

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make 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 announcement.



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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 882)

POTENTIAL DISPOSAL OF 78.45% EQUITY INTEREST IN TIANJIN TIANDUAN PRESS CO., LTD.

The Board announces that Tianjin Tai Kang, a non-wholly owned subsidiary of the Company, intends to dispose of all of its 78.45% equity interest in Tianjin Tianduan by way of public listing-for-sale process. The initial bidding price for the Potential Disposal is RMB566,059,600 (equivalent to approximately HK\$615,282,174).

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Potential Disposal is expected to be more than 25% but less than 75%, the Potential Disposal, if materialised, may constitute a major transaction of the Company and will therefore, be subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. As at the date of this announcement, no binding agreement in relation to the Potential Disposal has been entered into by Tianjin Tai Kang. The Company will make further announcement(s) in compliance with the Listing Rules and/or Part XIVA of the SFO as and when appropriate.

As the Potential Disposal may or may not materialise, Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO.

The Board announces that Tianjin Tai Kang, a non-wholly owned subsidiary of the Company, intends to dispose of all of its 78.45% equity interest in Tianjin Tianduan. In accordance with the relevant requirements governing the transfer of state-owned assets of enterprise in the PRC, the Potential Disposal will be conducted on the Tianjin Property Rights Exchange Centre (天津產權交易中心) by way of public listing-for-sale process. The initial public listing-for-sale process will commence on 12 June 2020, and will expire after a period of 40 business days.

The initial bidding price for the Potential Disposal is RMB566,059,600 (equivalent to approximately HK\$615,282,174), determined with reference to the relevant requirements governing the transfer of state-owned assets of enterprise in the PRC and the appraised value of Tianjin Tianduan as set out in the Valuation Report. Shareholders and/or potential investors of the Company should note that the final consideration for the Potential Disposal will depend on the final bid price to be offered by the successful bidder in the public listing-for-sale process. In the event that there is no bidder for the Potential Disposal upon expiry of the said 40 business days period, Tianjin Tai Kang may make relevant adjustments in respect of the initial bidding price for the Potential Disposal and extend such period in accordance with the requirements governing the transfer of state-owned assets of enterprise in the PRC. Tianjin Tai Kang will enter into a formal agreement with the successful bidder following completion of the public listing-for-sale process.

Upon completion of the Potential Disposal, the Company will not hold any equity interest in Tianjin Tianduan and Tianjin Tianduan will cease to be a subsidiary of the Company.

INFORMATION ON TIANJIN TIANDUAN

Tianjin Tianduan is a limited liability company established in the PRC and is principally engaged in the manufacture and sale of presses and mechanical equipment in the PRC.

Set out below is certain unaudited financial information of Tianjin Tianduan (prepared in accordance with the generally accepted accounting principles in Hong Kong) for the two financial years ended 31 December 2018 and 31 December 2019:

	For the year ended 31 December	
	2019	2018
	<i>RMB'000</i>	<i>RMB'000</i>
Net assets	717,605	722,061
(Loss)/profit before tax	(11,381)	49,235
(Loss)/profit after tax	(10,949)	42,113

According to the Valuation Report, the appraised net assets of Tianjin Tianduan was RMB721,554,500.

REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL

During the past year, the hydraulic press industry has experienced an overall downward trend in the face of continued macroeconomic headwinds.

Against the backdrop of the outbreak of novel coronavirus in the PRC at the beginning of this year, demand for hydraulic press products has been further affected by the conditions and growth of the industries in which Tianjin Tianduan's customers operate, particularly the cyclical industries, which are influenced by macroeconomic factors within the PRC, such as government policy initiatives and the levels of fixed asset investment. Although the industrial companies have begun to resume operations, it is expected that the growth of hydraulic press demand will be decelerated due to lingering economic uncertainty and weak market sentiment. Furthermore, the hydraulic press industry in the PRC is still intensely competitive and price sensitive. Tianjin Tianduan has faced pricing and margin pressure from the sustained keen competition among local companies and domestic-based multinationals in the markets where it currently operates. Meanwhile, the slowdown of relevant industries will expose Tianjin Tianduan to uncertainty and potential volatility with respect to its business performance and results of operations.

It has been one of the Company's business development strategies to make appropriate business decisions and adjustments according to the overall business environment. Considering the impact of cyclicity and market conditions in the hydraulic press industry in the PRC, the Company believes that the Potential Disposal may allow the Company to realise its investment in Tianjin Tianduan and further apply its resources for maintaining the existing businesses of the Group. The possible financial effect of the Potential Disposal on the Group will depend on the final bid price, subject to results of audit.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules in respect of the Potential Disposal is expected to be more than 25% but less than 75%, the Potential Disposal, if materialised, may constitute a major transaction of the Company and will therefore, be subject to the reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

GENERAL

The Board wishes to emphasize that as the date of this announcement, no binding agreement in relation to the Potential Disposal has been entered into by Tianjin Tai Kang. The Company will make further announcement(s) in compliance with the Listing Rules and/or Part XIVA of the SFO as and when appropriate.

As the Potential Disposal may or may not materialise, Shareholders and/or potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Tianjin Development Holdings Limited (天津發展控股有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange (Stock Code: 882)
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Potential Disposal”	the potential disposal of the entire 78.45% equity interest in Tianjin Tianduan by Tianjin Tai Kang by way of public listing-for-sale process to be conducted on the Tianjin Property Rights Exchange Centre (天津產權交易中心)

“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of share(s) in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tianjin Tai Kang”	Tianjin Tai Kang Investment Co., Ltd. (天津泰康投資有限公司), a company established in the PRC with limited liability. As at the date of this announcement, the Company directly holds 82.74% of Tianjin Tai Kang
“Tianjin Tianduan”	Tianjin Tianduan Press Co., Ltd. (天津市天鍛壓力機有限公司), a company established in the PRC with limited liability which is owned as to 78.45% by Tianjin Tai Kang
“Valuation Report”	the valuation report of Tianjin Tianduan prepared by Jiangsu Zhongqihua Zhongtian Asset Evaluation Company Limited (江蘇中企華中天資產評估有限公司), using the asset-based approach with 30 September 2019 as the appraisal reference date
“%”	per cent.

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

In this announcement, RMB has been converted to HK\$ at the rate of RMB0.92 = HK\$1.00 for illustration purpose only. No representation is made that any amounts in RMB or HK\$ have been, could have been or could be converted at the above rate or at any other rates or at all.

By Order of the Board
Tianjin Development Holdings Limited
Wang Zhiyong
Chairman and Executive Director

Hong Kong, 11 June 2020

As at the date of this announcement, the board of directors of the Company consists of Mr. Wang Zhiyong, Mr. Chen Yanhua, Dr. Li Xiaoguang, Mr. Zhuang Qifei, Mr. Cui Xiaofei, Mr. Cheung Wing Yui, Edward, Dr. Cheng Hon Kwan**, Mr. Mak Kwai Wing, Alexander**, Ms. Ng Yi Kum, Estella**, Mr. Wong Shiu Hoi, Peter** and Dr. Loke Yu**.*

* *non-executive director*

** *independent non-executive director*