



TACK HSIN HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 611)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2008

The board of directors (the “Board”) of Tack Hsin Holdings Limited (the “Company”) is pleased to announce the consolidated results and financial position of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 March 2008 together with the comparative figures as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 March 2008

	Notes	2008 HK\$'000	2007 HK\$'000
REVENUE	3	261,654	192,707
Other income and gains		8,367	4,425
Cost of inventories used		(89,875)	(65,545)
Staff costs		(76,437)	(58,887)
Rental expenses		(27,723)	(22,020)
Utility expenses		(21,545)	(16,572)
Depreciation		(5,013)	(4,012)
Other operating expenses		(37,286)	(28,476)
Finance costs	4	(840)	(936)
Share of profits and losses of jointly-controlled entity		–	(208)
PROFIT BEFORE TAX	5	11,302	476
Tax	6	2,351	599
PROFIT FOR THE YEAR		13,653	1,075
Attributable to:			
Equity holders of the parent		13,281	792
Minority interests		372	283
		13,653	1,075
DIVIDEND			
Proposed final	7	9,008	5,405
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
BASIC	8	3.7 cents	0.2 cents

CONSOLIDATED BALANCE SHEET

31 March 2008

	Notes	2008 HK\$'000	2007 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		23,146	21,164
Investment properties		25,000	44,400
Prepaid land lease payments		4,845	4,925
Property held for development		4,665	4,665
Interest in a jointly-controlled entity		–	754
Deferred tax assets, net		2,083	1,086
Total non-current assets		<u>59,739</u>	<u>76,994</u>
CURRENT ASSETS			
Inventories		6,255	3,168
Trade receivables	9	484	193
Prepayments, deposits and other receivables		13,712	12,733
Cash and cash equivalents		51,484	31,542
Total current assets		<u>71,935</u>	<u>47,636</u>
CURRENT LIABILITIES			
Trade payables	10	5,134	4,525
Other payables and accruals		18,577	13,888
Interest-bearing bank and other borrowings		509	3,368
Amounts due to minority shareholders		–	1,579
Tax payable		–	101
Provision for long service payments		1,256	1,256
Total current liabilities		<u>25,476</u>	<u>24,717</u>
NET CURRENT ASSETS		<u>46,459</u>	<u>22,919</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>106,198</u>	<u>99,913</u>
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings		10,235	10,816
Deferred tax liabilities, net		–	1,508
Total non-current liabilities		<u>10,235</u>	<u>12,324</u>
Net assets		<u>95,963</u>	<u>87,589</u>
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		36,032	36,032
Reserves		50,617	46,012
Proposed final dividend		9,008	5,405
		<u>95,657</u>	<u>87,449</u>
Minority interests		306	140
Total equity		<u>95,963</u>	<u>87,589</u>

Notes:

1. Basis of preparation

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for the investment properties and buildings, which have been measured at fair value. These financial statements are presented in Hong Kong dollars and all values are rounded to the nearest thousand except when otherwise indicated.

2. Impact of new and revised Hong Kong financial reporting standards

The Group has adopted the following new and revised HKFRSs for the first time for the current year’s financial statements. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no material effect on these financial statements.

HKFRS 7	Financial Instruments: Disclosures
HKAS 1 Amendment	Capital Disclosures
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment
HK(IFRIC)-Int 11	HKFRS 2 – Group and Treasury Share Transactions

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) *HKFRS 7 Financial Instruments: Disclosures*

This standard requires disclosures that enable users of the financial statements to evaluate the significance of the Group’s financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the financial statements. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/revised where appropriate.

(b) *Amendment to HKAS 1 Presentation of Financial Statements – Capital disclosures*

This amendment requires the Group to make disclosures that enable users of the financial statements to evaluate the Group’s objectives, policies and processes for managing capital.

(c) *HK(IFRIC)-Int 8 Scope of HKFRS 2*

This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group’s equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. As the Company has not issued equity instruments to its employees for identified services provided, the interpretation has had no effect on these financial statements.

(d) *HK(IFRIC)-Int 9 Reassessment of Embedded Derivatives*

This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative is the date that the Group first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group has no embedded derivative requiring separation from the host contract, the interpretation has had no effect on these financial statements.

(e) HK(IFRIC)-Int 10 *Interim Financial Reporting and Impairment*

The Group has adopted this interpretation as of 1 April 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets, the interpretation has had no impact on the financial position or results of operations of the Group.

(f) HK(IFRIC)-Int 11 *HKFRS 2 – Group and Treasury Share Transactions*

This interpretation requires arrangements whereby an employee is granted rights to the Group's equity instruments to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation has had no impact on the Group.

3. Revenue and segment information

Business segment

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts, and the rental income received and receivable from investment properties and hotel operations during the year.

The following tables present revenue, profit/(loss) and certain asset, liability and expenditure information for the Group's business segments for the years ended 31 March 2008 and 2007.

Group	Restaurant		Property		Hotel		Corporate		Eliminations		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:												
Revenue	256,441	191,591	16,386	15,761	4,307	-	9,545	7,034	(25,025)	(21,679)	261,654	192,707
Other income and gains	987	416	5,790	2,815	76	3	673	557	(1,033)	(332)	6,493	3,459
Total	<u>257,428</u>	<u>192,007</u>	<u>22,176</u>	<u>18,576</u>	<u>4,383</u>	<u>3</u>	<u>10,218</u>	<u>7,591</u>	<u>(26,058)</u>	<u>(22,011)</u>	<u>268,147</u>	<u>196,166</u>
Segment results	<u>8,093</u>	<u>3,034</u>	<u>3,849</u>	<u>2,664</u>	<u>(1,587)</u>	<u>(3,485)</u>	<u>(87)</u>	<u>(1,559)</u>	<u>-</u>	<u>-</u>	<u>10,268</u>	<u>654</u>
Interest income and unallocated gains											1,874	966
Finance costs											(840)	(936)
Share of profits and losses of jointly-controlled entity	-	(208)	-	-	-	-	-	-	-	-	-	(208)
Profit before tax											11,302	476
Tax											2,351	599
Profit for the year											<u>13,653</u>	<u>1,075</u>

Group	Restaurant		Property		Hotel		Corporate		Consolidated	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Assets and liabilities										
Segment assets	37,037	33,301	42,139	58,445	8,263	7,940	42,152	23,104	129,591	122,790
Interests in a jointly-controlled entity	-	754	-	-	-	-	-	-	-	754
Unallocated assets									2,083	1,086
Total assets									<u>131,674</u>	<u>124,630</u>
Segment liabilities	17,915	17,255	3,563	189	1,394	1,872	2,095	2,036	24,967	21,352
Unallocated liabilities									10,744	15,689
Total liabilities									<u>35,711</u>	<u>37,041</u>
Other segment information:										
Depreciation	3,632	2,728	38	-	1,296	1,205	47	79	5,013	4,012
Fair value gains on investment properties	-	-	-	(2,809)	-	-	-	-	-	(2,809)
Surplus arising from revaluation of buildings recognised in the income statement	(6)	(6)	-	-	-	-	-	-	(6)	(6)
Impairment of amounts due from associates	-	950	-	-	-	-	-	-	-	950
Impairment of amount due from a jointly-controlled entity	-	358	-	-	-	-	-	-	-	358
Capital expenditure	<u>6,816</u>	<u>3,805</u>	<u>-</u>	<u>591</u>	<u>459</u>	<u>7,819</u>	<u>83</u>	<u>84</u>	<u>7,358</u>	<u>12,299</u>

4. Finance costs

	2008 HK\$'000	2007 HK\$'000
Interest on bank loans and overdrafts wholly repayable within five years	832	916
Interest on finance leases	8	20
	<u>840</u>	<u>936</u>

5. Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	2008 HK\$'000	2007 HK\$'000
Recognition of prepaid land lease payments	80	80
Loss on disposal of items of property, plant and equipment	612	-
Gain on disposal of investment properties	(5,520)	-
Gain on disposal of a jointly-controlled entity	(10)	-
Gain on disposal of associates	(39)	-
Write back of an amount due from a minority shareholder	<u>(1,430)</u>	<u>-</u>

6. Tax

Hong Kong profits tax has been provided at the rate of 17.5% (2007: 17.5%) on the estimated assessable profits arising in Hong Kong during the year.

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Current – Hong Kong Charge for the year	154	138
Deferred	<u>(2,505)</u>	<u>(737)</u>
Total tax credit for the year	<u>(2,351)</u>	<u>(599)</u>

7. Dividend

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Proposed final – HK2.5 cents (2007: HK1.5 cents) per ordinary share	<u>9,008</u>	<u>5,405</u>

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

8. Earnings per share attributable to ordinary equity holders of the parent

The calculation of the basic earnings per share amounts is based on the profit for the year attributable to ordinary equity holders of the parent of approximately HK\$13,281,000 (2007: HK\$792,000) and the number of 360,321,620 ordinary shares in issue during the year.

Diluted earnings per share amounts for the years ended 31 March 2008 and 2007 have not been disclosed as no diluting events existed during these years.

9. Trade receivables

The Group's trading terms with its customers are mainly by cash and credit card settlement, except for certain well-established customers where the terms vary with these customers. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An aged analysis of the trade receivables as at the balance sheet date, based on the invoice date, is as follows:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Within 3 months	441	170
4 to 6 months	<u>43</u>	<u>23</u>
	<u>484</u>	<u>193</u>

10. Trade payables

An aged analysis of the trade payables as at the balance sheet date, based on the invoice date, is as follows:

	2008 <i>HK\$'000</i>	2007 <i>HK\$'000</i>
Within 3 months	5,131	4,519
Over 3 months	<u>3</u>	<u>6</u>
	<u>5,134</u>	<u>4,525</u>

The trade payables are non-interest-bearing and are normally settled on 30-day terms.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATIONS

Dividend

The Directors recommend the payment of a final dividend of HK2.5 cents per share (2007: HK1.5 cents per share) for the year ended 31 March 2008, payable to shareholders whose names appear in the register of members of the Company on Monday, 8 September 2008. The dividend will be payable on Friday, 19 September 2008.

Financial Review

For the year under review, as Hong Kong economy followed the external trend, local consumer sentiment grew higher and property market became more active. The Group took this opportunity and disposed recently part of its properties at a reasonable market price, which further improved the Group's cash flow.

The Group's consolidated revenue for the year ended 31 March 2008 was HK\$261,654,000, which increased by HK\$68,947,000 compared to revenue of HK\$192,707,000 in last year. The consolidated profit for the year attributable to equity holders of the parent was HK\$13,281,000 (2007: HK\$792,000). The increase in profit as compared to last year was mainly attributable to the restaurant operations. The earnings per share was HK3.7 cents (2007: HK0.2 cents).

The Group currently maintains sufficient cash flow, which is considered to be useful for continuous development purpose in the future.

Restaurant Operation Review

As a result of increasing Hong Kong economic activities and the growing consumption desire by local consumers last year, the Group recorded a significant increase in restaurant operations in the second half of the year. The business progress of the newly opened branches which commenced operation in 2007 was on average better than our expectation.

Despite a dramatic surge in the price of food in last year, the impact on our gross profit was relatively low, which was due to the Group able to keep food cost at a controllable range by taking advantage of bulk purchase, and the Group also sourced new channels for lower price in the market from time to time. Therefore, the gross profit margin was maintained within 66%, which was the same as last year.

The Group started looking for restaurant sites since the summer of 2006 and a suitable site was identified at MegaBox Shopping Mall in Kowloon Bay with an area of 10,300 square feet. The Group invested an aggregate of HK\$9,000,000 and started renovation without delay. The new restaurant commenced operation in early June 2007.

Hotel Operation Review

Our featured hotel planned in 2005 was named “Sunny Day Hotel”. It is located in the centre of Mongkok and right behind Langham Place providing 39 rooms. Target customers are mainly individual visitors. The Hotel commenced operation in June 2007, with business becoming stable gradually and occupancy rate increased steadily.

Property Review

Our properties are located at the land of Lot No. 710 in DD 332, Lantau Island, New Territories, Hong Kong, which comprise of House “A” and House “B” and are held for long-term rental yields. Seeing the improvement of property market conditions in Hong Kong recently and the buyers’ intention to purchase, the Board considers that we should grasp the opportunity to dispose of the properties to make profits, and the price of HK\$24,920,000 was determined by vendor and purchaser after arm’s length negotiation. The Group recorded gain on disposal of approximately HK\$5,600,000. The disposal has been completed on 25 March 2008, please refer to the announcement dated 3 March 2008 for details.

The land in Lantau Island acquired in 2005 are located at Lot Nos. 2902, 2903, 2904, 2905, 2906 and 2908 in DD 1 Tung Chung, Lantau Island, New Territories. Considering the recent growth of property market in Hong Kong, the Board is of view that it is a good chance for the Company to make profits by the disposal. The consideration of HK\$13,500,000 was determined by vendor and purchaser after arm’s length negotiation and of the commercial decision by both parties. The Directors are of view that it is in the interests of the Company and its shareholders as a whole.

It is expected that the Group will record a net gain from the disposal of land of approximately HK\$8,000,000 which is based on the difference between the net proceeds from the disposal of HK\$12,600,000 and the cost of the land of HK\$4,600,000 as at 31 March 2008. Before completion, the land was treated as a property held for development, but stated at cost in the financial statements of the Group. Upon completion, we expect that our assets will increase approximately HK\$8,000,000, and the liabilities of the Group keep unchanged. The Board believes that the transaction terms of the Disposal are fair and reasonable and in the interests of the Company and its shareholders as a whole.

And the related transaction will be completed on or before 25 August 2008, please refer to the announcement dated 5 June 2008 for details.

Liquidity and Financial Resources

As at 31 March 2008, the Group had bank and other borrowings of HK\$10,744,000 (2007: HK\$14,184,000). The secured bank loan of approximately HK\$10,744,000 (2007: HK\$11,152,000) was secured by the Group's investment properties with carrying values of HK\$25,000,000 (2007: HK\$25,000,000), and guarantees given by the Company and a subsidiary. As at 31 March 2007, the bank overdrafts of approximately HK\$2,875,000 were guaranteed by the Company.

The bank and other borrowings of the Group as at 31 March 2008 include: borrowings of HK\$509,000 are repayable within one year; borrowings of HK\$533,000 are repayable within two years; borrowings of HK\$1,750,000 are repayable within three to five years; borrowings of HK\$7,952,000 are repayable after five years. All of these borrowings are subject to a floating rate.

The aggregate cash and bank balances was approximately HK\$51,484,000 (2007: HK\$31,542,000), representing an increase of 63.2%, with most of them being short term deposits with a maturity of less than 3 months. The shareholders' equity was HK\$95,963,000 (2007: HK\$87,589,000). The ratio of non-current liabilities to shareholders' equity was 0.11 (2007: 0.14).

The Group's cash and borrowings are mainly denominated in Hong Kong dollars, and hence it is not exposed to exchange risk.

Contingent Liabilities

At the balance sheet date, the Group had no material contingent liabilities.

Number of Employees and Remuneration Policy

As at 31 March 2008, the Group had more than 512 employees, the remuneration packages of whom are being reviewed annually with reference to the prevailing market condition.

OUTLOOK

In view of the sustainable growth in local economic environment, the steady uptrend in employment rate and the obvious recovery in restaurant consumption market, the Group is still optimistic about our future business prospects and will actively expand the local market share by taking stable steps so as to match our long-term development plan and to increase our strength in the continuous market competition.

Recently, a place is identified in Sham Shui Po District suitable for the Group's restaurant purpose, which is located at whole 1st floor of Golden Centre, Yen Chow Street, Kowloon, with a floor area of approximately 8,500 square feet for operation. We expect to invest approximately HK\$7,000,000 and it will commence operation in late August 2008, and its major operation strategy is providing Tack Hsin food and special hotpot for customers in the district.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members of the Company will be closed from Monday, 1 September 2008 to Monday, 8 September 2008, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and to attend and vote at the annual general meeting to be held on 8 September 2008, all transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's Share Registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Friday, 29 August 2008.

PURCHASE, REDEMPTION OR SALE OF LISTED SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's shares during the year.

CORPORATE GOVERNANCE

In the opinion of the directors, the Company has complied with the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), except for the deviation as mentioned below.

Code Provision A.2.1 stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. The Company does not have a separate Chairman and Chief Executive Officer and Mr. Chan Shu Kit currently holds both positions. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person provides the Group with strong and consistent leadership and allows for more effective planning and execution of long-term business strategies.

AUDIT COMMITTEE

The Company has an audit committee (the "Audit Committee") which was established in compliance with Rule 3.21 of the Listing Rules for the purposes of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three members, namely Mr. Kung Fan Cheong, Mr. Chan Ka Ling, Edmond and Mr. Lo Kin Cheung, all are independent non-executive directors of the Company. The annual results of the Group for the year ended 31 March 2008 have been reviewed by the Audit Committee.

ANNUAL GENERAL MEETING

The 2008 Annual General Meeting of the Company will be held on Monday, 8 September 2008, and the Notice of Annual General Meeting will be published and dispatched in the manner as required by the Listing Rules in due course.

By Order of the Board
Chan Shu Kit
Chairman

Hong Kong, 22 July 2008

As at the date of this announcement, the Board of the Company comprises Mr. Chan Shu Kit, Mr. Kung Wing Yiu and Mr. Chan Ho Man as the executive directors, and Mr. Kung Fan Cheong, Mr. Chan Ka Ling, Edmond and Mr. Lo Kin Cheung as the independent non-executive directors.