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

(Incorporated in Hong Kong with limited liability)

(Stock Code: 882)

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO THE
ACQUISITION OF 67% OF THE ISSUED SHARE CAPITAL OF
THRIVE LEAP LIMITED**

The Acquisition

On 22 July 2015, Century Promise, Golden Tripod, Tsinlien and Tianjin Pharmaceutical entered into the Agreement in relation to the acquisition by Century Promise from Golden Tripod of 67% of the issued share capital of Thrive Leap at a consideration of RMB2,315,855,000 (equivalent to approximately HK\$2,931,462,000).

As the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. In addition, since Tsinlien is the controlling Shareholder and, Golden Tripod and Tianjin Pharmaceutical are a wholly-owned subsidiary and the holding company of Tsinlien respectively, Tsinlien, Golden Tripod and Tianjin Pharmaceutical are all connected persons of the Company under Chapter 14A of the Listing Rules. The Acquisition therefore also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are not less than 5% and the consideration is not less than HK\$10,000,000, the Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An EGM will be convened at which a resolution will be proposed for the approval of the Agreement and the transactions contemplated thereunder by the Independent Shareholders. Tsinlien and Tianjin Pharmaceutical and their respective associates will abstain from voting in respect of the resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

The Independent Board Committee has been established to advise the Independent Shareholders as to whether the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Shareholders as a whole. Investec Capital Asia Limited has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

A circular containing, among other things, (i) details of the Acquisition and the Agreement; (ii) the letter of advice from Investec Capital Asia Limited to the Independent Board Committee and the Independent Shareholders; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iv) a notice convening the EGM; and (v) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 12 August 2015.

Potential Continuing Connected Transactions

As Tianjin Pharmaceutical is a connected person of the Company, and Thrive Leap Group will become part of the Group upon Completion, any transactions continuing between Thrive Leap Group and Tianjin Pharmaceutical Group after Completion will become continuing connected transactions of the Group under Chapter 14A of the Listing Rules. The Group will comply with the relevant requirements under the Listing Rules with regard to any continuing connected transactions that may continue or arise after Completion as appropriate.

THE AGREEMENT

On 22 July 2015, Century Promise, Golden Tripod, Tsinlien and Tianjin Pharmaceutical entered into the Agreement pursuant to which Century Promise conditionally agreed to acquire, and Golden Tripod conditionally agreed to sell, the Sale Shares, subject to the terms and conditions of the Agreement. Tsinlien and Tianjin Pharmaceutical agreed to jointly and severally guarantee the due and punctual performance by Golden Tripod of its agreements, obligations, commitments, warranties and undertakings under the Agreement and all the other documents entered into in connection with the Agreement and/or the Acquisition.

Date

22 July 2015

Parties

- (a) Purchaser : Century Promise, wholly-owned subsidiary of the Company
- (b) Vendor : Golden Tripod, wholly-owned subsidiary of Tsinlien
- (c) Vendor's guarantors : Tsinlien, controlling Shareholder and wholly-owned subsidiary of Tianjin Pharmaceutical; and Tianjin Pharmaceutical

Interest to be acquired

Pursuant to the Agreement, Century Promise shall acquire from Golden Tripod the Sale Shares, being 6,700 shares of US\$1 each in the capital of Thrive Leap, representing 67% of the issued share capital of Thrive Leap.

Information on Thrive Leap Group

Thrive Leap is an investment holding company incorporated in the Cayman Islands with limited liability on 20 June 2011 and has no material assets nor business activities other than its holding of 100% interest in Best Season. Best Season is an investment holding company incorporated in Hong Kong with limited liability on 24 June 2011 and has no material assets nor business activities other than its holding of 100% equity interest in Jinhao.

Jinhao is a company established under the laws of the PRC with limited liability on 2 August 2011. The principal assets of Jinhao consist of its holding of 93,710,608 A shares in Lisheng, representing approximately 51.36% of the total issued A shares in Lisheng and 65% and 100% equity interest in Yiyao Printing and Research Institute respectively.

Lisheng is a joint stock limited company established under the laws of the PRC on 17 June 1981. The RMB-denominated domestic A shares of Lisheng are listed on the Shenzhen Stock Exchange (Stock Code: 002393). Lisheng and its subsidiaries are principally engaged in the manufacturing and sale of chemical drugs in the PRC. Its main products include drugs for cardio and cerebral vascular systems, anti-infection drugs and hormone drugs. Lisheng was honored with the title of “Top 100 Industrial Enterprises in terms of comprehensive strength in the PRC pharmaceutical industry in 2014 (二零一四中國化學製藥行業工業企業綜合實力百強)”, its exclusive product Shoubishan indapamide tablets (壽比山牌吲達帕胺片) was honored with the title of “Outstanding Enterprise Brands in anti-hypertensive category of the PRC chemical pharmaceutical industry in 2014 (二零一四中國化學製藥行業降血壓類優秀產品品牌)”.

Yiyao Printing, established in March 1993, became a limited liability company under the laws of the PRC since March 2004. Yiyao Printing and its subsidiary are principally engaged in the design, manufacture, printing for pharmaceutical packaging and sale of other paper-based packaging materials. Yiyao Printing has equipped the production facilities with capabilities including digital proofing, computer-to-plate system, cutting, multi-color printing, automatic gluing and marking.

Research Institute is a limited liability company established under the laws of the PRC. Founded in 1959, it was a former affiliated research institute of the State Food and Drug Administration of the PRC which has specialized in research and development of new medicine technology and new products. After nearly five decades of development, Research Institute has become a High-tech Enterprise (高新技術企業) principally engaged in new drugs research, technology commercialization and production of new drugs, and is regarded as an Innovative Enterprise (創新型企業) and a National Model Unit of Intellectual Property (國家級知識產權示範企業) of the PRC. The business scope of Research Institute includes researches on areas such as pharmaceutical knowledge, pharmaceutical chemistry, pharmaceutical preparations, modern Chinese medicine, safety evaluation of new drugs and drug metabolism, and specializes in the research and development of innovative medicines and technology improvements of Chinese medicine, chemical medicine and biotechnological medicine.

Research Institute has established a post-doctoral research station and has established doctorate or master training centers at colleges and universities such as Tianjin University, Tianjin Medical University and Tianjin University of Traditional Chinese Medicine. Research Institute has a number of leading scientists and research staff, including experts enjoying government special allowances and endowed experts of the Tianjin Government (天津市授銜專家).

Set out below is the audited consolidated financial information of Jinhao prepared in accordance with the Hong Kong Financial Reporting Standards for the two years ended 31 December 2014:

	For the financial year ended 31 December	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit before taxation and extraordinary items	150,454	527,489
Profit after taxation and extraordinary items	114,372	435,480

The audited consolidated net asset value of Thrive Leap Group as at 31 December 2014 was HK\$4,576,384,000. Set out below is the audited consolidated financial information of Thrive Leap prepared in accordance with the Hong Kong Financial Reporting Standards for the two years ended 31 December 2014:

	For the financial year ended 31 December	
	2014	2013
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit (loss) before taxation and extraordinary items	150,423	(57)
Profit (loss) after taxation and extraordinary items	114,341	(57)

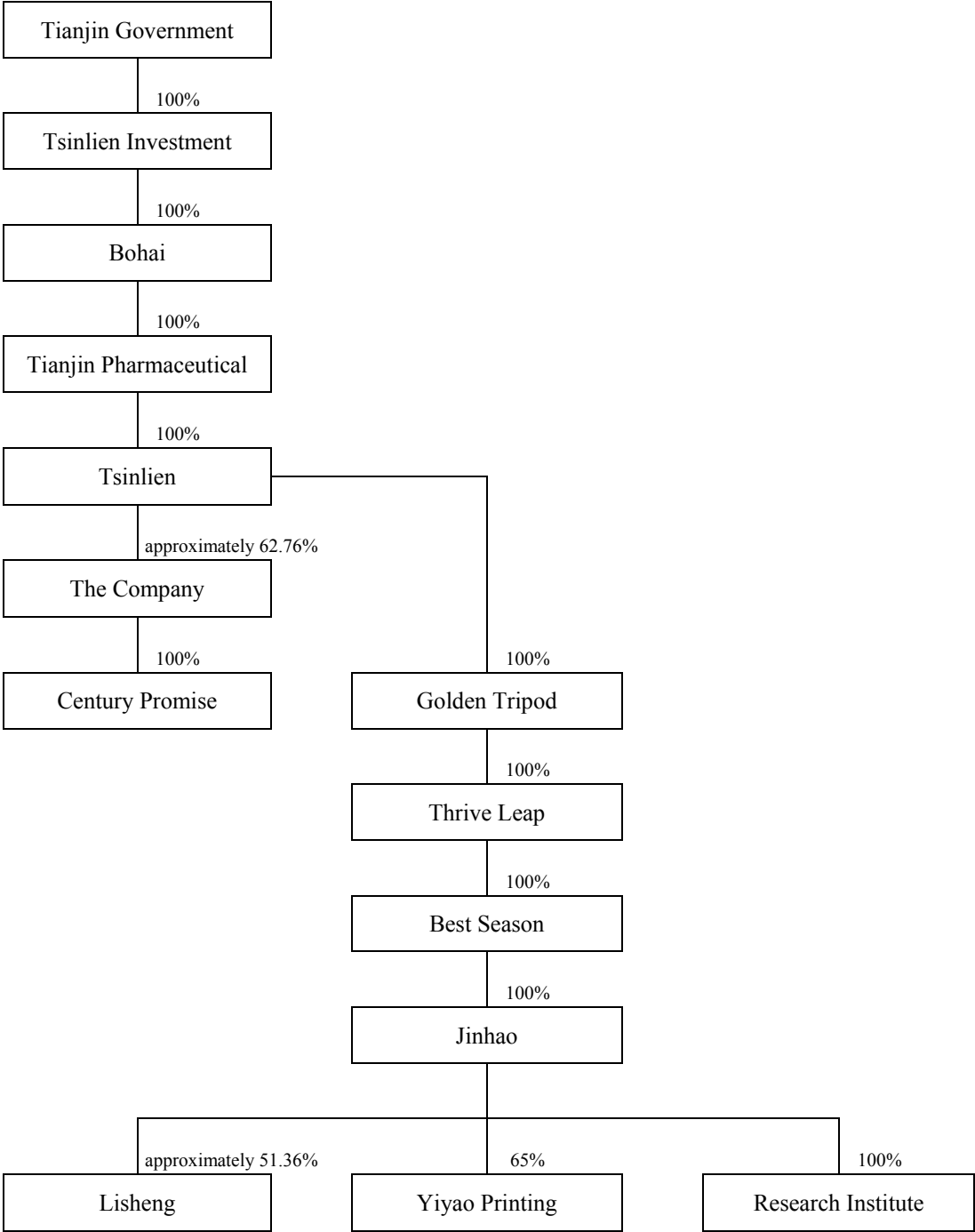
Thrive Leap has no business operation since its incorporation other than the holding of 100% interest in Best Season. Best Season has no business operation since its incorporation other than the holding of 100% equity interest in Jinhao.

The entire registered capital of Jinhao was transferred to Best Season at nil consideration in 2014 as part of the restructuring of the state-owned assets in Tianjin implemented by the Tianjin Government and as such, the original purchase cost of the Sale Shares to Golden Tripod is US\$6,700, being the subscription price for the Sale Shares at par.

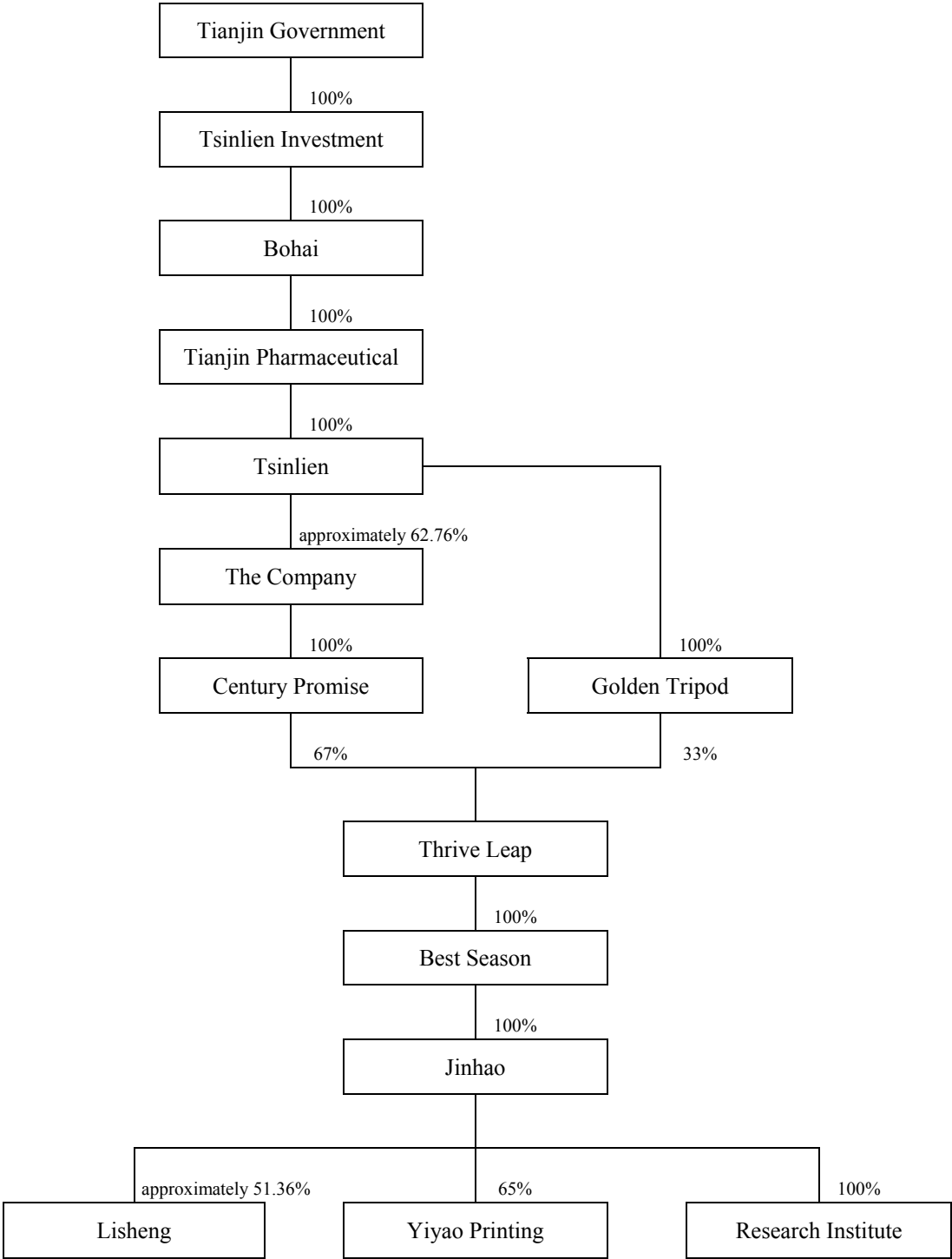
Upon Completion, Thrive Leap will become a 67%-owned subsidiary of the Company and its financial results will be consolidated into the financial statements of the Group.

Shareholding structure before and after Completion

Set out below is the simplified group structure of Thrive Leap Group as at the date of the Agreement:



Set out below is the simplified group structure of Thrive Leap Group immediately after Completion:



Consideration

The consideration for the Sale Shares shall be RMB2,315,855,000 (equivalent to approximately HK\$2,931,462,000) and shall be payable by Century Promise to Golden Tripod in cash in the following manner:

- (a) the sum of RMB1,389,513,000 (being 60% of the consideration) shall be paid within 5 days after Completion as part payment of the consideration; and
- (b) the sum of RMB926,342,000 (being the balance of the consideration) shall be paid within 90 days after Completion.

All payments of the consideration to be made by Century Promise to Golden Tripod shall be made in HK\$, with the relevant sum in RMB being converted to HK\$ at the middle exchange rate for exchange between HK\$ and RMB posted in the “Notice on the Middle Exchange Rate for RMB” (人民幣匯率中間價公告) on the website of the People’s Bank of China at or about noon (Beijing time) on the relevant date of payment or in such other manner as may be agreed between Golden Tripod and Century Promise.

The consideration for the Sale Shares was arrived at after arm’s length negotiations between the parties after taking into account, among other things, (i) net asset value of Thrive Leap Group; (ii) historical performance of Thrive Leap Group; (iii) potential growth and prospects of Thrive Leap Group; and (iv) valuation of the entire equity interest of Thrive Leap Group of RMB3,456,500,000 (equivalent to approximately HK\$4,375,316,000) as at 31 August 2014, conducted by Vigers Appraisal & Consulting Limited, an independent professional valuer, which is determined pursuant to relevant rules and regulations in the PRC relating to state-owned assets transfer, including the Interim Administrative Measures for the Transfer of Shares of Listed Companies by State-owned Shareholders (國有股東轉讓所持上市公司股份管理暫行辦法).

The consideration is to be funded by internal resources of the Group.

Conditions

Completion of the Acquisition is conditional upon the following Conditions being satisfied or waived by Century Promise (as the case may be) on or before the Long Stop Date:

- (a) the passing of an ordinary resolution by the Independent Shareholders at the EGM approving the Agreement and the transactions contemplated thereunder;
- (b) Century Promise undertaking and completing a due diligence investigation in respect of Thrive Leap Group (including but not limited to the affairs, business, assets, liabilities, operations, records, financial position, accounts, results, legal and financial structure and shareholding structure of Thrive Leap Group), and Century Promise being satisfied in its absolute discretion with the results of such due diligence investigation in all respects and there is no matter appearing to Century Promise from the due diligence investigation which in the opinion of Century Promise may adversely affect the value of the Sale Shares;

- (c) the warranties given by Golden Tripod, Tsinlien and Tianjin Pharmaceutical under the Agreement remaining true and accurate in all material respects;
- (d) all necessary registration procedures, approvals and/or consents required by government or relevant regulatory authorities, laws, rules and regulations and contracts in respect of and/or in connection with the transactions contemplated under the Agreement having been completed and/or obtained;
- (e) if applicable, all consents and/or waivers from lending banks or financial institutions for entering into the Agreement and the transactions contemplated thereunder having been obtained; and
- (f) Century Promise having received a legal opinion issued by its PRC legal adviser in form and substance satisfactory to Century Promise in respect of the matters as specifically set out in the Agreement.

In the event that the above Conditions are not fulfilled or waived by Century Promise (except Conditions (a), (d) and (e) which cannot be waived) by 4:00 p.m. on the Long Stop Date, the Agreement shall lapse and be of no further effect and no party to the Agreement shall have any claim against or liability or obligation to the other party save in respect of any antecedent breaches of the Agreement.

Completion

Completion shall take place on the 10th business day after all the Conditions have been satisfied or waived (as the case may be) or such other date as the parties to the Agreement may agree in writing.

Guarantee given by Tsinlien and Tianjin Pharmaceutical

Tsinlien and Tianjin Pharmaceutical had jointly and severally and unconditionally and irrevocably guaranteed to Century Promise the due and punctual performance by Golden Tripod of its agreements, obligations, commitments, warranties and undertakings under the Agreement and all the other documents entered into in connection with the Agreement and/or the Acquisition.

Profit guarantee given by Tsinlien and Tianjin Pharmaceutical

Tsinlien and Tianjin Pharmaceutical had also unconditionally and irrevocably guaranteed to Century Promise that the audited consolidated net profit attributable to owners of Thrive Leap according to the Audited Consolidated Accounts for the financial year ending 31 December 2015 shall be not less than RMB130,000,000 and for the two financial years ending 31 December 2016 and 31 December 2017 shall in aggregate be not less than RMB313,000,000. Tsinlien and Tianjin Pharmaceutical undertake to Century Promise that:-

- (a) if the audited consolidated net profit attributable to owners of Thrive Leap for the financial year ending 31 December 2015 as shown in the Audited Consolidated Accounts for that financial year falls short of RMB130,000,000, Tsinlien and Tianjin Pharmaceutical shall within 10 business days from the date of issue of the Audited Consolidated Accounts for the financial year ending 31 December 2015 pay to Century Promise in cash an amount equal to 67% of the HK\$ Equivalent of the amount of such shortfall; and

- (b) if the audited consolidated net profit attributable to owners of Thrive Leap for the two financial years ending 31 December 2016 and 31 December 2017 as shown in the Audited Consolidated Accounts for those two financial years in aggregate falls short of RMB313,000,000, Tsinlien and Tianjin Pharmaceutical shall within 10 business days from the date of issue of the Audited Consolidated Accounts for the financial year ending 31 December 2017 pay to Century Promise in cash an amount equal to 67% of the HK\$ Equivalent of the amount of such shortfall.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is committed to optimize its business structure and to actively participate in the restructuring of state-owned assets in Tianjin. Taking into consideration the following factors, the Directors believe that the Acquisition will provide the Group with a platform to capture the market potential of pharmaceutical industry in the PRC:

- (a) *Consistent with the long term development strategy of the Group*

It is the Group's long term development strategy to develop core businesses with a view to enhancing the Group's business portfolio and the Acquisition is consistent with such strategy. After completion of the Acquisition, the Group will be able to utilize the advantages of both listed platforms in Hong Kong and the PRC to further develop and expand its pharmaceutical business.

- (b) *Opportunities for development of the pharmaceutical industry in the PRC as a result of the PRC government policies*

Various medical related policies promulgated by the PRC government such as the rise in per capita funding standards for social medical insurance and increase in the number of medical centers and clinics all lead to continuous demand for pharmaceutical products, thereby contributing to the growth and the development of the pharmaceutical industry.

- (c) *Huge market potential of the pharmaceutical industry in the PRC*

With expected increase in the aging population in the PRC as well as the lengthening of the average life expectancy, it is expected that there will be a substantial demand for medication in respect of chronic diseases, and accordingly there is huge market for the pharmaceutical industry in the PRC, and the pharmaceutical manufacturing business will have a relative advantage. The acceleration in urbanization will also make the basic healthcare insurance coverage becoming more accessible to a wider population, which is expected to further support the development of the pharmaceutical industry in the PRC.

- (d) *Acquisition of a one stop industrial chain*

Other than Lisheng which is a pharmaceutical products manufacturer, the Acquisition also included Research Institute and Yiyao Printing, which complement the manufacturing business of Lisheng. Upon completion of the Acquisition, the Group will have a one stop industrial chain from pharmaceutical research and development to products manufacturing and packaging.

(e) *Financial and economic benefits*

The Board believes that the Acquisition will broaden the revenue base of the Group and contribute profits to the Group. In addition, the three-year profit guarantee from Tsinlien and Tianjin Pharmaceutical would further safeguard the interest of the Group.

Thrive Leap Group has a solid business foundation and extensive research and development and pharmaceutical products manufacturing capabilities in the PRC. Following the completion of the Acquisition, the Group will be able to benefit from such value chain. The Board believes that the Acquisition will provide the Company with a platform to capture the massive market potential of the pharmaceutical industry and broaden its revenue source as well as enlarge the earning base of the Group.

The Directors (excluding the independent non-executive Directors who will express their view after considering the advice from the independent financial adviser) consider that the Acquisition and the Agreement are fair and reasonable and on normal commercial terms and that the Acquisition is in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Major and connected transaction

As the relevant percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition exceed 25% but are less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules. In addition, since Tsinlien is the controlling Shareholder directly and indirectly holding a total of 673,219,143 shares of the Company (representing approximately 62.76% of the total number of issued shares of the Company) as at the date of the Agreement, and Golden Tripod and Tianjin Pharmaceutical are a wholly-owned subsidiary and the holding company of Tsinlien respectively, Tsinlien, Golden Tripod and Tianjin Pharmaceutical are all connected persons of the Company under Chapter 14A of the Listing Rules. The Acquisition therefore also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As all the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Acquisition are not less than 5% and the consideration is not less than HK\$10,000,000, the Acquisition is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An EGM will be convened at which a resolution will be proposed for the approval of the Agreement and the transactions contemplated thereunder by the Independent Shareholders. Tsinlien and Tianjin Pharmaceutical and their respective associates will abstain from voting in respect of the resolution to be proposed at the EGM to approve the Agreement and the transactions contemplated thereunder.

The Independent Board Committee has been established to advise the Independent Shareholders as to whether the terms of the Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Shareholders as a whole. Investec Capital Asia Limited has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

A circular containing, among other things, (i) details of the Acquisition and the Agreement; (ii) the letter of advice from Investec Capital Asia Limited to the Independent Board Committee and the Independent Shareholders; (iii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iv) a notice convening the EGM; and (v) other information as required under the Listing Rules is expected to be despatched to the Shareholders on or before 12 August 2015.

Potential continuing connected transactions

As Tianjin Pharmaceutical is a connected person of the Company, and Thrive Leap Group will become part of the Group upon Completion, any transactions continuing between Thrive Leap Group and Tianjin Pharmaceutical Group after Completion will become continuing connected transactions of the Group under Chapter 14A of the Listing Rules.

As at the date of the Agreement, there were outstanding loans in the aggregate of RMB191,617,243 (equivalent to approximately HK\$242,553,000) due from the Thrive Leap Group to Tianjin Pharmaceutical which are unsecured, non-interest bearing and have no fixed term of repayment. As such loans were entered into on normal commercial terms or better to the Thrive Leap Group and the Group and were not secured by any assets of the Thrive Leap Group or the Group, pursuant to Rule 14A.90 of the Listing Rules, such loans will be fully exempt from any disclosure, annual review or independent shareholders' approval requirements under the Listing Rules after Completion.

Other than the above, it is also expected that members of Thrive Leap Group may from time to time in the ordinary course of business enter into other continuing connected transactions with members of Tianjin Pharmaceutical Group after Completion. The Group will comply with the relevant requirements under the Listing Rules with regard to any continuing connected transactions that may continue or arise after Completion as appropriate.

GENERAL

The principal activity of the Company is investment holding. The principal activities of the Group are (i) utilities including supply of electricity, water, heat and thermal power; (ii) hotel; (iii) electrical and mechanical including the manufacture and sale of presses, mechanical and hydroelectric equipment and large scale pump units; and (iv) strategic and other investments including investments in associates which are principally engaged in the manufacture of elevators and escalators and provision of port services in Tianjin.

Tsinlien is an investment holding company incorporated in Hong Kong and indirectly entirely-owned by the Tianjin Government. Its subsidiaries (excluding the Group) are principally engaged in the business of (i) manufacturing and trading of watches; (ii) manufacture and sale of pharmaceutical products, and the provision of pharmaceutical research and development services; and (iii) strategic and other investments including investment in associate which is principally engaged in the production, sale and distribution of winery products.

Golden Tripod is an investment holding company incorporated in the British Virgin Islands and is wholly-owned by Tsinlien.

Tianjin Pharmaceutical is a state-owned enterprise established in the PRC. It principally engages in the manufacture and sale of a broad range of pharmaceutical products, research and development, and provision of related consultancy services.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares by Century Promise from Golden Tripod pursuant to the Agreement
“Agreement”	the conditional sale and purchase agreement dated 22 July 2015 entered into between Century Promise, Golden Tripod, Tsinlien and Tianjin Pharmaceutical in relation to the Acquisition
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Audited Consolidated Accounts”	the audited consolidated accounts of the Thrive Leap Group prepared in accordance with Hong Kong Financial Reporting Standards issued by the independent auditor of the Company
“Best Season”	Best Season Holdings Limited (瑞益控股有限公司), a company incorporated in Hong Kong with limited liability which is a wholly-owned subsidiary of Thrive Leap
“Board”	the board of Directors
“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 ultimately wholly-owned by the Tianjin Government
“Century Promise”	Century Promise Limited (世諾有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company

“Company”	Tianjin Development Holdings Limited (天津發展控股有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 882)
“Completion”	completion of the Acquisition pursuant to the Agreement
“Completion Date”	the date when Completion shall take place, being the 10th business day after all the Conditions have been satisfied or waived (as the case may be), or such other date as may be agreed in writing between the parties to the Agreement
“Conditions”	the conditions precedent to Completion as set out in the section titled “ <i>The Agreement - Conditions</i> ” in this announcement
“Directors”	directors of the Company
“EGM”	an extraordinary general meeting of the Company to be held to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Golden Tripod”	Golden Tripod Holdings Limited (金鼎控股有限公司), a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of Tsinlien
“Group”	the Company and its subsidiaries
“Guaranteed Financial Years”	the three financial years ending 31 December 2015, 31 December 2016 and 31 December 2017, and each of such year shall be referred to as a “Guaranteed Financial Year”
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK\$ Equivalent”	the amount in HK\$ into which such sum in RMB is converted at the middle exchange rate for exchange between HK\$ and RMB posted in the “Notice on the Middle Exchange Rate for RMB” (人民幣匯率中間價公告) on the website of the People’s Bank of China at or about noon (Beijing time) on 31 December of the relevant Guaranteed Financial Year, and, if no such rate is announced on that date, such rate on a business day in the PRC (being a date (excluding Saturdays, Sundays and public holidays) on which licensed banks are generally open for business in the PRC) immediately preceding 31 December of that relevant Guaranteed Financial Year
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors, namely, Dr. Cheng Hon Kwan, Mr. Mak Kwai Wing, Alexander, Ms. Ng Yi Kum, Estella, Mr. Wong Shiu Hoi, Peter and Dr. Loke Yu
“Independent Shareholders”	the Shareholders who are not prohibited under the Listing Rules from voting at the EGM to approve the Agreement and the transactions contemplated thereunder
“Jinhao”	TianJin Jinhao Pharmaceutical Co., Ltd. (天津金浩醫藥有限公司), a company established under the laws of the PRC with limited liability which is a wholly-owned subsidiary of Best Season
“Lisheng”	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 which is owned as to approximately 51.36% by Jinhao and is listed on the A Shares Market of the Shenzhen Stock Exchange (Stock Code: 002393)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	31 December 2015
“PRC”	the People’s Republic of China (for the purposes of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan)
“Research Institute”	Tianjin Institute of Pharmaceutical Research Co., Ltd. (天津藥物研究院有限公司), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of Jinhao
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	6,700 shares of US\$1 each in Thrive Leap, representing 67% of the issued share capital of Thrive Leap
“Shareholder(s)”	holder(s) of the share(s) in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Thrive Leap”	Thrive Leap Limited (隆騰有限公司), a company incorporated in the Cayman Islands with limited liability, which is a wholly-owned subsidiary of Golden Tripod
“Thrive Leap Group”	Thrive Leap and its subsidiaries

“Tianjin Government”	Tianjin Municipal People’s Government (天津市人民政府)
“Tianjin Pharmaceutical”	Tianjin Pharmaceutical Group Co., Ltd. (天津市醫藥集團有限公司), a state-owned enterprise established in the PRC ultimately wholly-owned by the Tianjin Government and the holding company of Tsinlien
“Tianjin Pharmaceutical Group”	Tianjin Pharmaceutical and its subsidiaries from time to time after Completion
“Tsinlien”	Tsinlien Group Company Limited (津聯集團有限公司), the controlling shareholder of the Company
“Tsinlien Investment”	Tianjin Tsinlien Investment Holdings Co., Ltd. (天津津聯投資控股有限公司), a state-owned enterprise established in the PRC and wholly-owned by the Tianjin Government
“US\$”	United States dollars, the lawful currency of the United States of America
“Yiyao Printing”	Tianjin Yiyao Printing Co., Ltd. (天津宜藥印務有限公司), a limited liability company established in the PRC which is owned as to 65% by Jinhao
“%”	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 RMB0.79 = 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
Zeng Xiaoping
Chairman

Hong Kong, 22 July 2015

As at the date of this announcement, the Board of the Company consists of Mr. Zeng Xiaoping, Mr. Wang Zhiyong, Mr. Tuen Kong, Simon, Dr. Cui Di, Ms. Zhang Lili, Dr. Yang Chuan, Mr. Cheung Wing Yui, Edward, Dr. Chan Ching Har, Eliza*, 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*