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If you are in doubt as to any aspect of this document or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold all your shares in TIANJIN DEVELOPMENT HOLDINGS LIMITED, you should at once hand this document and the accompanying form of proxy to the purchaser or the bank or stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.



天津發展控股有限公司

TIANJIN DEVELOPMENT HOLDINGS LIMITED

(Incorporated in Hong Kong SAR with limited liability under the Companies Ordinance)

(Stock code: 882)

Executive Directors:

Mr. Wang Guanghao (*Chairman*)
Dr. Ren Xuefeng (*Vice Chairman*)
Mr. Yu Rumin (*Vice Chairman*)
Dr. Zhang Hongru
Mr. Nie Jiansheng
Dr. Wang Jiandong
Mr. Bai Zhisheng
Mr. Zhang Wenli
Mr. Sun Zengyin
Dr. Pang Jinhua

Registered Office:

Suites 7-13, 36/F.,
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Non-executive Directors:

Mr. Ye Disheng
Mr. Kwong Che Keung, Gordon*
Mr. Cheung Wing Yui
Mr. Lau Wai Kit*
Dr. Cheng Hon Kwan*

(* Independent Non-executive Directors)

28th April, 2006

To the shareholders,

Dear Sir or Madam,

**PROPOSED GENERAL MANDATES
TO REPURCHASE AND ISSUE SHARES
AND
RE-ELECTION OF DIRECTORS**

INTRODUCTION

At the annual general meeting of Tianjin Development Holdings Limited (the "Company") held on 27th May, 2005, the Company granted a general mandate to the directors of the

Company (the “Directors”) to exercise the powers of the Company to repurchase its shares. A separate mandate was also granted to the Directors enabling them to issue new shares. Such mandates will lapse at the conclusion of the forthcoming annual general meeting of the Company which is to be held at 26th May, 2006 at 3:00 p.m. (“AGM”). It is proposed to renew these general mandates at the Annual General Meeting.

The purpose of this document is to provide you with information regarding the above proposed general mandates to repurchase shares and issue shares and to seek the approval of members for the resolutions relating to the aforesaid matters at the AGM.

GENERAL MANDATE TO REPURCHASE SHARES

An ordinary resolution will be proposed at the AGM to give a general and unconditional mandate to the Directors to exercise the powers of the Company to repurchase its own shares at any time until the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting of the Company is required by the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) or the Articles of Association of the Company or other applicable laws of Hong Kong to be held or until the mandate is revoked or varied by an ordinary resolution of the shareholders in general meeting of the Company (the “Repurchase Mandate”) whichever is the first to occur. The shares of the Company which may be repurchased pursuant to the Repurchase Mandate are limited to a maximum of 10% of the total issued and fully paid up share capital of the Company on the date of passing the resolution approving the Repurchase Mandate.

An explanatory statement, as required by the relevant rules regulating the repurchase by companies having primary listings on the Stock Exchange of their own shares as contained in the Listing Rules, to provide requisite information is set out in the appendix hereto.

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed that the Directors be given a general and unconditional mandate to allot, issue and deal with shares up to a maximum of 193,823,513 shares, representing approximately 20% of the total issued and fully paid share capital of the Company on the date the resolution is passed. In addition, an ordinary resolution will also be proposed to authorise an extension of such general mandate to be granted to the Directors to issue new shares by adding to it the number of shares repurchased under the Repurchase Mandate.

RE-ELECTION OF DIRECTORS

In accordance with Articles 92 and 101 of the Articles of Association of the Company, Mr. Yu Rumin, Dr. Wang Jiandong, Mr. Sun Zengyin, Mr. Ye Disheng and Mr. Cheung Wing Yui will retire as Directors and being eligible offer themselves for re-election at the forthcoming AGM. Details of Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

ACTION TO BE TAKEN

A form of proxy for use at the AGM is enclosed herein. Whether or not you intend to attend this meeting, you are requested to complete the form of proxy and return it to the Company’s Share Registrar, Tengis Limited at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the meeting. Completion and return of form of proxy will not preclude you from attending and voting in person at the AGM if you so wish.

PROCEDURE FOR DEMANDING A POLL

Pursuant to the existing article 73, at any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is taken as may from time to time be required under the Listing Rules or unless a poll is (before or on the declaration of the result of the show of hands) demanded:

- (a) by the chairman of such meeting; or
- (b) by a least three members of the Company present in person or in the case of a member of the Company being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by any member or members of the Company present in person or in the case of a member of the company being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all the members of the Company having the right to vote at the meeting; or
- (d) by any member or members of the Company present in person or in the case of a member of the Company being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

ANNUAL GENERAL MEETING

Set out on pages 108 to 110 of the 2005 annual report is the notice of AGM at which ordinary resolutions will be proposed to approve the Repurchase Mandate and the general mandate to issue new shares and the re-election of Directors of the Company.

RECOMMENDATION

The Directors believe that the Repurchase Mandate, the general mandate to issue new shares and the re-election of the retiring directors are in the best interests of the Company and its shareholders. Accordingly, the Directors recommend that all shareholders should vote in favour of the relevant ordinary resolutions at the AGM.

Yours faithfully,
By Order of the Board
Wang Guanghao
Chairman

As at the date of this circular, the Board consists of fifteen directors, Mr. Wang Guanghao, Dr. Ren Xuefeng, Mr. Yu Rumin, Dr. Zhang Hongru, Mr. Nie Jiansheng, Dr. Wang Jiandong, Mr. Bai Zhisheng, Mr. Zhang Wenli, Mr. Sun Zengyin and Dr. Pang Jinhua as executive directors, Mr. Ye Disheng and Mr. Cheung Wing Yui as non-executive directors and Mr. Kwong Che Keung, Gordon, Mr. Lau Wai Kit and Dr. Cheng Hon Kwan as independent non-executive directors.

The appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

The appendix also constitutes the memorandum required under section 49BA(3) of the Companies Ordinance.

1. SHARE CAPITAL

As at 25th April, 2006, being the latest practicable date prior to the printing of this document (“Latest Practicable Date”), the issued share capital of the Company comprised 969,117,564 shares of HK\$0.10 each.

Subject to the passing of the ordinary resolution to approve the Repurchase Mandate and on the basis that no further shares are issued prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 96,911,756 fully paid shares of HK\$0.10 each representing a maximum of 10% of the total issued and fully paid up share capital of Company as the date of passing the resolution approving the Repurchase Mandate.

2. FUNDING OF REPURCHASES

In repurchasing shares, the Company may only apply funds legally available for the purpose and in accordance with the Memorandum and Articles of Association of the Company and the relevant laws of Hong Kong. Such funds may include funds otherwise available for dividend or distribution and the proceeds of a fresh issue made for the purpose of the repurchases. Any premium payable on a repurchase must be provided for out of the funds of the Company otherwise available for dividend or distribution or out of the Company’s share premium account. The Directors propose that repurchases of shares under the Repurchase Mandate would be financed by the Company’s internal resources or issuing new shares.

In the event that the proposed repurchases were to be carried out in full at any time during the proposed repurchase period, there could be an adverse impact on the working capital or gearing position of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company as compared with the position disclosed in the latest published audited financial statements for the year ended 31st December, 2005. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent.

3. SHARE PRICES

The highest and lowest prices at which the shares of the Company were traded on the Stock Exchange in previous twelve months before the Latest Practicable Date are as follows:

Month	Share prices	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
April 2005	3.275	2.950
May 2005	3.075	2.725
June 2005	2.975	2.725
July 2005	3.050	2.850
August 2005	3.225	2.925
September 2005	3.225	2.975
October 2005	3.375	2.900
November 2005	3.900	2.900
December 2005	3.900	3.400
January 2006	4.725	3.675
February 2006	5.050	4.450
March 2006	5.800	4.575
25th April 2006*	6.250	5.350

* Latest Practicable Date

4. GENERAL

The Directors have undertaken to the Stock Exchange that, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

If, on the exercise of the powers to repurchase shares pursuant to the Repurchase Mandate, a shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers (the "Code"). As a result, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rule 26 of the Code. As at the Latest Practicable Date, Tsinlien Group Company Limited ("Tsinlien Group") holds 583,355,143 shares of the Company representing 60.19% of the issued share capital of the Company through its wholly-owned subsidiaries, Tianjin Investment Holdings Limited (as to 581,333,143 shares) and Tsinlien Venture Capital Company Limited (formerly known as Tsinlien Property Services Limited) (as to 2,022,000 shares).

In the event that the Directors exercised in full the powers pursuant to the Repurchase Mandate, the shareholding of Tsinlien Group would be increased to 66.88% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Code. The Company has no present intention to repurchase shares to such extent as to result in the amount of shares held by the public being reduced to less than 25%.

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell any shares to the Company under the Repurchase Mandate if such Repurchase Mandate is approved by the shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any share to the Company, or that they have undertaken to sell any shares held by them to the Company, in the event that the Repurchase Mandate is approved by its shareholders.

5. SHARE REPURCHASES MADE BY THE COMPANY

No repurchases of shares have been made by the Company whether on the Stock Exchange or otherwise in the previous six months preceding the Latest Practicable Date.

6. REASONS FOR REPURCHASES

The Directors believe that it is in the best interests of the Company and its shareholders for the Directors to have the power to repurchase shares pursuant to the Repurchase Mandate. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the earnings per share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its shareholders.

Pursuant to the Listing Rules, the details of the Directors who will retire at the AGM according to the Articles of Association and propose to be re-elected at the AGM are provided below.

YU Rumin, aged 57, was appointed Vice Chairman and Executive Director of the Company in November 1997. He graduated from Shanghai Haiyun College in 1975 and obtained a Master degree in international transport engineering management. He was appointed the assistant to the head of the Tianjin Port Authority from March 1986 to December 1988. He has been the deputy head of the Tianjin Port Authority since December 1988 and has been an executive deputy head in July 1996. He remained in his position as the deputy director until July 2004 when Tianjin Port Group was recognised to take over the business owned and operated by Tianjin Port Authority. Upon the incorporation of Tianjin Port Group, Mr. Yu was appointed as the vice chairman and CEO of Tianjin Port Group. Mr. Yu is also chairman of Tianjin Port Construction and Development Company Limited (天津港島建設開發有限責任公司), Tianjin Port Cargo Logistics Company Limited (天津港散貨物流有限責任公司) and Tianjin Port Limited. Mr. Yu was the deputy head of the Regulatory Commission of Tianjin Port Tax Concession (天津港保稅區管理委員會) from July 1996 to June 2002. He has over 20 years of experience in port management. Mr. Yu has a director of Tianjin Port Company Limited, a company incorporated in the PRC and listed on the Shanghai Stock Exchange. Mr. Yu has not received director's emoluments for the year ended 31st December 2005 and his emoluments are to be determined by the Directors with reference to the Company's performance and profitability benchmarked against the prevailing market conditions.

As the Latest Practicable Date, Mr. Yu has personal interests in share options granted by the Company to subscribe for 900,000 shares at exercise price of HK\$3.10. Save as aforesaid, Mr. Yu does not have any interest in shares of the Company within the meaning of Part XV of the SFO. Mr. Yu has no relationship with substantial or controlling shareholders of the Company (as defined in the Listing Rules) or any other Directors or senior management of the Company. Mr. Yu is not appointed for a specific term except that he is subject to retirement by rotation and re-election in accordance with the Company's Articles of Association. There is no agreement as to the director's fee of Mr. Yu and his director's fee will be determined by the Board by reference to the prevailing market conditions and subject to the shareholder's approval at the AGM.

There is no information which is discloseable pursuant to any of the requirements of the provisions 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

WANG Jiandong, aged 43, was appointed Executive Director and Deputy General Manager of the Company in July 2003. He graduated from the Faculty of Financial and Law of Nankai University in 1989 and obtained a Master degree and a Doctorate's degree in economics from Nankai University in 1997 and 2002 respectively. He is a senior economist. He worked with the Bank of China Tianjin Branch from 1989 to 1993, and became the general manager of Shanghai Department of Securities Business of Tianjin International Trust & Investment Company Limited (Bank of China) from 1993 to 1996. Dr. Wang joined the Tsinlien Group in 1996 as Secretary of the Board and was appointed General Manager of department of Financial Market of the Company and Tianjin Development Assets Management Company Limited in 1998.

As the Latest Practicable Date, Dr. Wang has personal interests in share options granted by the Company to subscribe for 600,000 shares at exercise price of HK\$3.10. Save as aforesaid, Dr. Wang does not have any interest in shares of the Company within the meaning of Part XV of the SFO. Dr. Wang has no relationship with substantial or controlling shareholders

of the Company (as defined in the Listing Rules) or any other Directors or senior management of the Company. Dr. Wang is not appointed for a specific term except that he is subject to retirement by rotation and re-election in accordance with the Company's Articles of Association. There is no agreement as to the director's fee of Dr. Wang and his director's fee will be determined by the Board by reference to the prevailing market conditions and subject to the shareholder's approval at the AGM. Dr. Wang has not held any other directorship in any listed public company in the past three years. Dr. Wang, is at present entitled to an emolument of HK\$419,000, which is currently fixed with reference to such factors as his position, responsibilities and performance

There is no information which is discloseable pursuant to any of the requirements of the provisions 13.51(2)(h) to 13.52(2)(v) of the Listing Rules.

SUN Zengyin, aged 60, was appointed Executive Director of the Company in May 2000. He graduated from the Faculty of Water Engineering of Tianjin University. After his graduation, he was appointed the head of Construction Section in the Drainage Administration Department in Tianjin Municipal Bureau, chief director of the Drainage Administration Department, assistant director of Tianjin Municipal Bureau, deputy director of Tianjin Municipal Bureau and then director of Tianjin Municipal Bureau. He has served Tianjin Government for over 30 years and has been in charge of many large infrastructure projects. He is extremely familiar with Tianjin's economic structure and development. Mr. Sun has not held any other directorship in any listed public company in the past three years. Mr. Sun has not received director's emoluments for the year ended 31st December 2005 and his emoluments are to be determined by the Directors with reference to the Company's performance and profitability benchmarked against the prevailing market conditions.

As the Latest Practicable Date, Mr. Sun has personal interests in share options granted by the Company to subscribe for 300,000 shares at exercise price of HK\$3.10. Save as aforesaid, Mr. Sun does not have any interest in shares of the Company within the meaning of Part XV of the SFO. Mr. Sun has no relationship with substantial or controlling shareholders of the Company (as defined in the Listing Rules) or any other Directors or senior management of the Company. Mr. Sun is not appointed for a specific term except that he is subject to retirement by rotation and re-election in accordance with the Company's Articles of Association. There is no agreement as to the director's fee of Mr. Sun and his director's fee will be determined by the Board by reference to the prevailing market conditions and subject to the shareholder's approval at the AGM.

There is no information which is discloseable pursuant to any of the requirements of the provisions 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

YE Disheng, aged 67, was appointed Non-executive Director of the Company in November 1997. He is a chief senior engineer and also a specialist in semiconductors of national class. He graduated from the Faculty of Physics of Nankai University in 1961. From 1961 to 1982, he was appointed the deputy head and chief engineer of the Tianjin Fourth Semiconductor Appliance Factory. In 1984, he was the deputy general manager and department head of the New Technology Development Department of Tianjin Municipal Economic and Technology Development Zone Holding Company. From 1984 to 1992, he was the deputy general manager, general manager and the director of the management committee of Tianjin Municipal Economic and Technology Development Zone Holding Company. In 1988, he was appointed the vice chairman of the Sixth National Industry and Commerce Executive Committee. In 1992, he was appointed the vice mayor of Tianjin, a delegate to the Seventh National People's Congress and a member of the Overseas Chinese Committee of the Seventh National People's Congress. He is the vice-chairman of All China Federation of Returned Overseas Chinese. Mr. Ye has not held any other directorship in any listed public company in the past three years. Mr. Ye has not received director's emoluments for the year ended 31st December 2005 and his emoluments are to be determined by the Directors with reference to the Company's performance and profitability benchmarked against the prevailing market conditions.

As the Latest Practicable Date, Mr. Ye has personal interests in share options granted by the Company to subscribe for 300,000 shares at exercise price of HK\$3.10. Save as aforesaid, Mr. Ye does not have any interest in shares of the Company within the meaning of Part XV of the SFO. Mr. Ye has no relationship with substantial or controlling shareholders of the Company (as defined in the Listing Rules) or any other Directors or senior management of the Company. Mr. Ye is not appointed for a specific term except that he is subject to retirement by rotation and re-election in accordance with the Company's Articles of Association. There is no agreement as to the director's fee of Mr. Ye and his director's fee will be determined by the Board by reference to the prevailing market conditions and subject to the shareholder's approval at the AGM.

There is no information which is discloseable pursuant to any of the requirements of the provisions 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

CHEUNG Wing Yui, aged 55, was appointed Independent Non-executive Director of the Company in November 1997 and re-designated as non-executive Director of the Company in September 2004. He received a Bachelor of Commence degree in accountancy from the University of New South Wales, Australia. Mr. Cheung is a member of CPA Australia. He has been a practising solicitor in Hong Kong since 1979 and is a partner of the law firm Woo, Kwan, Lee & Lo. He has been admitted as a solicitor in the United Kingdom and as an advocate and solicitor in Singapore. Mr. Cheung is also an independent non-executive director of a number of companies listed on the Stock Exchange, namely Ching Hing (Holdings) Limited (stock code 692), Hop Hing Holdings Limited (stock code 47), Agile Property Holding Limited (stock code 3383) and Ping An Insurance (Group) Company of China, Ltd. (stock code 2318) He is also a non-executive director of a number of companies listed on the Stock Exchange of Hong Kong, namely SmarTone Telecommunications Holdings Limited (stock code 315), Sunevision Holdings Limited (stock code 8008), Tai Sang Land Development Limited (stock code 89), Tai Fook Securities Group Limited (stock code 665) and Shanghai Real Estate Limited (stock code 1207). Mr. Cheung, is at present entitled to receive director fee, which is currently fixed with reference to such factors as his position, responsibilities and performance at HK\$180,000 and subject to the shareholder's approval of shareholders at the AGM.

As the Latest Practicable Date, Mr. Cheung does not have any interest in shares of the Company within the meaning of Part XV of the SFO. Mr. Cheung is not appointed for a specific term and subject to retirement by rotation and re-election in accordance with the Company's Articles of Association. Mr. Cheung has no relationship with substantial or controlling shareholders of the Company (as defined in the Listing Rules) or any other Directors or senior management of the Company, other than he is a partner of Woo, Kwan, Lee & Lo which provide legal services to the Company upon time to time for normal professional fees. There is no agreement as to the director's fee of Mr. Cheung and his director's fee will be determined by the Board by reference to the prevailing market conditions and subject to the shareholder's approval at the AGM.

There is no information which is discloseable pursuant to any of the requirements of the provisions 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Save as disclosed in the above, the Directors are not aware of any other matters regarding their position that need to be brought to the attention of the shareholders.