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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)

POTENTIAL DISPOSAL OF TIANJIN SEGA PHARMACEUTICAL CO., LTD.

The Board announces that Lisheng Pharmaceutical intends to dispose of its entire equity interest in Segal Pharmaceutical by way of public listing-for-sale process. The initial bidding price for the Potential Disposal is RMB1.00, subject to the timely repayment of the shareholder's loan in the amount of RMB530,205,287.77 (equivalent to approximately HK\$616,517,776.48) payable by Segal Pharmaceutical to Lisheng Pharmaceutical.

As one 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 5% but less than 25%, the Potential Disposal, if materialised, may constitute a discloseable transaction of the Company and will therefore, be subject to the reporting and announcement 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 Lisheng Pharmaceutical. 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 Lisheng Pharmaceutical intends to dispose of its entire equity interest in Segal Pharmaceutical 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), in accordance with the relevant requirements governing the transfer of state-owned assets of enterprise in the PRC. Commencement of the public listing-for-sale process is conditional upon, inter alia, obtaining the approval by the shareholders at the general meeting of Lisheng Pharmaceutical.

The initial bidding price for the Potential Disposal is RMB1.00, subject to the timely repayment of the shareholder's loan in the amount of RMB530,205,287.77 (equivalent to approximately HK\$616,517,776.48) payable by Sega Pharmaceutical to Lisheng Pharmaceutical. The initial bidding price is determined after taking into account the relevant requirements governing the transfer of state-owned assets of enterprise in the PRC and the appraised value of Sega Pharmaceutical 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. Lisheng Pharmaceutical 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 Sega Pharmaceutical and Sega Pharmaceutical will cease to be a subsidiary of the Company.

INFORMATION ON SEGA PHARMACEUTICAL

Sega Pharmaceutical is a limited liability company established in the PRC and is principally engaged in the production of active pharmaceutical ingredients and pharmaceutical intermediate products and the relevant technology development.

Set out below is certain audited financial information of Sega Pharmaceutical (prepared in accordance with the generally accepted accounting principles in Hong Kong) for the two financial years ended 31 December 2015 and 31 December 2016:

	For the year ended 31 December	
	2015	2016
	<i>(Audited)</i>	<i>(Audited)</i>
	<i>RMB'000</i>	<i>RMB'000</i>
Net assets/(deficits)	4,825	(17,959)
Loss before tax	13,751	22,779
Loss after tax	13,751	22,784

According to the Valuation Report, the appraised net deficits of Sega Pharmaceutical was RMB7,025,900.

REASONS FOR AND BENEFITS OF THE POTENTIAL DISPOSAL

After Sega Pharmaceutical had partly terminated the industrialisation and technology development projects regarding chemical drugs substances and the preparations in 2013, Sega Pharmaceutical proposed to merge with other subsidiary of Lisheng Pharmaceutical so as to modify their existing plants with a new Good Manufacturing Practice accreditation. As both merger and modification works were subsequently terminated in April 2017 by Lisheng Pharmaceutical, the production plants of Sega Pharmaceutical became idle.

The Board considers that the Potential Disposal may enhance the operational efficiency of the assets of the Group, which is in line with the strategic deployment and the actual needs for operational development 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 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 5% but less than 25%, the Potential Disposal, if materialised, may constitute a discloseable transaction of the Company and will therefore, be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL

The Board wishes to emphasize that as at the date of this announcement, no binding agreement in relation to the Potential Disposal has been entered into by Lisheng Pharmaceutical. 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 otherwise requires, 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”	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 PRC
“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 Shares Market of the Shenzhen Stock Exchange (Stock Code: 002393). As at the date of this announcement, the Company indirectly holds approximately 34.41% of the issued share capital of Lisheng Pharmaceutical
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Potential Disposal”	the potential disposal of the entire equity interest in Sega Pharmaceutical by Lisheng Pharmaceutical 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
“Sega Pharmaceutical”	Tianjin Sega Pharmaceutical Co., Ltd. (天津市新冠製藥有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Lisheng Pharmaceutical
“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
“Valuation Report”	the valuation report of Sega Pharmaceutical prepared by Tianjin Huaxia Jinxin Assets Valuation Company Limited (天津華夏金信資產評估有限公司), using the asset-based approach with 31 December 2016 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 RMB0.86 = 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, 21 August 2017

As at the date of this announcement, the Board of the Company consists of Mr. Zeng Xiaoping, Mr. Wang Zhiyong, Dr. Cui Di, 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*