established in the PRC and is owned as to approximately 53% and 47% by TEDA Holding and Tianjin Bohai respectively. TEDA International is ultimately controlled by the Tianjin SASAC. TEDA International focuses on investment holding in the financial industry and other national economy sectors, supervision and management of various businesses of holding companies, investment management and related consultancy services, design, management and service of computer systems in financial and related industries, and asset management.

Guoxin Fund is an investment fund with a wide investor base formed by various Tianjin state-owned enterprises, and its managing partner is Tianjin Jinrong Guosheng Equity Investment Fund Management Co., Ltd.(天津津融國盛股權投資基金管理有限公司). Guoxin Fund is principally engaged in equity investment, investment management, asset management and other activities with private equity funds.

CCB Investment is a subsidiary of CCB. CCB Investment is wholly-owned by CCB Insurance Asset Management Co., Ltd.(建信保險資產管理有限公司), which is held as to 80.10% by CCB Life Insurance Co., Ltd.(建信人壽保險股份有限公司) and 19.90% by CCB International (China) Co., Ltd.(建銀國際(中國)有限公司). CCB Investment acts as the CCB Group's equity investment platform and link for integrated investment and loans, and is directly managed by the CCB's head office. It specialises in private equity investment business, and is mainly committed to managing national strategic emerging industry development funds and other private equity funds. CCB Investment is involved in investment management, investment consultancy, industrial investment, and other businesses as approved by regulatory authorities.

GQC Partnership is managed by CCB Investment. It has a wide investor base consisting of CCB Investment's employees, with Mr. Li Rui (李瑞) being the fund partner with the single largest capital proportion of approximately 12.63%. GQC Partnership is an employee investment platform established by CCB Investment pursuant to its internal management scheme to incentivise its employees in the long run. GQC Partnership mainly invests in actively managed equity investment funds initiated and established by CCB Investment as the fund manager. Investors of the GQC Partnership can only invest through the investment platform, and are not allowed to invest in specific projects through other means.

CCB Strategic Fund is a limited partnership enterprise jointly funded by CCB's subsidiaries, certain state-owned enterprises and insurer institutions, and its managing partner is CCB Investment. As a parent fund, it is principally engaged in investment management, equity management and asset management, and invests in sub-funds and direct investment projects in the eight strategic emerging industries in the PRC (including next-generation information technology, high-end equipment, biotechnology, new materials, new energy, new energy vehicles, energy conservation and environmental protection and digital creativity).

As set out in the Letter from the Board, to the best of the Directors' knowledge, information and belief having made all reasonable enquires, each of CCB Investment, GQC Partnership, CCB Strategic Fund and their respective ultimate beneficial owners (or in the case of a fund, their general/managing partners and the relevant controlling entities) is an independent third party of the Company and its connected person(s).

3. Reasons for and benefits of entering into the Partnership Agreement

As set out in the Letter from the Board, the Group is involved in the pharmaceutical industry through Lisheng Pharmaceutical, which principally engages in the research and development, manufacturing and sale of pharmaceutical products in the PRC. The purpose of the Fund is to invest in the emerging sector of health and biotechnology nationwide. We have summarised the reasons for and benefits of the Transaction as set out in the Letter from the Board below.

TEDA Private Equity initiated the formation of the Fund and has played an important role in facilitating the coordination between parties, including introducing CCB Investment as the Fund Manager and other existing funds as Limited Partners. The Fund will benefit from both the Fund Manager's and TEDA Private Equity's experience, professional network and resources, which may allow the Fund to have investment opportunities to which a Limited Partner alone may not have exposure. The operation and management of the Fund will be enhanced with the upstream and downstream resources of the Fund Manager and the larger CCB group, with a view to realising both the value of financial return and strategic synergy.

Participation in the Fund will deepen the Group's understanding of the latest industry developments in the pharmaceutical business, diversify its investment risks and enable it to explore potential strategic partners in anticipation of other development opportunities in the future. Given the Fund's investment objectives and blueprint, along with the Fund Manager's expertise and experience, the Directors consider that the Group's capital contribution to the Fund will not only provide access to more industry mergers and acquisitions opportunities in line with the Company's development strategy, but will also offer potential returns exceeding those of fixed income, thereby effectively leveraging its existing financial resources and competition edge, enhancing efficiency of capital utilisation and improving capital gains. In the longer run, the investment is conducive to the Company's gradual optimisation and upgrading of its business structure, and will enhance its strength in sustained operation.

Lisheng Pharmaceutical's participation in the Fund, being funded by its own resources, will not affect the Group's normal operating activities and will not have any material adverse impact on the Group's existing or future financial condition and operating results. Lisheng Pharmaceutical's interest in the Fund will be recognised as a financial asset in the consolidated financial statements of the Group. The Letter from the Board also sets out various risk management measures in connection with Lisheng Pharmaceutical's investment in the Fund as one of the Limited Partners.

Having considered the Company's reasons for and benefits of the Partnership Agreement as set out above together with factors, including, among others,

(i) the Group operates a pharmaceutical segment, via Lisheng Pharmaceutical, which engages in the manufacturing 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 in the PRC;

(ii) the Fund will principally invest in the sectors of health and biotechnology in the PRC as set out in the Letter from the Board, including innovative drugs, medical devices, in vitro diagnostics (IVD) products, medical services, "CXO" and related pharmaceutical outsourcing services, pharmaceutical-related equipment or consumables, life science instruments and tools, medical technology (medical big data, AI life science, internet healthcare, etc.), synthetic biology, bio-agriculture, biomass energy, brain science, medical consumer goods, senior care, Chinese medicine, cells, gene therapy and other high-quality projects in such field as approved by the Investment Committee;

(iii) it is the Company's stated development strategy to focus on steadily developing its existing businesses, while progressively driving high-quality development through mergers, acquisitions, and restructuring, of which the investment proposed to be made by Lisheng Pharmaceutical as a limited partner of the Fund is in line with the aforesaid strategy; and

(iv) in addition to the potential return from its investment in the Fund, Lisheng Pharmaceutical's participation should enable it to explore potential strategic partners in anticipation of other development opportunities in the future and/or gain access to more potential mergers and acquisitions opportunities,

we concur with the Directors' view that entering into the Partnership Agreement are in the interests of the Company and the Shareholders as a whole.

4. Principle terms of the Partnership Agreement

Set out below is a summary of the principal terms of the Partnership Agreement.

Date

10 September 2025

Name of the Fund

The Fund is a limited partnership enterprise to be established under the laws of the PRC with the tentative name of Tianjin Jiansheng Guoxin TEDA Equity Investment Fund Partnership (Limited Partnership)(天津建生國鑫泰達股權投資基金合夥企業(有限合夥)), the name of which is subject to the approval upon industrial and commercial registration in the PRC.

Term of the Fund

The term of the Fund shall be no more than five years commencing from the date of first payment of capital by the Fund Partners to the Fund (i.e. the First Completion Date).

The investment period for the Fund shall be the first two years from the First Completion Date (i.e. the Investment Period), which could be extended for one year (i.e. up to three years in total) at the Fund Manager's discretion. After the expiry of the Investment Period and before the end of the Term (i.e. the Exit Period), the Fund may not make new investment other than those already made during the Investment Period.

Parties, size of the Fund and capital commitment

The following table sets forth the Fund Partners, their respective committed capital and their corresponding capital proportion:

Fund Partner	**Type**	**Capital commitment** *(RMB)*	**Capital Proportion** *(%)*
CCB Investment	General Partner	1,000,000	0.20
TEDA Private Equity	General Partner	1,000,000	0.20
GQC Partnership	Special Limited Partner	1,000,000	0.20
Lisheng Pharmaceutical	Limited Partner	173,750,000	34.75
TEDA International	Limited Partner	125,250,000	25.05
Guoxin Fund	Limited Partner	50,000,000	10.00
CCB Strategic Fund	Limited Partner	148,000,000	29.60
	Total:	**500,000,000**	**100.00**

Committed capital contribution

The total capital commitment of the Fund shall be RMB500,000,000 (equivalent to approximately HK$547,045,952). The amount of committed capital was determined after arm's length negotiation between the parties with reference to the anticipated capital requirements of the Fund and its investment objectives.

Capital calls

The Fund Manager will from time to time issue payment notice(s) to the Fund Partners to call for capital payment based on their respective Capital Proportion. The notice(s) should be issued no less than 10 business days prior to the due date for capital payment. Each Fund Partner shall settle the capital amount in full to the designated account on or before the payment due date as specified in such notice. The amount of first capital payment for each Limited Partner shall be 20% of its committed capital due on the First Completion Date.

After the first capital call, the Fund Manager may only call for further capital payment(s) by the Fund Partners if 70% of the paid-up capital of the Fund at that time has been utilised (which means that such amount has been either (a) invested in certain companies; (b) agreed to be invested in certain companies; or (c) paid, reserved, or agreed to be paid for certain expenses or liabilities of the Fund).

After the Investment Period, the Fund Manager could not call for any capital payment except for (a) the Fund's expenses, including management fees, and (b) any further investments permitted to be made during the Exit Period as agreed by all Fund Partners.

Subsequent contribution

During the Investment Period, the Fund is open for further capital commitment, whether by new Fund Partners to be admitted (i.e. Subsequent Partners) or existing Fund Partners, such that the total capital commitment of the Fund will be increased from RMB500,000,000 to an amount of not more than RMB1,000,000,000.

For the avoidance of doubt, the maximum amount of Lisheng Pharmaceutical's committed capital to the Fund shall be RMB173,750,000, unless it otherwise agrees in writing. In the event that Lisheng Pharmaceutical decides to provide further capital commitment, depending on the exact further commitment amount, the Company will comply with the relevant requirements under Chapters 14 and/or 14A of the Listing Rules and, where applicable, shall seek Shareholders' approval.

Depending on the paid-up capital in the Fund at the time, a Subsequent Partner shall pay (a) an amount based on its Capital Proportion as if it had been a Fund Partner since the First Completion Date, and (b) a compensation equivalent to a simple interest of 8% per annum of such aforesaid amount payable by the Subsequent Partner, which shall accrue from the First Completion Date to the date of first payment by the Subsequent Partner.

Purpose and objectives of the Fund

Subject to the Fund's investment strategies and the investment restrictions under the Partnership Agreement as further detailed in the Letter from the Board, the Fund will principally invest in the equity interests (including convertible bonds) of unlisted companies, and stocks of listed companies only where such stocks are issued or traded through non-public means (see the exceptions to investment restrictions as set out in the Letter from the Board) in the sectors of health and biotechnology in the PRC, including innovative drugs, medical devices, in vitro diagnostics devices (IVD), medical services, "CXO" and related pharmaceutical outsourcing services, pharmaceutical-related equipment or consumables, life science instruments and tools, medical technology (medical big data, AI life science, internet healthcare, etc.), synthetic biology, bio-agriculture, biomass energy, brain science, medical consumer goods, senior care, Chinese medicine, cells, gene therapy and other high-quality projects in such fields as approved by the Investment Committee.

Management of the Fund

The Fund Manager and General Partners

As the Fund Manager and one of the General Partners, CCB Investment shall provide investment advisory and investment management services to the Fund and is responsible for managing the Fund's investments and operations, including exercising rights in the investee companies on behalf of the Fund, determining reasonable provisions for its investments, executing agreements on behalf of the Fund, conducting fund raising activities for the Fund, screening and verifying investors, managing the Fund's assets, actively seeking investment projects, conducting investigation and evaluation on investment projects, and assisting in their negotiation, completion and ongoing supervision.

As a General Partner, TEDA Private Equity is responsible for assisting in the Fund's management and operations, such as liaising with government authorities and related institutions for the Fund and giving recommendations to the Fund Manager in selecting investment projects and assisting in the post-investment managements.

The Investment Committee

The Investment Committee will decide on the investments (as well as their exit) of the Fund. It shall consist of five members, of which the Fund Manager and TEDA Private Equity shall be entitled to nominate three and two members respectively. Any resolution of the Investment Committee shall be passed by at least two-thirds of its members. Subject to the Investment Committee's approval, the Fund Manager may formulate and amend from time to time the rules of procedure of the Investment Committee.

Key Personnel

The key personnel of the Fund Manager are Ms. Shang Yan（尚妍）and Mr. Lee Rui（李瑞）, their background information together with the terms in relation to the Key Personnel are set out in the Letter from the Board.

The Fund Expenses

Costs and expenses of the Fund including (i) management fees and General Partners' remunerations; (ii) custodian fees and bank charges; (iii) legal costs and expenses for litigation or enforcement of rights of the Fund; and (iv) expenses for the liquidation and dissolution of the Fund (collectively, the Fund Expenses) shall be borne by the Fund.

During the Term, in respect of each Limited Partner other than GQC Partnership:

- the Fund Manager shall be entitled to a management fee of (i) during the Investment Period (including the one-year extended period, if any), 1.4% per annum of the paid-up capital as contributed by such Limited Partner; and (ii) during the Exit Period, 1.4% per annum of the investment costs in the un-exited project(s) of the Fund attributable to the paid-up capital as contributed by such Limited Partner; and

- TEDA Private Equity shall be entitled to a remuneration of (i) during the Investment Period (including the one-year extended period, if any), 0.6% per annum of the paid-up capital as contributed by such Limited Partner; and (ii) during the Exit Period, 0.6% per annum of the investment costs in the un-exited project(s) of the Fund attributable to the paid-up capital as contributed by such Limited Partner,

provided that (i) the management fees charged by the Fund Manager shall be inclusive of the expenses to be incurred by the Fund Manager in relation to the formation of the Fund, professional fees for due diligence for the investment projects, other professional expenses (such as audit, valuation, legal and consulting) to be incurred for the Fund, government filings fees of the Fund, disbursements for the Investment Committee, the Advisory Committee and Fund Partners' meetings (if any); and (ii) no management fee or General Partner's remuneration will be charged during the Suspension Period or the extended period of the Term (if so agreed by all the Fund Partners to be extended).

The management fee and remuneration payable to the Fund Manager and TEDA Private Equity respectively are determined based on the nature and extent of their roles in managing the Fund. The Fund Manager plays a primary role in being responsible for managing the Fund's investments and day-to-day operations and seeking investment projects, while TEDA Private Equity serves in a supporting capacity, assisting with the Fund's management, operations and liaisons.

The Fund Expenses other than the management fees and the General Partners' remuneration, as well as any taxes payable by the Fund shall be borne by the Fund Partners based on their respective Capital Proportion.

Income distribution and loss sharing

Income distribution

The Fund's distributable income (i.e. Distributable Income) comprises (i) proceeds from disposal(s) of the Fund's investments (including interim investments); (ii) distributions, dividends, interests and other cash revenue from its investment activities; (iii) unutilised capital; and (iv) liquidated damages and other cash received by the Fund, after having deducted the relevant taxes, liabilities, the Fund Expenses and other payables.

Distributable Income derived from proceeds from disposal(s) of the Fund's investment (along with other distributions, dividends, interests and other cash revenue accrued during such investment period) shall be distributed within 90 days from its receipt by the Fund or on such other date the Fund Manager may reasonably determine when the Fund has exited from such investment project.

The Distributable Income shall be distributed in the following order:–

(1) as first priority, to all Fund Partners, in proportion to their respective paid-up capital until each Fund Partner has been repaid the amount of paid-up capital it has contributed to the Fund;

(2) subsequently, to all Fund Partners, a preferential return equivalent to a simple interest of 8% per annum on the paid-up capital as contributed by such Fund Partner accruing from the date(s) of payment(s) of capital by the Fund Partner to the date of repayment of such capital pursuant to paragraph (1) above (i.e. Preferential Returns);

(3) after the full repayment of the paid-up capital to the Fund Partners and the Preferential Returns, GQC Partnership will be entitled to a percentage equivalent to the proportion of its paid-up capital contribution to the Fund of such balance (if any), and for the remaining proceeds, (a) 80% of such proceeds will be distributed among the Limited Partners other than GQC Partnership in proportion to their respective paid-up capital contributions; (b) 20% of such proceeds shall be distributed to the General Partners, in the proportion of 40% and 60% to CCB Investment and TEDA Private Equity respectively.

At the expiry of the Term, the Fund Manager shall use all its reasonable endeavours to realise the investments of the Fund into cash for cash distribution to the Fund Partners. However, if the Fund Manager determines that a distribution in specie is more preferable to the interest of the Fund Partners, subject to agreement by the relevant Fund Partners and the valuation on the fair value of the assets to be distributed, the Fund Manager may also distribute the assets in the Fund in accordance with the same principles and order of priorities applicable to the Distributable Income.

Loss sharing

Any loss incurred by the Fund in its investment projects shall be borne by all Fund Partners in proportion to their respective paid-up capital. Other losses and liabilities of the Fund shall be borne by all Fund Partners in proportion to their Capital Proportion.

General Partners shall have unlimited liability to the Fund's liabilities on a joint and several basis, while liability of a Limited Partner to the Fund shall be limited to its capital commitment amount.

Conditions precedent

The Partnership Agreement is conditional upon the following:-

1. In respect of Lisheng Pharmaceutical:

    (a) the Partnership Agreement will only become effective upon Lisheng Pharmaceutical having duly passed a valid resolution in accordance with its internal procedures and obtained authorisation for its execution of the Partnership Agreement;

    (b) the Partnership Agreement will only become binding on Lisheng Pharmaceutical upon the Company, being the controlling shareholder of Lisheng Pharmaceutical, having complied with the requirements of the Listing Rules in respect of the Transaction, which include:-

        (i) obtaining necessary approval from the Stock Exchange; and

        (ii) seeking the approval from the Independent Shareholders for the Transaction,

and in any event shall be fulfilled by no later than 31 December 2025.

2. In respect of Guoxin Fund, its signing of the Partnership Agreement will only become effective after it has obtained:-

   (a) authorisation for its execution of the Partnership Agreement in accordance with its internal procedures; and

   (b) the relevant regulatory approval(s) or consent(s) from the management committee of the Tianjin State-owned Assets Industry Mother Fund（天津市國資產業發展母基金）.

As at the Latest Practicable Date, save for the conditions precedent set out in sub-paragraphs 1(b)(ii) and 2(b) above, all the other conditions precedent had been fulfilled.

For further details on the principal terms of the Partnership Agreement, including, among others, default in payment, investment restrictions, structure and terms about the management of the Fund, transfer restrictions of interest in the Fund, please refer to the section headed "The Partnership Agreement" as set out in the Letter from the Board.

5. Our analysis on the principal terms of Partnership Agreement

In assessing the fairness and reasonableness of the terms of the Partnership Agreement, we have conducted market research with a view to identify the establishment/subscription of investment fund or partnership by listed issuers (including its subsidiaries) from the announcement(s) published on the Stock Exchange website (the "**Comparable Funds**") selected based on the following criteria: (i) the subject listed issuers are listed on the Main Board of the Stock Exchange, and such listed issuer participates in the fund, directly or through its subsidiary(ies) as limited partner and/or general partner as specified in the subject transaction announcement, with greater than HK$10.0 million in capital contribution/commitment; (ii) the date of the initial transaction announcement, which is issued pursuant to the Listing Rules for a notifiable and/or connected transaction, falls within the period commencing 1 May 2025 up to and including the date of the Partnership Agreement (i.e. 10 September 2025), being a period of over four months prior to the date of the Partnership Agreement, which is considered to be adequately lengthy to identify recent market practice from the market comparables that are representative for the purpose of our analysis to assess the fairness and reasonableness of the key terms of the Partnership Agreement, as the market comparables included both transactions with independent third parties and/or connected person(s) of the subject listed company; and (iii) the listed issuer or its subsidiary(ies) invests in the subject investment fund, the intention of which is to invest in multiple companies/projects/investment products/investment funds as a limited partner or a general partner, the transactions contemplated thereunder constituted a notifiable transaction for the subject listed company (together the "**Criteria**"). Based on the Criteria and to the best of our knowledge, we have identified 18 Comparable Funds and set out below is the comparison of the principal terms of the Fund, including, the Term of the Fund, the Fund Expenses and income distribution of the Fund against that of the Comparable Funds.

We noted that the Comparable Funds may have different investment objectives, target industries/sectors and the fund size of the Comparable Funds may also vary from one to another. Nonetheless, given the Comparable Funds are selected based on the Criteria, we consider the Comparable Funds can provide an overview of recent market practice and are appropriate benchmarks for the purposes of our analysis on the principal terms of Partnership Agreement.

Set forth in the table below are the principal terms of the Comparable Funds (the "**Comparable Funds Table**"):

Date of initial transaction announcement	Name of listed issuer (stock code)	Connected transaction	Role of the listed issuer and/or its subsidiary(ies)	Initial term (in years)/ extendable	Fund expenses (including management, annual services and/or maintenance fee, etc.)	Summary of the income/profit distribution by the fund after the payment of or provision for, where applicable, fees, costs and expenses as specified in the subject partnership agreement	Targeted industries/sector/businesses/ investments of the fund in summary
29 August 2025	Time Watch Investments Limited ("**Time Watch**") (2033)	No	Limited partner	will continue until its dissolution in accordance with relevant provisions under the limited partnership agreement	1.25% p.a.	The general partner may from time to time in its discretion make distributions in cash or in kind, or in a combination thereof	Investments across the credit spectrum, including but not limited to, high yield bonds, term loans, proprietary sourced loans and structured products across different regions
28 August 2025	Guolian Minsheng Securities Co., Ltd. ("**Guolian Minsheng**") (1456)	Yes	General partner	7 years with possible extension	Investment period: 0.5% p.a.	Distributable profit derived by the partnership from project investments shall be first used to pay accrued but unpaid management fee of the partnership and other taxes and expenses payable by the partnership. The remaining amount shall be distributed among the partners in proportion to their respective paid-up capital contributions at the time of distribution. losses of the partnership shall be shared by all partners in accordance with their committed capital contribution proportions.	Private equity investments centered on new quality productivity and smart technology sectors
27 August 2025	Noah Holdings Private Wealth and Asset Management Limited ("**Noah Holdings**") (6686)	No	Limited partner	4 years	Management fee: – initial year of operations: 2.0% p.a. – commencing from the second year of operations, 1.0% p.a. of capital contributions	In the discretion of the general partner, following consultation with the investment manager, a limited partner may receive in kind distributions from the partnership's portfolio. Such investments so distributed may not be readily marketable or saleable.	(i) lending U.S. dollar-pegged stablecoins to institutional counterparties; and (ii) reinvesting a portion of the resulting yields into Bitcoin.

Date of initial transaction announcement	Name of listed issuer (stock code)	Connected transaction	Role of the listed issuer and/or its subsidiary(ies)	Initial term (in years)/ extendable	Fund expenses (including management, annual services and/or maintenance fee, etc.)	Summary of the income/profit distribution by the fund after the payment of or provision for, where applicable, fees, costs and expenses as specified in the subject partnership agreement	Targeted industries/sector/businesses/ investments of the fund in summary
11 August 2025	New Silkroad Culturaltainment Limited ("**New Silkroad**") (472)	No	Limited partner	around 3 years with possible extension	From the initial closing date until the end of the commitment period at 0.7% p.a. of the total capital contribution made by all of the limited partners	1. Return of Contributions: First, 100% to the limited partner until such limited partner has received cumulative distributions equal to the aggregate contributions made by the limited partner on or prior to the date of the relevant distribution; 2. Preferred Return: Second, 100% to the limited partner until such limited partner has received an amount equal to a 5% compounded per annum rate of return on the contributions referred to in (1) above, calculated from the date on which each contribution was paid to the date on which it was repaid; and 3. 80/20 split: Thereafter, 80% to such limited partner and 20% to the general partner.	Highly liquid financial instruments, such as bonds listed on Stock Exchange or ChongWa (Macao) Financial Asset Exchange Co., Ltd, by way of including without limitation underwriting, trading, initial public offerings, etc., financial products issued by financial institutions, bills, notes, bank deposits, cash management, money market funds and other stable asset management products.
6 August 2025	Shanghai INT Medical Instruments Co., Ltd. (1501)	Yes	Limited Partner	5 years with possible extension	1.5% per annum of the subscribed capital contribution of all limited partners during the initial fund term	1. Return of investment costs: 100% shall be distributed to the limited partners until the cumulative amount of distributions received by the limited partner under this item (1) equals the total amount of paid-in capital contributions made by the limited partner to the partnership at that time; 2. Distribution of preferred return: if there is a remainder, 100% shall be distributed to the limited partners until the cumulative among of distribution received by the limited partners under item (1) above entitles the limited partners to a preferred return calculated at a simple interest rate of 8% per annum (i.e. the preferred return) as calculated pursuant to the partnership agreement; and	Equity investments in companies in the fields of medical devices

Date of initial transaction announcement	Name of listed issuer (stock code)	Connected transaction	Role of the listed issuer and/or its subsidiary(ies)	Initial term (in years)/ extendable	Fund expenses (including management, annual services and/or maintenance fee, etc.)	Summary of the income/profit distribution by the fund after the payment of or provision for, where applicable, fees, costs and expenses as specified in the subject partnership agreement	Targeted industries/sector/businesses/ investments of the fund in summary
						3. Catch-up distribution to the general partner: if there is a remainder, 100% shall be distributed to the general partner until the cumulative amount of distributions received by the general partner under this item (3) equals 20% of the amount of the preferred return divided by 80%; and (iv) 80/20 Split: if there is a remainder, (a) 80% shall be distributed to the limited partners, and (b) 20% shall be distributed to the general partner.	
25 July 2025	Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited (874)	Yes	Limited partner	13 years with possible extension	Investment period: 1.0% p.a. Exit period and extension period: 1.0% p.a.	1. Distributions shall be made to all partners in proportion to their paid-in capital contributions until each partner has received an amount equal to its total paid-in capital contributions to the fund; 2. Threshold returns shall be distributed to the partners until each partner has received an annualised return of 6% (simple interest), calculated based on its paid-in capital contribution; and 3. Any remaining amount shall be regarded as excess returns. 20% of the excess returns shall be distributed to the fund manager as performance remuneration, and the remaining 80% shall be distributed to the limited partner in proportion to its paid-in capital contribution.	Biomedical and health sectors, such as pharmaceuticals, medical devices, and medical services via sub-fund investments, direct project investments, and other methods.

Date of initial transaction announcement	Name of listed issuer (stock code)	Connected transaction	Role of the listed issuer and/or its subsidiary(ies)	Initial term (in years)/ extendable	Fund expenses (including management, annual services and/or maintenance fee, etc.)	Summary of the income/profit distribution by the fund after the payment of or provision for, where applicable, fees, costs and expenses as specified in the subject partnership agreement	Targeted industries/sector/businesses/ investments of the fund in summary
25 July 2025	BAIC Motor Corporation Limited ("**BAIC Motor**") (1958)	Yes	Limited partner	15 years with possible extension	Investment period: 2.0% p.a. After investment period: 1.0% p.a. of the aggregate investment costs paid in all investment projects in which the partnership has not yet exited	1. Return of principal: the capital shall be distributed to all limited partners in proportion to their respective paid-in capital contributions, until each limited partner has recovered the paid-in capital contributed by it to the partnership. Thereafter, the capital shall be distributed to the general partner until it has recovered the paid-in capital contributed by it to the partnership; 2. Payment of preferred returns to limited partners: preferred returns are distributed among limited partners in proportion to their respective paid-in capital contributions, until each limited partner has received a return calculated at an annual simple interest rate of 6% on the amount of its paid-in capital contribution; 3. Payment of preferred returns to the general partner: a preferred return is distributed to the general partner, until each general partner has received a return calculated at an annual simple interest rate of 6% on the amount of its paid-in capital contribution to the Partnership; and 4. Distribution of excess returns: in the event that there is any surplus after the distributions described in (1) to (3) above, 80% of the remaining investment income shall be distributed to all partners in proportion to their respective paid-in capital contributions, and 20% of the remaining investment income shall be paid to the manager as performance compensation.	Upstream and downstream sectors of the automotive industry, with a particular emphasis on sub-funds and projects in automotive-related industries and extended fields such as clean energy, intelligent connectivity, high-end equipment manufacturing and new materials

Date of initial transaction announcement	Name of listed issuer (stock code)	Connected transaction	Role of the listed issuer and/or its subsidiary(ies)	Initial term (in years)/ extendable	Fund expenses (including management, annual services and/or maintenance fee, etc.)	Summary of the income/profit distribution by the fund after the payment of or provision for, where applicable, fees, costs and expenses as specified in the subject partnership agreement	Targeted industries/sector/businesses/ investments of the fund in summary
18 July 2025	Tian Tu Capital Co., Ltd. ("**Tian Tu**") (1973)	No	One subsidiary as limited partner and one subsidiary as general partner	5 years with possible extension	2% p.a. for paid-in capital during the investment period 2% p.a. for paid-in capital after deducting principal for exited projects during the post-investment period and any subsequent extension periods	General partner is entitled to customary carried interest, the amount of carried interest is dependent on the performance of the investment fund	equity investments (including convertible bonds investments) in emerging unlisted businesses with funds of its partners in data center businesses and related services
30 June 2025	Star Plus Legend Holdings Limited ("**Star Plus Legend**") (6683)	Yes	Limited partner	5 years with possible extension	US$20,000 p.a. *(Note 1)*	1. 100% to each limited partner until the cumulative amount distributed to such limited partner (taking into account all prior distributions made to the relevant limited partner) is equal to such limited partner's capital contribution; and 2. The remaining to such limited partner proportionate to such limited partner's capital contribution in the aggregate capital contribution of all partners of the industry fund.	Key investment targets of the industry fund are companies principally engaged in and/or investment products or funds that principally invest in sectors relating to media, cultural, tourism, entertainment, showbiz, e-sports, influencer marketing and retail innovation including digital transformation of retail and the concept of new retail which integrates online and offline commerce
26 June 2025	China Life Insurance Company Limited ("**China Life Insurance**") (2628)	Yes	Limited partner	10 years with possible extension	Annual management fee shall be 0.1% of the balance of the paid-in capital contributions of all the limited partners	1. The exit profits shall first be distributed to all partners until each of them has recovered its entire investment cost in the exited project investment; and 2. The balance (if any) shall be distributed to all partners in proportion to their respective paid-in capital contributions.	Nuclear power companies located in the PRC whose main business is "nuclear power project development, investment, construction, and operation", to support the development of clean and low-carbon energy in the PRC, thereby contributing to the societal objectives of "conservation development and clean development"

Date of initial transaction announcement	Name of listed issuer (stock code)	Connected transaction	Role of the listed issuer and/or its subsidiary(ies)	Initial term (in years)/ extendable	Fund expenses (including management, annual services and/or maintenance fee, etc.)	Summary of the income/profit distribution by the fund after the payment of or provision for, where applicable, fees, costs and expenses as specified in the subject partnership agreement	Targeted industries/sector/businesses/ investments of the fund in summary
19 June 2025	China Everbright Limited (165)	No	One subsidiary as limited partner and one subsidiary as general partner	10 years with possible extension	Investment period: 2.0% p.a. in total, including 1.2% p.a. to the manager and 0.8% p.a. to one of the general partners Exit period and the extended term: 1.0% p.a. in total, including 0.6% p.a. to the manager and 0.4% p.a. to one of the general partners	1. Return of the limited partner's capital contributions: first, 100% shall be distributed to the relevant limited partner until the cumulative distributions received by such limited partner is equal to the relevant limited partner's total paid-in capital contributions to the limited partnership (after deducting any unused capital amounts previously distributed to the limited partner, if applicable); 2. Payment of the limited partner's preferred return: second, if there is any balance, 100% shall be distributed to the relevant limited partner until such limited partner has received, on the cumulative distributions obtained under paragraph (1) above, a preferred return calculated at a simple interest rate of 6% per annum; and 3. Distribution of excess return: if there is any balance, (a) 80% shall be allocated to the relevant limited partner, and (b) 20% shall be allocated to the general partners, referred to as "carried interest". The carried interest to which each of the general partners is entitled shall be distributed among the general partners in the ratio of 50%: 50%.	Marine biomedicine and biological products, marine high-end equipment manufacturing and materials, marine information and digital data, marine port economy and marine seedlings, blue carbon and comprehensive utilization of seawater and other marine-related industries, upstream and downstream related industries and other high-tech industries
12 June 2025	Huicheng International Holdings Limited ("**Huicheng International**") (1146)	No	Limited partner	7 years with possible extension	Not specified in the subject transaction announcement *(Note 2)*	Not specified in the subject transaction announcement *(Note 5)*	Equity investment in the field of semiconductors, artificial intelligence, robotics, information technology and biotechnology

Date of initial transaction announcement	Name of listed issuer (stock code)	Connected transaction	Role of the listed issuer and/or its subsidiary(ies)	Initial term (in years)/ extendable	Fund expenses (including management, annual services and/or maintenance fee, etc.)	Summary of the income/profit distribution by the fund after the payment of or provision for, where applicable, fees, costs and expenses as specified in the subject partnership agreement	Targeted industries/sector/businesses/ investments of the fund in summary
5 June 2025	Keep Inc. (3650)	Yes	Limited partner	12 years with possible extension	Investment period: 2% p.a. of the total paid-in capital contributions of the fund Exit period: 1.5% p.a. of the outstanding investment amount	1. Return of limited partners' paid-in capital contributions: the distributable income shall be distributed to the limited partners in proportion to their respective paid-in capital contributions until each limited partner has recovered the full amount of its paid-in capital contributions; 2. Return of general partners' paid-in capital contributions: any balance remaining after the above distribution shall be distributed to the general partners in proportion to their respective paid-in capital contributions until each general partner has recovered the full amount of its paid-in capital contributions; 3. Hurdle rate: any balance remaining after the above distributions shall be distributed to all partners at an annualised return rate of 8% based on their paid-in capital contributions on a simple interest basis. If the distributable income is insufficient to meet the 8% threshold, the balance shall be allocated to partners in proportion to their respective paid-in capital contributions; and 4. Profit sharing: for any balance remaining after the above distributions, 80% of such balance shall be distributed to the partners in proportion to their respective paid-in capital contributions, and 20% of such balance shall be distributed to one of the general partners.	Relevant sectors of strategic emerging industries and future industries in Shenzhen, with a focus on smart terminals, intelligent robotics, software and information services

Date of initial transaction announcement	Name of listed issuer (stock code)	Connected transaction	Role of the listed issuer and/or its subsidiary(ies)	Initial term (in years)/ extendable	Fund expenses (including management, annual services and/or maintenance fee, etc.)	Summary of the income/profit distribution by the fund after the payment of or provision for, where applicable, fees, costs and expenses as specified in the subject partnership agreement	Targeted industries/sector/businesses/ investments of the fund in summary
29 May 2025	Min Xin Holdings Limited ("**Min Xin**") (222)	No	Limited partner	8 years with possible extension	Investment period: 2% p.a. of the actual paid-in capital contributions of the relevant limited Partner	Regarding the investment income from other investments and other cash income, in principle, distribution shall be made within 20 business days after the end of the quarter in which such income accumulates to RMB1,000,000. If the partnership distributes investment income related to the investment in the project company, even if the accumulated investment income from other investments and other cash income has not reached RMB1,000,000, such income shall be distributed simultaneously with the distribution of investment income related to the investment in the project company. The distribution shall be made in proportion to each partner's relevant actual paid-in capital contribution to the partnership.	National-level specialised and innovative technology enterprise, specialising in the provision of digital risk quantification model technology services. For capital contribution that has not been invested in the project company, the general partner with the approval from the investment committee may invest such sum in other investments such as government bonds, open-end money market funds, fixed income funds and bonds as well as bank deposits.

Date of initial transaction announcement	Name of listed issuer (stock code)	Connected transaction	Role of the listed issuer and/or its subsidiary(ies)	Initial term (in years)/ extendable	Fund expenses (including management, annual services and/or maintenance fee, etc.)	Summary of the income/profit distribution by the fund after the payment of or provision for, where applicable, fees, costs and expenses as specified in the subject partnership agreement	Targeted industries/sector/businesses/ investments of the fund in summary
28 May 2025	Viva Biotech Holdings (1873)	Yes	Limited partner	7 years with possible extension	Investment period: 1.8% of the actual total paid up capital of the fund Exit period: 1.8% of the outstanding original investment amount for investments that has yet to exit	1. Reasonable funds shall be preserved to address any fees and expenses as might be incurred by the fund; 2. Distribution shall first be made to each of the partners in proportion to its respective paid-up capital contribution at the time of the distribution until all partners have recovered an amount equal to that after deducting the unutilised capital contribution returned to them at the time being; 3. Distribution shall then be made to each of the partners until the cumulative amount received by each of the partners reaches an amount equivalent to a simple interest of 8% per annum on the amount equal to that after deducting the unutilised capital contribution returned to them at the time being; and 4. Out of the remaining distributable income (if any), 80% shall be distributed among all the partners in proportion to their respective paid-up capital contribution and 20% shall be distributed to the general partner.	Early-stage development projects in the pharmaceutical industry, with particular focus on cutting-edge technological innovation and transformation in the field of life sciences
17 May 2025	Enterprise Development Holdings Limited ("**Enterprise Development**") (1808)	No	General partner	Operating period of the limited partnership is disclosed as long-term, specific length/ term was not disclosed *(Note 3)*	Not specified in the subject transaction announcement *(Note 2)*	Not specified in the subject transaction announcements *(Note 5)*	Biomedicine related corporations

Date of initial transaction announcement	Name of listed issuer (stock code)	Connected transaction	Role of the listed issuer and/or its subsidiary(ies)	Initial term (in years)/ extendable	Fund expenses (including management, annual services and/or maintenance fee, etc.)	Summary of the income/profit distribution by the fund after the payment of or provision for, where applicable, fees, costs and expenses as specified in the subject partnership agreement	Targeted industries/sector/businesses/ investments of the fund in summary
9 May 2025	YH Entertainment Group ("**YH Entertainment**") (2306)	No	Class A limited partner	5 years with possible extension	Annual service fee and management fee with respect to each limited partner shall be 2% and 0.5% (i.e. 2.5% in aggregate) of such limited partner's capital contribution. The annual service fee and the management fee for the first accounting period for each limited partner will be waived	1. 100% to each Class A limited partner ("**Class A LP**") until the cumulative amount distributed to such Class A LP is equal to such Class A LP's aggregate capital contributions less the management fee and annual service fee payable and accrued by such Class A LP; 2. To fulfil Class A LP's preferred return, 100% to each Class A LP until the cumulative distributions to such Class A LP pursuant to this clause (2) represents 6% p.a. of the aggregate capital contributions; 3. 100% to each Class B limited partner ("**Class B LP**") until the cumulative amount distributed to such Class B LP is equal to such Class B LP's aggregate capital contributions less the management fee and annual service fee payable and accrued by such Class B LP; 4. 100% to the Class B LP until the cumulative distributions pursuant to this clause (4) to the Class B LP represents 10% p.a. on the aggregate capital contributions by such Class B LP, calculated from the date on which the relevant capital contribution was paid to the date on which it was repaid; 5. 100% to the general partner until the cumulative amount distributed to the general partner under this clause (5) equals the cumulative amounts distributed to the Class B LP under the clause (4); and 6. 50% shall be distributed to such Class B LP and 50% shall be paid to the general partner.	Public and private equity, public and private debt, public and private convertible bonds, and/or through products

Date of initial transaction announcement	Name of listed issuer (stock code)	Connected transaction	Role of the listed issuer and/or its subsidiary(ies)	Initial term (in years)/ extendable	Fund expenses (including management, annual services and/or maintenance fee, etc.)	Summary of the income/profit distribution by the fund after the payment of or provision for, where applicable, fees, costs and expenses as specified in the subject partnership agreement	Targeted industries/sector/businesses/ investments of the fund in summary
7 May 2025	Peking University Resources (Holdings) Company Limited (618)	No	Subordinated limited partner	10 years with possible extension	A management fee equivalent to 0.5% p.a. with reference to the amount of actual capital contribution made by the partners	1. Distribution of benchmark returns to preferred limited partner(s), where: (a) preferred limited partner benchmark returns: = Σ(preferred limited partner actual capital contributions × preferred limited partner expected benchmark return rate × preferred limited partner actual contribution days ÷ 360 days) (calculated on a 360-day basis per year); (b) the preferred limited partner expected benchmark return rate is 10.0%; 2. Distribution to preferred limited partner(s) until they have received distribution equal to their actual capital contributions to the partnership; 3. Distribution to the general partner until it has received distribution equal to its actual capital contributions to the partnership; 4. Distribution to subordinated limited partner(s) until they have received distribution equal to their actual capital contributions to the partnership; and 5. Distribution of excess returns as follows: (a) 5% to general partner; (b) 15% to preferred limited partner(s); and (c) 80% to subordinated limited partner(s).	Special opportunity assets and partnership and other interests in one or more collective investment vehicles related thereto, and to explore project opportunities related to the healthcare industry

Date of initial transaction announcement	Name of listed issuer (stock code)	Connected transaction	Role of the listed issuer and/or its subsidiary(ies)	Initial term (in years)/ extendable	Fund expenses (including management, annual services and/or maintenance fee, etc.)	Summary of the income/profit distribution by the fund after the payment of or provision for, where applicable, fees, costs and expenses as specified in the subject partnership agreement	Targeted industries/sector/businesses/ investments of the fund in summary
			Maximum	15 years with possible extension *(Note 3)*	2.5% p.a. of such limited partner's capital contribution *(Note 1, 2)*	Preferential returns/hurdle rate: 10% p.a. *(Note 5)* Performance fees payable to fund manager/general partner after preferential returns/hurdle rate: 50% *(Note 5)*	
			Minimum	around 3 years with possible extension *(Note 3)*	0.1% p.a. *(Note 1, 2)*	Preferential returns/hurdle rate: 5% p.a. *(Note 5)* Performance fees payable to fund manager/general partner after preferential returns/hurdle rate: 5% *(Note 5)*	
			Average	approximately 7.9 years before possible extension *(Note 3)*	approximately 1.3% *(Note 1, 2, 4)*	Seven of the Comparable Funds were without preferential returns/hurdle rate. Nine of the Comparable Funds have a preferential returns/hurdle rate of various structures as set out in the table, out of which seven had a 80%:20% split excess distribution return structure between the partners. *(Note 5)*	
			The Fund	5 years with possible extension	2% p.a.	Preferential returns/hurdle rate: 8% p.a. Performance fees payable to fund manager/general partner after preferential returns/hurdle rate: 20%	

Notes:

1. As per the transaction announcement of Star Plus Legend, the management fee under the subject limited partner agreement and subscription agreement is US$200,000 p.a. and based on the capital commitment of US$8.0 million by Star Plus Legend, the management fee in percentage terms is calculated to be 0.25% p.a. for the purpose of the calculation of maximum, minimum and average annual fee in the Comparable Funds Table.

2. For the avoidance of doubt, the fund invested by (i) Huicheng International and Enterprise Development did not specify the management fee or other fund expenses to be payable by its partners; and (ii) Noah Holdings, the annual management fee payable commencing from the second year of operations is 1.0% p.a. of capital contributions, therefore Huicheng International has not been included and Noah Holdings's management fee of 1.0% p.a. has been included, in the calculation of maximum, minimum and average annual fee in the Comparable Funds Table.

3. For the avoidance of doubt, the fund invested by (i) Time Watch will continue until its dissolution in accordance with relevant provisions under the limited partnership agreement; and (ii) Enterprise Development did not specify an initial term, therefore neither of the above has not been included in the calculation of maximum, minimum and average initial term in the Comparable Funds Table.

4. Under the funds whereby the fund manager/general partner is entitled to charge an annual management fee/service fee at a given percentage during the investment period and, where applicable another given percentage during the exit period and/or extension period. For illustration purposes, the annual fees payable during the investment period is adopted for the calculation of the average annual fee in the Comparable Funds Table.

5. Seven of the Comparable Funds, invested by China Life Insurance, Guolian Minsheng, Min Xin, Noah Holdings, Tian Tu, Time Watch and Star Plus Legend respectively, shall distribute its income at the general partner's discretion or after deducting relevant expenses to its partners with reference to a pre-agreed formula/ structure without prior distribution of a preferential return to its partners (i.e. not using the excess return/hurdle rate concept), as the case maybe Huicheng International and Enterprise Development did not specify the details of the fund's distribution policies. To ensure a more like-for-like comparison, the aforesaid nine Comparable Funds, which shall distribute their income without a preferential return to its partners first, are not included in calculation of maximum, minimum and average preferential returns/performance fees in the Comparable Funds Table.

Term of the Fund

As set out in the Letter from the Board and in the Comparable Funds Table above, the initial term of the Comparable Funds ranged from around three years (New Silkroad) to 15 years (BAIC Motor). On this basis, the initial term of the Fund of five years is within but towards the low end of the range of the Comparable Funds. Nonetheless, pursuant to the Partnership Agreement, the initial term of the Fund is extendable by the Fund Manager, subject to the consent by the Fund Partners. We noted from the Comparable Funds that it is common for the fund to have a clause enabling the term of the fund to be extended. As the Comparable Funds and the Fund varied in investment objective, strategies and targets, which may have a bearing on the subject fund-life, given the initial term of Fund which is extendable subject to terms of the Partnership Agreement and is within range of the Comparable Funds, we are of the view that the term of the Fund is in line with that of the Comparable Funds and is reasonable.

Fund expenses

The Fund Expenses payable by the Limited Partners, other than GQC Partnership, are as follows:

– CCB Investment as the Fund Manager shall be entitled to a management fee of (i) 1.4% per annum of the paid-up capital as contributed by such Limited Partner during the Investment Period (including the one-year extended period, if any); and (ii) during the Exit Period, 1.4% per annum of the investment costs in the un-exited project(s) of the Fund attributable to the paid-up capital as contributed by such Limited Partner; and

– TEDA Private Equity, whom is responsible for assisting in the Fund's management and operations and as a General Partner, is entitled to (i) during the Investment Period (including the one-year extended period, if any), 0.6% per annum of the paid-up capital as contributed by such Limited Partner; and (ii) during the Exit Period, 0.6% per annum of the investment costs in the un-exited project(s) of the Fund attributable to the paid-up capital as contributed by such Limited Partner,

provided that (i) the management fees charged by the Fund Manager shall be inclusive of the expenses to be incurred by the Fund Manager in relation to the formation of the Fund, professional fees for due diligence for the investment projects, other professional expenses (such as audit, valuation, legal and consulting) to be incurred for the Fund, government filings fees of the Fund, disbursements for the Investment Committee, the Advisory Committee and Fund Partners' meetings (if any); and (ii) no management fee or General Partner's remuneration will be charged during the Suspension Period or the extended period of the Term (if so agreed by all the Fund Partners to be extended).

It is noted from the Comparable Funds Table that the Fund Expenses of 2.0% is within the range of annual fee charged by the Comparable Funds, which ranged from 0.1% per annum over duration of the fund (China Life Insurance) to 2.5% per annum over the duration of the fund (YH Entertainment). Given the above, we consider the Fund Expenses of 2.0% p.a. to be in line with the market practice

Income distribution of the Fund

Pursuant to the Partnership Agreement, the Distributable Income comprises (i) proceeds from disposal(s) of the Fund's investments (including interim investments); (ii) distributions, dividends, interests and other cash revenue from its investment activities; (iii) unutilised capital; and (iv) liquidated damages and other cash received by the Fund, after having deducted the relevant taxes, liabilities, the Fund Expenses and other payables.

As set out in the Letter from the Board, the Distributable Income shall be distributed in the following order:

(i) as first priority, to all Fund Partners, in proportion to their respective paid-up capital until each Fund Partner has been repaid the amount of paid-up capital it has contributed to the Fund;

(ii) subsequently, to all Fund Partners, a preferential return equivalent to a simple interest of 8% per annum on the paid-up capital as contributed by such Fund Partner accruing from the date(s) of payment(s) of capital by the Fund Partner to the date of repayment of such capital pursuant to paragraph (i) above (i.e. the Preferential Returns);

(iii) after the full repayment of the paid-up capital to the Fund Partners and the Preferential Returns, GQC Partnership will be entitled to a percentage equivalent to the proportion of its paid-up capital contribution to the Fund of such balance (if any), and for the remaining proceeds, (a) 80% of such proceeds will be distributed among the Limited Partners other than GQC Partnership in proportion to their respective paid-up capital contributions; and (b) 20% of such proceeds shall be distributed to the General Partners (the "**Performance Fees**"), in the proportion of 40% and 60% to CCB Investment and TEDA Private Equity respectively.

Based on our market research and analysis on the Comparable Funds, the Preferential Returns is similar to the concept of a hurdle rate, whereby a fund is required to achieve and distribute a pre-agreed rate of return for its partners (i.e. the investors of the fund) before the general partners and/or the subject fund manager are entitled to its/their performance fees out of the remaining income (i.e. excess returns).

As per our review of the subject transaction announcement of the listed companies identified in relation to the Comparable Funds, (i) seven of the Comparable Funds, invested by China Life Insurance, Guolian Minsheng, Min Xin, Noah Holdings, Time Watch, Tian Tu and Star Plus Legend respectively, shall distribute its income at the general partner's discretion or after deducting relevant expenses to its partners with reference to a pre-agreed formula without prior distribution of a preferential return to its partners, as the case maybe; and (ii) nine of the Comparable Funds, each invested by a different listed company respectively, would distribute a preferential return/hurdle return to its partners (the "**Preferential Return Comparable Funds**"). In general, assuming all other terms of the fund being equal, an investment fund that distribute a preferential return to its partners (i.e. investors) before distributing a portion of its return to its general partners and/or fund manager as their performance fee (the "**GP Excess Return Entitlement**") is more advantageous than investment fund without such preferential return hurdles to its limited partners as the subject investment funds would distribute preferential returns to the relevant partners prior to distributing surplus return (if any) in a pre-agreed split/portion between the limited partners and the general partner(s), and the GP Excess Return Entitlement of the Comparable Funds ranged from 5% to 50%, which has been analysed further in this letter below.

With a view to further support the fairness and reasonableness of the Preferential Returns of the Fund (i.e. the hurdle rate), being a preferential return equivalent to a simple interest of 8% per annum on the paid-up capital as contributed by such Fund Partner, we have compared the Preferential Returns of the Fund against that of the Comparable Funds. It is noted that the preferential returns/hurdle rate of the nine Preferential Return Comparable Funds ranged from 5% per annum to 10% per annum, which is based on the calculations and/or benchmarks as stated in the respective transaction announcement as summarised in the Comparable Funds Table above. The Preferential Returns of 8% per annum under the Fund is therefore within the aforesaid range of the nine Preferential Return Comparable Funds and thus we consider the Preferential Returns to be in line with the market practice.

As for the Performance Fees, after the full repayment of the paid-up capital to the Fund Partners and having paid the Preferential Return, the remaining proceeds (i.e. the excess returns) shall be distributed proportionately based on (i) 80% of such proceeds will be distributed among the Limited Partners other than GQC Partnership in proportion to their respective paid-up capital contributions; (ii) 20% of such proceeds shall be distributed to the General Partners, in the proportion of 40% and 60% to CCB Investment and TEDA Private Equity respectively; and (iii) GQC Partnership in proportion to its respective paid-up capital contributions. For any loss incurred by the Fund in its investment projects, such shall be borne by all Fund Partners in proportion to their respective paid-up capital. Other losses and liabilities of the Fund shall be borne by all Fund Partners in proportion to their Capital Proportion.

In this regard, we have compared the Performance Fees of the Fund, being 20% out of the remaining proceeds after the full repayment of the paid-up capital to the Fund Partners and having paid the Preferential Return (i.e. excess returns), against that of the Comparable Funds. It is noted that the performance fee of the Preferential Return Comparable Funds referred to a range of calculations and/or benchmarks, ranging from, among others, (i) 5% of the excess return to the general partner after the distribution of benchmark returns to the stated limited partner and distribution equal to capital contributions made by the respective partners (under the Comparable Fund invested by Peking University Resources); (ii) using the 80%:20% excess return distribution ratio with reference to the stated excess return calculations as summarised in the Comparable Funds Table, with 20% being entitled by the subject general partner(s) and/or fund manager(s) (under the Comparable Funds invested by seven of the listed companies identified); and (iii) a stated return distribution ratio of 50%:50% with reference to the stated return calculations as summarised in the Comparable Funds Table (under the Comparable Fund invested by YH Entertainment). Based on the information and analysis above, the performance fee ranged from 5% to 50% of the excess return to the subject general partner(s) and/or fund manager(s) as referred to by the subject Preferential Return Comparable Funds, of which the Performance Fees distribution ratio under the Fund of 20% to the General Partners is within range of and therefore we consider the Preferential Returns and the Performance Fees to be in line with the market practice.

Terms related to GQC Partnership

Further to the above, we noted from the Letter from the Board that GQC Partnership is an employee investment platform established by CCB Investment, which mainly invests in actively managed equity investment funds initiated and established by CCB Investment as the fund manager. To this end, the General Partners will not charge GQC Partnership the Fund Expenses/management fees. Based on our review of market precedents, including, the transaction announcement of China Life Insurance (stock code: 2628) dated 29 April 2025, the transaction announcement of Shoucheng Holdings Limited (stock code: 697) dated 23 April 2025 and the transaction announcement of Shanghai Pharmaceuticals Holding Co., Ltd. (stock code: 2607) dated 28 January 2025, each of the aforesaid funds also had a special limited partner, which included co-investment platforms established by the fund manager/general partner's holding group for its management team or employees, of which the fund manager/general partner did not charge a management fee. Such terms are considered to be in line with market practice where an employee co-investment platform of a general partner also invests in its investment fund.

Summary of our analysis

Based on our work performed and analysis as set out above, having considered, among others, (i) the reasons for and benefits of entering into the Partnership Agreement as set out in the Letter from the Board; (ii) our work performed and analysis on the principal terms of Partnership Agreement as set out in this section and that the term of the Fund, the Fund Expenses, the income distribution of the Fund are considered to be in line with that of the Comparable Funds, which comprised both connected transactions and transactions with independent third parties of the subject listed issuer, thereby covering a larger sample size than solely focusing on either connected transactions or transactions with independent third parties on a standalone basis; (iii) save for TEDA Private Equity, being one of the General Partners, and TEDA International, being one of the Limited Partners, the other General Partner, namely CCB Investment, and the other Limited Partners are all independent third parties to the Company, which are all subject to the terms of the Partnership Agreement negotiated on an arm's length basis between the parties to the Partnership Agreement; and (iv) investments to be made by the Fund are conditional upon the approval by the Investment Committee, in which decisions could not be made without both CCB Investment's and TEDA Private Equity's mutual consent. Considering both TEDA International, being the holding company of TEDA Private Equity, and CCB Strategic Fund, which is also managed by CCB Investment, have also committed a substantial part of capital to the Fund, the interests of Lisheng Pharmaceutical in the Fund is aligned with the interests of both the General Partners and other Limited Partners, we are of the view that the principal terms of the Partnership Agreement are fair and reasonable so as the Independent Shareholders are concerned.

6. Possible financial effects of the participation in the Fund

As set out in the 2024 Annual Report and the 2025 Interim Report, the Group recorded (i) profit attributable to the Shareholders amounted to approximately HK$548.1 million for the year ended 31 December 2024; (ii) cash and cash equivalents and time deposits with maturity over three months (under current assets and non-current assets), in aggregate, amounted to approximately HK$5,850.2 million as at 30 June 2025; and (iii) total assets of the Group of approximately HK$22,449.6 million 30 June 2025.

The proposed capital commitment of Lisheng Pharmaceutical to the Fund is RMB173.75 million, unless it otherwise agrees in writing. In the event that Lisheng Pharmaceutical decides to provide further capital commitment, depending on the exact further commitment amount, the Company shall comply with the relevant requirements under Chapters 14 and/or 14A of the Listing Rules.

Given the above and that Lisheng Pharmaceutical's participation in the Fund shall be funded by its own resources, the proposed capital commitment of Lisheng Pharmaceutical towards the Fund under the Partnership Agreement is not expected to have significant adverse impact to the Group's consolidated financial position.

As advised by the Management, the Group's investment in the Fund will be recognised as a financial asset at fair value through profit or loss in the consolidated financial statements of the Group. The Fund will utilise its internal financial resources for its future investments. Such investments will be accounted for in the financial statements of the Fund and for the avoidance of doubt, such will not be reflected in the consolidated financial statements of the Group. It should be noted that the aforementioned analysis is for illustrative purposes only and subject to audit, therefore do not purport to represent how the financial positions and performance of the Group will be upon the completion of the Partnership Agreement and the transactions contemplated thereunder.

VI. RECOMMENDATION

Having considered the factors as set out in this letter above, we are of the view that albeit the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) are not entered into in the ordinary and usual course of business of the Group, it is on normal commercial terms and in the interests of the Company and the Shareholders as a whole, and the terms of the Partnership Agreement are fair and reasonable so far as the Shareholders are concerned. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, that the Independent Shareholders to vote in favour of the relevant ordinary resolution to approve the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) at the EGM.

Yours faithfully
For and on behalf of
Red Sun Capital Limited
Lewis Lai
Managing Director

Mr. Lewis Lai is a licensed person registered with the SFC and a responsible officer of Red Sun Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO and has over 18 years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF DIRECTORS' INTERESTS

As at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or which were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, so far as was known to the Directors, the following Directors were also directors or employees of a company which had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of Director	Name of company	Position
Mr. Teng Fei	Tianjin TEDA Industrial Group Co., Ltd.（天津泰達實業集團有限公司）("**TEDA Industrial**")	Director and general manager
	Tianjin Bohai	Chairman and general manager
	Tsinlien Group Company Limited（津聯集團有限公司）("**Tsinlien**")	Director and general manager
Dr. Zhai Xinxiang	TEDA Industrial	Deputy general manager
	Tianjin Bohai	Deputy general manager
	Tsinlien	Director and deputy general manager

Name of Director	Name of company	Position
Mr. Xia Binhui	TEDA Industrial	Deputy general manager
	Tianjin Bohai	Deputy general manager
	Tsinlien	Deputy general manager
Mr. Sun Lijun	TEDA Industrial	Financial controller
	Tianjin Bohai	Financial controller
	Tsinlien	Financial controller

3. DIRECTORS' INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which have been, since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

4. DIRECTORS' INTERESTS IN CONTRACTS AND ARRANGEMENTS

As at the Latest Practicable Date, none of the Directors was materially interested, whether directly or indirectly, in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any members of the Group which did not expire or was not determinable by the relevant member of the Group within one year without payment of compensation other than statutory compensation.

6. DIRECTORS' INTERESTS IN COMPETING BUSINESS

Mr. Teng Fei is a director of TEDA Industrial and Tianjin Bohai which, through certain of their subsidiaries, is partly engaged in the businesses of pharmaceutical including manufacture and sale of medicinal raw materials, food additive and medical disinfecting products. As these businesses are of different types and/or different sales regions, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of TEDA Industrial and Tianjin Bohai.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective close associates had any interests in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group pursuant to Rule 8.10 of the Listing Rules.

7. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

8. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given opinion or advice, which is included in this circular:

Name	Qualification
Red Sun Capital	a corporation licensed by the SFC for carrying out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, report and/or references to its name in the form and context as set out in this circular.

As at the Latest Practicable Date, the Independent Financial Adviser did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser did not have any direct or indirect interest in any assets which have been, since 31 December 2024, being the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member(s) of the Group, or were proposed to be acquired or disposed of by or leased to any member(s) of the Group.

9. DOCUMENT ON DISPLAY

Copy of the Partnership Agreement will be available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.tianjindev.com) for a period of not less than 14 days commencing from the date of this circular.

10. MISCELLANEOUS

In the event of any inconsistency, the English text of this circular shall prevail over the Chinese text.

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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 882)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the "**EGM**") of Tianjin Development Holdings Limited (天津發展控股有限公司) (the "**Company**") will be held by way of a virtual meeting on 13 November 2025 (Thursday) at 3:00 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following ordinary resolution of the Company:

ORDINARY RESOLUTION

"**THAT**:

(a) the Partnership Agreement (as defined and described in the circular of the Company dated 17 October 2025 (the "**Circular**"), a copy of the Partnership Agreement marked "**A**" together with a copy of the Circular marked "**B**" are produced to the meeting and initialled by the chairman of the meeting for the purpose of identification) and the transactions contemplated thereunder (including the proposed formation of the Fund (as defined in the Circular)) be and are hereby approved, confirmed and ratified; and

(b) any one director of the Company, or any two directors of the Company if the affixation of the common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to sign, execute, perform and deliver all such other instruments, deeds, documents and agreements and do such acts or things and take all such steps as he or they may in his or their absolute discretion consider to be necessary, desirable, appropriate or expedient to implement and/or give effect to the Partnership Agreement and the transactions contemplated thereunder (including the proposed formation of the Fund) and all matters incidental to, ancillary to or in connection with the matters contemplated therein."

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

Hong Kong, 17 October 2025

Notes:

(1) Registered Shareholders are requested to provide a valid email address of himself/herself/itself or his/her/its proxy (except for the appointment of the chairman of the EGM as proxy) in order for the proxy to receive the login access code to participate online in Vistra eVoting Portal.

Registered Shareholders will be able to attend the EGM, vote and submit questions online via the designated website (https://evoting.vistra.com) by using the username and password provided on the notification letter sent by the Company's share registrar.

Non-registered Shareholders whose Shares are held in the Central Clearing and Settlement System through banks, brokers, custodians or Hong Kong Securities Clearing Company Limited may also be able to attend the EGM, vote, call to raise questions and submit questions online. In this regard, they should consult directly with their banks, brokers, custodians, nominees or HKSCC Nominees Limited through which their shares are held (as the case may be) (collectively the "**Intermediary**") and instruct the Intermediary to appoint them as proxy or corporate representative to attend and vote at the EGM electronically and in doing so, they will be asked to provide their email address, before the time limit required by the relevant Intermediary. Details regarding the Vistra eVoting Portal including the login details will be emailed to them by the Company's share registrar, Tricor Investor Services Limited.

(2) Any member of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. A proxy may not be a member of the Company.

(3) In order to be valid, the completed form of proxy together with any power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney or other authority, must be deposited at the Company's share registrar, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong or via the designated website (https://evoting.vistra.com) by using the username and password provided on the notification letter sent by the Company's share registrar no later than 3:00 p.m. on 11 November 2025 (Tuesday), or in case of any adjournment of the EGM, not less than 48 hours before the time appointed for the holding of the adjourned meeting. Completion and return of the form of proxy will not preclude a member from attending and voting through Vistra eVoting Portal at the meeting, and in such event, the form of proxy shall be deemed to be revoked.

(4) Where there are joint registered holders of any shares of the Company, any one of such persons may vote at the EGM (or at any adjournment thereof), either personally or by proxy in respect of such shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM personally or by proxy, that one of such joint holders so present whose name stands first on the register of members of the Company shall alone be entitled to vote in respect of such shares.

(5) The register of members of the Company will be closed from 10 November 2025 (Monday) to 13 November 2025 (Thursday), both days inclusive, during which period no transfer of shares will be registered. The record date for determining the eligibility of the Shareholders to attend and vote at the EGM will be 13 November 2025. In order to determine the entitlement to attend and vote at the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Tricor Investor Services Limited at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on 7 November 2025 (Friday).

(6) The resolution set out in this notice will be decided by poll.

As at the date of this notice, the Board of the Company consists of Mr. Teng Fei, Dr. Zhai Xinxiang, Mr. Xia Binhui, 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*