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Tian Shan Development (Holding) Limited
天山發展(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 2118)

PROFIT WARNING

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

The Board wishes to inform the Shareholders and potential investors that the Company is expected to record a net loss for the six months ended 30 June 2011 as compared to a net profit for the corresponding period for the six months ended 30 June 2010.

The information contained in this announcement is only based on the preliminary review on the management accounts of the Group, which has not been confirmed nor audited by the Company's auditors.

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

This announcement is made by Tian Shan Development (Holding) Limited (the “**Company**” which 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 (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Company is expected to record a net loss for the six months ended 30 June 2011 as compared to a net profit for the corresponding period for the six months ended 30 June 2010.

The Board considers that such decrease was primarily due to factor that certain of the development projects of the Group are still under construction and the pre-sale in relation to such development projects cannot be recognized as turnover until delivery of the pre-sold properties to purchasers. The Board expects all pre-sold properties that scheduled to be completed and delivered in the second half of 2011 will be delivered on time.

The information contained in this announcement is only based on the preliminary review on the management accounts of the Group, which has not been confirmed nor audited by the Company's auditors. The Company is in the process of finalizing the interim results of the Group for the six months ended 30 June 2011. The results announcement of the Group for the six months ended 30 June 2011 is expected to be announced before the end of 31 August 2011.

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

By Order of the Board
Tian Shan Development (Holding) Limited
WU Zhen Shan
Chairman

Hong Kong, 26 August 2011

As at the date of this announcement, the executive directors of the Company are Mr. Wu Zhen Shan, Mr. Wu Zhen Ling, Mr. Zhang Zhen Hai and Mr. Wu Zhen He; and the independent non-executive directors of the Company are Mr. Tian Chong Hou, Mr. Wang Ping and Mr. Cheung Ying Kwan.