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天津发展控股有限公司
TIANJIN DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 882)

DISCLOSEABLE TRANSACTION SUBSCRIPTIONS OF WEALTH MANAGEMENT PRODUCTS

CMB WEALTH MANAGEMENT AGREEMENT

On 1 March 2018, Lisheng Pharmaceutical entered into the CMB Wealth Management Agreement with CMB to subscribe for wealth management products in the subscription amount of RMB350,000,000 (equivalent to approximately HK\$432,098,765).

INDUSTRIAL BANK WEALTH MANAGEMENT AGREEMENTS

On the even date, Lisheng Pharmaceutical and Central Pharmaceutical also entered into the Industrial Bank Wealth Management Agreements with Industrial Bank to subscribe for wealth management products in an aggregate subscription amount of RMB350,000,000 (equivalent to approximately HK\$432,098,765).

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 subscription amount under the CMB Wealth Management Agreement and the Industrial Bank Wealth Management Agreements, in aggregate, is more than 5% but less than 25%, the transactions contemplated under the CMB Wealth Management Agreement and the Industrial Bank Wealth Management Agreements, on an aggregate basis, constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

CMB WEALTH MANAGEMENT AGREEMENT

On 1 March 2018, Lisheng Pharmaceutical entered into the CMB Wealth Management Agreement with CMB to subscribe for wealth management products in the subscription amount of RMB350,000,000 (equivalent to approximately HK\$432,098,765). The principal terms of the CMB Wealth Management Agreement are summarised as follows:

Date of agreement	:	1 March 2018
Date of subscription	:	1 March 2018
Parties	:	(i) Lisheng Pharmaceutical; and (ii) CMB
Name of the wealth management plan	:	招商銀行點金公司理財之人民幣歲月流金85109號理財計劃 (Suiyue Liu Jin No. 85109 Wealth Management Scheme of CMB GoFortune)
Currency of investment and returns	:	RMB
Type of return	:	Principal-preservation with floating return
Subscription amount	:	RMB350,000,000 (equivalent to approximately HK\$432,098,765)
Term of investment	:	From 1 March 2018 to 26 December 2018 (300 days)
Expected maximum annualized return rate	:	The expected maximum annualized return rate is 4.50% and return which exceeds the above expected maximum annualized return rate will be used as the investment management fee of CMB.
Principle for calculation of return and interest	:	The expected maximum annualized return rate is calculated based on the return ratio of the wealth management plan portfolio less the sales rate and investment management fee.
Right of early termination	:	After 3 working days after the establishment of the wealth management plan, CMB has the right but is not obliged to early terminate the wealth management plan, if among others, (i) there is a major adjustment of the state's financial policies and such adjustment would affect the normal operation of the wealth management plan; or (ii) there is a sharp decline in market interest rates which, in CMB's reasonable opinion, makes it difficult for CMB to provide the wealth management plan to its clients in accordance with the product description. In such case, CMB shall notify Lisheng Pharmaceutical 2 working days before the termination date and shall specify a date for payment of the principal and return to the Lisheng Pharmaceutical (which will usually be within 3 working days after the early termination date).
Payment of principal and return	:	The principal and return will be paid to Lisheng Pharmaceutical in one lump sum within 3 working days after the maturity date or the date that CMB exercised its right of early termination.

INDUSTRIAL BANK WEALTH MANAGEMENT AGREEMENTS

On the even date, Lisheng Pharmaceutical and Central Pharmaceutical also entered into the Industrial Bank Wealth Management Agreements with Industrial Bank to subscribe for wealth management products in an aggregate subscription amount of RMB350,000,000 (equivalent to approximately HK\$432,098,765). The principal terms of each of the Industrial Bank Wealth Management Agreements are summarised as follows:

First Industrial Bank Wealth Management Agreement

Date of agreement	:	1 March 2018
Date of subscription	:	1 March 2018
Parties	:	(i) Lisheng Pharmaceutical; and (ii) Industrial Bank
Name of the wealth management product	:	興業銀行企業金融結構性存款產品 (Corporate Finance Structured Deposits Product of Industrial Bank)
Currency of investment and returns	:	RMB
Type of return	:	Principal-preservation with floating return
Subscription amount	:	RMB180,000,000 (equivalent to approximately HK\$222,222,222)
Term of investment	:	From 1 March 2018 to 26 December 2018 (300 days)
Expected annualized return rate	:	Fixed return rate: 2.70%; Floating return rate: 1.78% to 1.82%
Principle for calculation of return and interest	:	The return consists of fixed return and floating return. For fixed return, it is calculated based on the investment principal of Lisheng Pharmaceutical, days of investment and the actual annualized return rate (365 days a year). For floating return, it is calculated based the investment principal of Lisheng Pharmaceutical, days of investment, the fluctuation of the gold-fixing price in the London Bullion Market and its corresponding floating annualized return rate during the investment period (365 days a year).
Right of early termination	:	Industrial Bank has the right of early termination of the deposits. In case of early termination of this product, Industrial Bank shall notify Lisheng Pharmaceutical 2 working days before the termination date and shall specify a date for payment of the principal and return to Lisheng Pharmaceutical (which will usually be within 3 working days after the early termination date).
Payment of principal and return	:	The principal and return will be paid to Lisheng Pharmaceutical in one lump sum on the maturity date or the specified date after early termination by Industrial Bank.

Second Industrial Bank Wealth Management Agreement

Date of agreement	:	1 March 2018
Date of subscription	:	1 March 2018
Parties	:	(i) Lisheng Pharmaceutical; and (ii) Industrial Bank
Name of the wealth management product	:	興業銀行企業金融結構性存款產品 (Corporate Finance Structured Deposits Product of Industrial Bank)
Currency of investment and returns	:	RMB
Type of return	:	Principal-preservation with floating return
Subscription amount	:	RMB80,000,000 (equivalent to approximately HK\$98,765,432)
Term of investment	:	From 1 March 2018 to 26 December 2018 (300 days)
Expected annualized return rate	:	Fixed return rate: 2.70%; Floating return rate: 1.78% to 1.82%
Principle for calculation of return and interest	:	The return consists of fixed return and floating return. For fixed return, it is calculated based on the investment principal of Lisheng Pharmaceutical, days of investment and the actual annualized return rate (365 days a year). For floating return, it is calculated based the investment principal of Lisheng Pharmaceutical, days of investment, the fluctuation of the gold-fixing price in the London Bullion Market and its corresponding floating annualized return rate during the investment period (365 days a year).
Right of early termination	:	Industrial Bank has the right of early termination of the deposits. In case of early termination of this product, Industrial Bank shall notify Lisheng Pharmaceutical 2 working days before the termination date and shall specify a date for payment of the principal and return to Lisheng Pharmaceutical (which will usually be within 3 working days after the early termination date).
Payment of principal and return	:	The principal and return will be paid to Lisheng Pharmaceutical in one lump sum on the maturity date or the specified date after early termination by Industrial Bank.

Third Industrial Bank Wealth Management Agreement

Date of agreement	:	1 March 2018
Date of subscription	:	1 March 2018
Parties	:	(i) Central Pharmaceutical; and (ii) Industrial Bank
Name of the wealth management product	:	興業銀行企業金融結構性存款產品 (Corporate Finance Structured Deposits Product of Industrial Bank)
Currency of investment and returns	:	RMB
Type of return	:	Principal-preservation with floating return
Subscription amount	:	RMB90,000,000 (equivalent to approximately HK\$111,111,111).
Term of investment	:	From 1 March 2018 to 26 December 2018 (300 days)
Expected annualized return rate	:	Fixed return rate: 2.70%; Floating return rate: 1.78% to 1.82%
Principle for calculation of return and interest	:	The return consists of fixed return and floating return. For fixed return, it is calculated based on the investment principal of Central Pharmaceutical, days of investment and the actual annualized return rate (365 days a year). For floating return, it is calculated based the investment principal of Central Pharmaceutical, days of investment, the fluctuation of the gold-fixing price in the London Bullion Market and its corresponding floating annualized return rate during the investment period (365 days a year).
Right of early termination	:	Industrial Bank has the right of early termination of the deposits. In case of early termination of this product, Industrial Bank shall notify Central Pharmaceutical 2 working days before the termination date and shall specify a date for payment of the principal and return to the Central Pharmaceutical (which will usually be within 3 working days after the early termination date).
Payment of principal and return	:	The principal and return will be paid to Central Pharmaceutical in one lump sum on the maturity date or the specified date after early termination by Industrial Bank.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CMB WEALTH MANAGEMENT AGREEMENT AND THE CMB INDUSTRIAL BANK WEALTH MANAGEMENT AGREEMENTS

The subscriptions of wealth management products were made for treasury management purpose to provide with a better return on the idle funds of both Lisheng Pharmaceutical and Central Pharmaceutical and were conducted on the premises that such investments would not affect their working capital or their business operations. Given that the subscriptions of wealth management products enable both Lisheng Pharmaceutical and Central Pharmaceutical to earn an attractive rate of return than demand deposits or time deposits generally offered by commercial banks, the investment return in connection with the subscriptions of the wealth management products would increase the Group's earnings. As the wealth management products are principal-preservation in nature upon maturity or upon the early termination date and their underlying investments are considered to have relatively low risk, the entering into the wealth management products agreements are in line with the internal risk management, treasury management and investment policies of the Group.

The Directors are of the view that the terms and conditions of the CMB Wealth Management Agreement and each of the Industrial Bank Wealth Management Agreements are based on normal commercial terms and are fair and reasonable and the transactions contemplated thereunder are in the best interests of the Group and the Shareholders as a whole.

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 subscription amount under the CMB Wealth Management Agreement and the Industrial Bank Wealth Management Agreements, in aggregate, is more than 5% but less than 25%, the transactions contemplated under the CMB Wealth Management Agreement and the Industrial Bank Wealth Management Agreements, on an aggregate basis, constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

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) pharmaceutical including manufacture 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; (iii) hotel; (iv) electrical and mechanical including the manufacture and sale of presses, mechanical and hydroelectric equipment and large scale pump units; and (v) strategic and other investments including investments in associates which are principally engaged in the manufacture and sale of elevators and escalators and provision of port services in Tianjin.

Lisheng Pharmaceutical and its subsidiaries are principally engaged in the manufacturing and sale of chemical drugs in the PRC. As at the date of this announcement, the Company indirectly holds approximately 34.41% of the issued share capital of Lisheng Pharmaceutical.

Central Pharmaceutical is principally engaged in the production of Cephalosporin tablets, active pharmaceutical ingredients and pharmaceutical intermediate products, etc.

CMB is a licensed bank incorporated under the laws of the PRC. Its principal businesses include the provision of corporate and retail services, investment banking, assets management, brokerage as well as other financial services. To the best knowledge, information and belief of the Directors, CMB and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Industrial Bank is a licensed bank incorporated under the laws of the PRC. Its principal businesses include the provision of corporate and retail services, capital operation, investment banking, assets management, trust and financial leasing as well as other financial services. To the best knowledge, information and belief of the Directors, Industrial Bank and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

DEFINITIONS

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

“Board”	the board of Directors
“Central Pharmaceutical”	Tianjin Central Pharmaceutical Co., Ltd. (天津市中央药业有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of Lisheng Pharmaceutical
“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)
“CMB”	China Merchants Bank Co., Ltd. (招商銀行股份有限公司), a licensed bank incorporated under the laws of the PRC
“CMB Wealth Management Agreement”	the wealth management agreement entered into between Lisheng Pharmaceutical and CMB dated 1 March 2018 as described in the section headed “ <i>CMB Wealth Management Agreement</i> ” in this announcement
“Directors”	directors of the Company
“First Industrial Bank Wealth Management Agreement”	the wealth management agreement entered into between Lisheng Pharmaceutical and Industrial Bank dated 1 March 2018 as described in the section headed “ <i>First Industrial Bank Wealth Management Agreement</i> ” in this announcement
“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
“Industrial Bank”	Industrial Bank Co., Ltd. (興業銀行股份有限公司), a licensed bank incorporated under the laws of the PRC
“Industrial Bank Wealth Management Agreements”	collectively, the First Industrial Bank Wealth Management Agreement, the Second Industrial Bank Wealth Management Agreement and the Third Industrial Bank Wealth Management Agreement

“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
“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
“Second Industrial Bank Wealth Management Agreement”	the wealth management agreement entered into between Lisheng Pharmaceutical and Industrial Bank dated 1 March 2018 as described in the section headed “ <i>Second Industrial Bank Wealth Management Agreement</i> ” in this announcement
“Shareholder(s)”	holder(s) of share(s) in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Industrial Bank Wealth Management Agreement”	the wealth management agreement entered into between Central Pharmaceutical and Industrial Bank dated 1 March 2018 as described in the section headed “ <i>Third Industrial Bank Wealth Management Agreement</i> ” in this announcement
“%”	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 RMB0.81 = 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, 1 March 2018

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*