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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)**

## **FURTHER ANNOUNCEMENT IN RELATION TO THE MAJOR AND CONNECTED TRANSACTION**

Reference is made to the announcement (the “**Announcement**”) of Tianjin Development Holdings Limited 天津發展控股有限公司 (the “**Company**”) dated 22 July 2015 in relation to the major and connected transaction for the acquisition of 67% of the issued share capital of Thrive Leap Limited. Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Board would like to provide additional information to the Shareholders regarding the profit guarantee given by Tsinlien and Tianjin Pharmaceutical under the Agreement (the “**Profit Guarantee**”).

As disclosed in the Announcement, Tsinlien and Tianjin Pharmaceutical had 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 (the “**2015 Profit Target**”) and for the two financial years ending 31 December 2016 and 31 December 2017 shall in aggregate be not less than RMB313,000,000 (the “**2016 and 2017 Profit Target**”).

The Audited Consolidated Accounts from which the 2015 Profit Target and the 2016 and 2017 Profit Target will be derived and will be issued by the independent auditors of the Company, which as at the date of this announcement is Deloitte Touche Tohmatsu. The use of net profit as an indicator of a company’s financial performance is common in the market and the use of net profit as a benchmark of the Profit Guarantee is agreed between the parties after commercial negotiations on an arm’s length basis.

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 entire equity interest of Thrive Leap Group as at 31 August 2014. It is not determined with reference to the 2015 Profit Target and the 2016 and 2017 Profit Target.

The 2015 Profit Target and the 2016 and 2017 Profit Target under the Profit Guarantee were mutually agreed between the parties to the Agreement with a view to protect the interest of the Company. As the financial results of Thrive Leap Group for the financial year ended 31 December 2014 was not as good as that of 2013, the rationale behind the Profit Guarantee is to further safeguard the interest of the Company. The basis for determining the 2015 Profit Target was by reference to the annualised amount of profit attributable to owners of Thrive Leap for the three months ended 31 March 2015 plus around 20% increment. The 2016 and 2017 Profit Target was determined with reference to the average of profit attributable to owners of Jinhao for the three years ended 31 December 2012, 2013 and 2014 plus around 20% increment.

The 2015 Profit Target and the 2016 and 2017 Profit Target will be derived from the ordinary and usual course of business of Thrive Leap Group.

As the Group is acquiring only 67% of the issued share capital of Thrive Leap, the Directors consider that it is fair and reasonable for Century Promise to receive a payment which represents 67% of the relevant amount falling short of the 2015 Profit Target and/or the 2016 and 2017 Profit Target, which is in proportion to its ownership percentage in Thrive Leap after Completion.

The Company will publish announcements informing the Shareholders on whether the 2015 Profit Target and the 2016 and 2017 Profit Target have been met after the end of the financial year ending 31 December 2015 and the financial year ending 31 December 2017. In the event that the 2015 Profit Target or the 2016 and 2017 Profit Target cannot be met, the Company will comply with the disclosure requirements under Rule 14A.63 of the Listing Rules by disclosing in the announcement and its next annual report the shortfall to the 2015 Profit Target and/or the 2016 and 2017 Profit Target (as the case may be), whether Tsinlien and Tianjin Pharmaceutical had fulfilled their obligations under the Profit Guarantee and the independent non-executive directors' opinion on whether Tsinlien and Tianjin Pharmaceutical had fulfilled their obligations under the Profit Guarantee, and will also set out the particulars on how the Group will enforce the obligations of Tsinlien and Tianjin Pharmaceutical under the Profit Guarantee.

By Order of the Board  
**Tianjin Development Holdings Limited**  
**Zeng Xiaoping**  
*Chairman*

Hong Kong, 17 August 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*