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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 under the Companies Ordinance)*

**(Stock Code: 882)**

## **Price-Sensitive Information**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the Shareholders of the Company and potential investors that there is a change in government policy regarding the granting of Supplemental Income to the utility businesses of the Group.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

This announcement is made by Tianjin Development Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that there is a change in the basis for granting government supplemental income (“**Supplemental Income**”) to the utility businesses of the Group.

The Company has been informed by the Finance Bureau of the Tianjin Economic and Technological Development Zone (“**TEDA Finance Bureau**”) on 2 March 2011 that as a change in government policy, effective for the year 2010, the basis of calculating the Supplemental Income to be granted by TEDA Finance Bureau to the utility businesses of the Group will be changed from one based on units supplied by the Group to a lump sum to be negotiated between the Company and TEDA Finance Bureau on an annual basis. The amount of Supplemental Income for the financial year ended 31 December 2010 will be less than what the Group would otherwise be granted under the previous quantity-based arrangement. Further, based on discussion with TEDA Finance Bureau, the Board expects that the Supplemental Income for the year 2011 and thereafter will be further reduced despite an anticipated increase in the scale of the operation of the utility businesses. This change in government policy has not only adversely affected the operating margins of the Group’s utility businesses (after taking into account the Supplemental Income), it may also materially and adversely impact the recoverable amount of the Group’s investment in the utility businesses, principally in the form of property, plant and equipment.

The Board has not yet fully evaluated the impact of this change in government policy on the Group's investment in its utility businesses, and the final results of the Group for the year ended 31 December 2010 are not yet finalized. The information contained in this announcement is only a preliminary assessment made by the management of the Company with respect to such a change in policy and is not based on any figures nor information that has been audited or reviewed by the Company's auditors.

**Shareholders and potential investors should exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Tianjin Development Holdings Limited**  
**Yu Rumin**  
*Chairman*

Hong Kong, 2 March 2011

*As at the date of this announcement, the Board of the Company consists of Mr. Yu Rumin, Mr. Wu Xuemin, Mr. Dai Yan, Dr. Wang Jiandong, Mr. Bai Zhisheng, Mr. Zhang Wenli, Mr. Sun Zengyin, Dr. Gong Jing, Mr. Wang Zhiyong, Mr. Cheung Wing Yui\*, Dr. Chan Ching Har, Eliza\*, Dr. Cheng Hon Kwan\*\*, Mr. Mak Kwai Wing\*\* and Ms. Ng Yi Kum, Estella\*\*.*

\* non-executive director

\*\* independent non-executive director