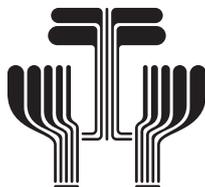


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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire purchase or subscribe for any securities.*



## **TACK HSIN HOLDINGS LIMITED**

**(德興集團有限公司)\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 611)**

### **SUBSCRIPTION FOR CONVERTIBLE BONDS DISCLOSEABLE TRANSACTION ACQUISITION OF 7.5% EQUITY INTEREST IN CHINA NUCLEAR REFRESHMENT OF GENERAL MANDATE TO ISSUE AND ALLOT SHARES**

On 20 January 2010 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of HK\$200,000,000.

On 20 January 2010 (after trading hours), the Company and the Vendor entered into the Equity Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to purchase, 7.5% equity interest in China Nuclear at a consideration of RMB6,429,517.50, subject to the terms and conditions of the Equity Transfer Agreement.

The Acquisition contemplated under the Equity Transfer Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements.

The Convertible Bonds carry the right to convert into Conversion Shares at the Conversion Price (subject to adjustment). The Subscription Agreement and the transactions contemplated thereunder are subject to the approval by Shareholders at the SGM. The Directors will seek a specific mandate from the Shareholders at the SGM to issue and allot the Conversion Shares.

Since the granting of the General Mandate to the date of this announcement, the General Mandate has been utilised as to 72,000,000 Shares, representing approximately 99.91% of the aggregate number of Shares which may be allotted and issued under the General Mandate. The Board therefore proposes to seek the approval of the Independent Shareholders to refresh the General Mandate at the SGM.

A circular containing, among other things, further details of the Subscription Agreement and the Bond Instrument, details of the refreshment of the General Mandate, the letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders and the recommendation from the independent board committee, together with the notice of the SGM, will be dispatched to the Shareholders as soon as practicable. Save for the controlling shareholder(s) and its/their associates who have to abstain from voting in favour of the resolutions in approving the refreshment of the General Mandate, no Shareholder is required to abstain from voting at the SGM. So far as the Directors are aware, no Director or Shareholder has a material interest in the Equity Transfer Agreement, the Subscription Agreement and the transactions contemplated thereunder.

## **INTRODUCTION**

On 20 January 2010 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe for, the Convertible Bonds in the principal amount of HK\$200,000,000.

On 20 January 2010 (after trading hours), the Company and the Vendor entered into the Equity Transfer Agreement, pursuant to which the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to purchase, 7.5% equity interest in China Nuclear at a consideration of RMB6,429,517.50, subject to the terms and conditions of the Equity Transfer Agreement.

## **EQUITY TRANSFER AGREEMENT**

### **Date**

20 January 2010

### **Parties**

Vendor: 博信資產管理有限公司 (Bo Xin Asset Management Company Limited\*)

Purchaser: The Company

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are independent of and not connected with the Company, directors, chief executive, and substantial shareholders of the Company and its subsidiaries or any of their respective associates.

### **Assets acquired under the Equity Transfer Agreement**

3,750,000 shares of RMB1.00 each in the share capital of China Nuclear, representing 7.5% equity interest in China Nuclear.

## **Consideration**

The consideration of the Acquisition is RMB6,429,517.50 and shall be settled by cash in two installments in the following manner:

- (1) RMB3,214,758.75, being 50% of the consideration, shall be paid to the Vendor as the deposit within 3 business days after the date of the Equity Transfer Agreement; and
- (2) RMB3,214,758.75, being the remaining 50% of the consideration, shall be paid to the Vendor upon completion of the Equity Transfer Agreement.

The consideration was determined after arm's length negotiations between the parties to the Equity Transfer Agreement after taking into account a number of factors including the business prospects, financial position and performance of China Nuclear.

## **Conditions precedent**

Completion of the Equity Transfer Agreement shall be conditional on the following conditions having been fulfilled:

- (a) the shareholders of China Nuclear shall have passed relevant resolutions in approving the transfer of 7.5% equity interest in China Nuclear from the Vendor to the Company and the corresponding amendments to the articles of association of China Nuclear;
- (b) the Vendor shall have obtained all necessary approvals of the PRC Governmental Authorities in respect of the Acquisition; and
- (c) the Company shall have paid the deposit in the sum of RMB3,214,758.75 to the Vendor.

If any of the above conditions is not fulfilled within 360 days from the date of the Equity Transfer Agreement, the Equity Transfer Agreement will lapse and become null and void and the parties thereto shall be released from all obligations thereunder.

## **Completion**

Completion of the Equity Transfer Agreement shall take place on the 5th day after the fulfillment of conditions precedent set out in the Equity Transfer Agreement has been notified by the Vendor to the Company.

Completion of the Equity Transfer Agreement is subject to the satisfaction of the conditions precedent in the Equity Transfer Agreement. As the Acquisition may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

## **Information on the Vendor and China Nuclear**

The Vendor is a company established in the PRC with limited liability whose principal activities are investment management, investment information consultancy, financial consultancy and technical development of technological products.

China Nuclear is a joint stock limited company incorporated in the PRC whose principal activities are manufacturing and transportation of concrete, design and technical consultancy of concrete-related products.

China Nuclear is owned by 7 shareholders including Zhong He Investment, the single largest shareholder which owns 29.1333% equity interest therein and the Vendor which owns 10% equity interest therein. Save for Zhong He Investment which is the sole shareholder of the Subscriber, all of the shareholders of China Nuclear are, to the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, independent of and not connected with the Company, directors, chief executive, and substantial shareholders of the Company and its subsidiaries or any of their respective associates.

Set out below is certain financial information of China Nuclear as extracted from its audited financial statements for the two years ended 31 December 2008 and the unaudited management accounts for the 11 months ended 30 November 2009, which were prepared in accordance with PRC generally accepted accounting principles:

	For the year ended 31 December 2007 (RMB)	For the year ended 31 December 2008 (RMB)	For the 11 months ended 30 November 2009 (unaudited) (RMB)
Revenue	175,486,986.45	241,565,133.86	348,239,308.14
Net assets	61,622,473.28	77,656,713.24	92,632,339.98
Total assets	199,161,718.29	301,314,135.11	428,433,158.40
Net profit (before taxation and extraordinary items)	22,970,290.22	13,625,996.35	14,921,244.19
Net profit (after taxation and extraordinary items)	17,133,335.92	14,434,144.36	11,175,626.74

### **Implication under the Listing Rules**

The Acquisition contemplated under the Equity Transfer Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules as one or more of the applicable percentage ratios exceed 5% but do not exceed 25% and is subject to the reporting and announcement requirements.

### **SUBSCRIPTION AGREEMENT**

#### **Date**

20 January 2010

#### **Issuer**

The Company

#### **Subscriber**

The Subscriber is an investment holding company. To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are independent of and not connected with the Company, directors, chief executive, and substantial shareholders of the Company and its subsidiaries or any of their respective associates.

## **Information on the Convertible Bonds**

Convertible Bonds in the principal amount of HK\$200,000,000 will be issued to the Subscriber. Upon full exercise of the conversion rights attaching to the Convertible Bonds at the Conversion Price, the Company will issue 400,000,000 Conversion Shares, representing (i) approximately 110.10% of the issued share capital of the Company as at the date of this announcement; (ii) approximately 52.40% of the issued share capital of the Company as enlarged by the issue and allotment of the Conversion Shares upon the full exercise of the conversion rights attaching to the Convertible Bonds.

The Convertible Bonds carry the right to convert into Conversion Shares at the Conversion Price (subject to adjustment).

The conversion rights attaching to the Convertible Bonds can be exercised at any time during a period of three years commencing from the date of issue of the Convertible Bonds.

The Conversion Shares, when fully paid and allotted, will rank pari passu in all respects with the Shares then in issue on the date of allotment and issue of the relevant Conversion Shares and among themselves.

The Subscription Agreement provides that the Convertible Bonds are to be issued to the Subscriber upon completion in registered form and constituted by the Bond Instrument, substantially in the form of the draft set out in a schedule to the Subscription Agreement. The Convertible Bonds will rank pari passu in all respects among themselves. The principal terms of the Bond Instrument and the Convertible Bonds are summarised below.

### **Principal terms of the Bond Instrument and the Convertible Bonds**

- Principal amount: HK\$200 million
- Issue price: 100% of the principal amount of the Convertible Bonds. The issue price was determined by the Company based on the face value of the Convertible Bonds
- Interest rate: The Convertible Bonds do not bear any interest
- Maturity date: Three years from the date of issue
- Conversion Price: HK\$0.50, being the initial conversion price per Conversion Share but subject to standard adjustment clauses including consolidation or subdivision of the Shares, capitalisation of profits or reserves, capital distributions, issue of shares and other securities by way of rights and issue of new Shares at a price which is less than 90% of the then market price of the Shares
- Status and transferability:
- (a) The obligations of the Company arising under the Convertible Bonds will constitute direct unconditional, unsubordinated and unsecured obligations of the Company, and will rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company
  - (b) The Convertible Bonds are freely transferable

- (c) Any transfer of the Convertible Bonds shall be in respect of the whole or any part of the Convertible Bonds in integral multiples of HK\$1,000,000

- Redemption: All Convertible Bonds which have not been redeemed or converted by their maturity date will be automatically redeemed by the Company on the maturity date at a redemption amount equal to 100% of the principal amount of such Convertible Bonds
- Conversion: The conversion rights attaching to the Convertible Bonds can be exercised at any time during a period of three years commencing from the date of issue of the Convertible Bonds provided that no conversion right shall be exercised if it will result in (a) a change of control of the Company within the meaning of the Takeovers Code; or (b) insufficient public float of the Shares
- Voting at shareholders' meeting: Holders of the Convertible Bonds shall not be entitled to receive notices of attend or vote at any general meeting of the Company by reason only of being the holders of the Convertible Bonds
- Listing: No application will be made for the listing of, or permission to deal in, the Convertible Bonds on the Stock Exchange, or any other stock exchange. Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares
- Events of default: If any of the following events occurs and is continuing, if so requested in writing by the holders of the Convertible Bonds ("**Bondholders**") of not less than 66% of the outstanding principal amount of the Convertible Bonds shall (subject to its rights under this Instrument to be indemnified), or a Bondholder or a group of Bondholders in aggregate holding not less than 66% of the outstanding principal amount of the Convertible Bonds shall, give notice to the Company that the Convertible Bonds are, and they shall accordingly thereby forthwith become, immediately due and payable at their principal amount together with accrued interest if:
- (a) the Company fails to pay the principal or premium (if any) of or any interest on any of the Convertible Bonds when due and such failure continues for a period of fourteen (14) days; or
  - (b) the Company fails to perform or comply with any of its other obligations under the Convertible Bonds or the Bond Instrument which default is not remedied within thirty (30) days after notice requiring the same to be remedied is served by the Bondholder at the request of any Bondholder or group of Bondholders holding not less than 66% of the outstanding principal amounts of the Convertible Bonds or a Bondholder or a group of Bondholders holding not less than 66% of the outstanding principal amount of the Convertible Bonds (as the case may be) on the Company; or

- (c) (i) any other present or future indebtedness of the Company or any major subsidiary (“**Major Subsidiary**”) of the Company for or in respect of moneys borrowed or raised is declared or becomes due and payable prior to its stated maturity by reason of an event of default (however called or described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, or (iii) the Company or any Major Subsidiary fails to pay when due any amount payable by it under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised; PROVIDED THAT any single amount or the aggregate amount of the indebtedness becoming due and payable under (i) above, and/or any single amount or aggregate amount of the indebtedness not paid when due, or as the case may be, within any applicable grace period under (ii) above and/or any single amount or the aggregate amount not paid when due under any present or future guarantee for, or indemnity in respect of, any moneys borrowed or raised under (iii) above, equals or exceeds HK\$5,000,000 and HK\$10,000,000 respectively; or
- (d) a distress, attachment, execution or other legal process (the “**Actions**”) is levied, enforced or sued out on or against the whole or any part of the property, assets or revenues of the Company or any Major Subsidiary which, in the reasonable opinion of the Bondholders, has or would have a material adverse effect on the Company or such Major Subsidiary and is not discharged or stayed within 45 days (or such longer period as the Bondholders may consider to be reasonably appropriate) unless, but only so long as, the Bondholders are satisfied that the Actions are being contested in good faith, diligently and with a reasonable prospect of success;
- (e) the Company or any Major Subsidiary is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as and when they fall due; stops, suspends or threatens to stop or suspend payment of all or substantially all of its debts; makes any agreement for the deferral, rescheduling or other readjustment of all of its debts (or of any part which it will or might otherwise be unable to pay when due); or

- (f) an order of a court of competent jurisdiction is made or an effective resolution passed for the winding-up or dissolution or administration (or equivalent procedure) of the Company or any Major Subsidiary, or the directors of the Company or any Major Subsidiary request any person to appoint an administrator (or equivalent person), or the Company ceases or threatens to cease to carry on all or a material part of its business or operations; except in any case, however, for the purpose of or in connection with a reconstruction, amalgamation, reorganisation, merger or consolidation (i) on terms previously approved by a special resolution of the Bondholders, or (ii) in the case of a Major Subsidiary, whereby the undertaking and assets of the Major Subsidiary are transferred or distributed to or otherwise vested in the Company or another one or more of its Subsidiaries, or by way of a voluntary winding up or dissolution where there are surplus assets in such Major Subsidiary and such surplus assets which are attributable to the Company and/or any other Subsidiaries are distributed to the Company and/or such other Subsidiaries; or
- (g) an administrative or other receiver or any manager (or equivalent person) is duly appointed of the Company or any Major Subsidiary or the directors of the Company or any Major Subsidiary request any person to appoint such an administrative or other receiver or manager (or equivalent person) over either of them or any of their respective assets or properties, unless it is in the opinion of the Bondholders (which shall be duly resolved at the meeting of the Bondholders convened) that, in the case only of such action having been commenced by a creditor of the Company or any Major Subsidiary, as the case may be, it is discharged within thirty (30) days of the commencement of such proceedings or the appointment as aforesaid;
- (h) the listing of the Shares on the Stock Exchange is at any time terminated, or its Shares suspended for trading for a period of more than twenty (20) consecutive trading days and the Company is unable to provide a reason therefor.

The Conversion Price represents:

- (i) a discount of approximately 76.19% to the closing price of HK\$2.10 per Share as quoted on the Stock Exchange on 20 January 2010, being the date of the Subscription Agreement;
- (ii) a discount of approximately 76.42% to the average of the closing prices of HK\$2.12 per Share as quoted on the Stock Exchange for the last five trading days up to and including 20 January 2010; and
- (iii) a premium of 100% over the audited net asset value per Share of HK\$0.25 as at 31 March 2009.

The Conversion Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Subscriber. The Directors consider that the terms of the Subscription are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

## **Conditions of the Subscription**

The Subscription is conditional upon the fulfillment of the following conditions:

- (a) the Listing Committee of the Stock Exchange shall have granted (either unconditionally or subject to conditions to which neither the Issuer nor any of the Subscriber objects) listing of and permission to deal in the Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds;
- (b) the Shareholders shall have passed relevant resolutions in approving the Subscription Agreement and the transactions contemplated thereunder and the issue of the Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds; and
- (c) the Subscriber shall have obtained all necessary approvals of the PRC Governmental Authorities of the Subscription.

If any of the above conditions is not fulfilled on or 17 September 2010 or such later date as may be agreed between the Company and the Subscriber, the Subscription Agreement will lapse and become null and void and the parties thereto shall be released from all obligations thereunder.

## **Completion of the Subscription**

Completion of the Subscription will take place on or before the fifth business days after the fulfillment of the conditions set out in the Subscription Agreement or such later date as may be agreed in writing between the Company and the Subscriber.

Completion of the Subscription is subject to the satisfaction of the conditions precedent in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

## **Issue of the Conversion Shares**

The Subscription Agreement and the transactions contemplated thereunder are subject to the approval by Shareholders at the SGM. The Directors will seek a specific mandate from the Shareholders at the SGM to issue and allot the Conversion Shares.

## **REFRESHMENT OF GENERAL MANDATE**

At the annual general meeting of the Company held on 8 September 2009, the Shareholders passed, among others, ordinary resolutions to grant to the Directors the General Mandate to issue, allot and otherwise deal with a maximum of 72,064,324 Shares, representing 20% of the total nominal amount of the share capital of the Company in issue on the date of passing such resolutions.

Since the granting of the General Mandate to the date of this announcement, the General Mandate has been utilised as to 72,000,000 Shares, representing approximately 99.91% of the aggregate number of Shares which may be allotted and issued under the General Mandate, as a result of the placing of 72,000,000 Warrants on 19 October 2009 to independent places.

There has been no refreshment of the General Mandate since the said annual general meeting. Therefore, after the placing of the Warrants, only a total of 64,324 new Shares might be further issued and allotted under the General Mandate.

The Board therefore proposes to seek the approval of the Independent Shareholders to refresh the General Mandate at the SGM. Hoylake Holdings Limited, the controlling shareholder of the Company, would abstain from voting in favour of the relevant resolutions in approving the refreshment of the General Mandate pursuant to Rule 13.36(4) of the Listing Rules.

An independent board committee comprising the independent non-executive Directors has been established to advise the Independent Shareholders in relation to the refreshment of the General Mandate, and an independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in relation to the refreshment of the General Mandate.

## SHAREHOLDING STRUCTURE

The following table shows the change in shareholding structure of the Company upon full exercise of the conversion rights attaching to the Convertible Bonds:

Shareholder	As at the date of this announcement		Assuming the conversion rights attaching to the Convertible Bonds are exercised in full while each of the conversion rights attaching to the CBs and the subscription rights attaching to the Warrants are unexercised		Assuming each of the conversion rights attaching to the Convertible Bonds, the conversion rights attaching to the CBs and the subscription rights attaching to the Warrants are exercised in full at the initial Conversion Price, initial conversion price and initial subscription price, respectively	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Hoylake Holdings Limited (Note 1)	114,240,000	31.44	114,240,000	14.97	114,240,000	11.07
Subscriber	-	-	400,000,000	52.40	400,000,000	38.75
Holder(s) of CBs (Note 2)	-	-	-	-	200,000,000	19.37
Holders of Warrants (Note 3)	-	-	-	-	69,000,000	6.68
Public	249,081,620	68.56	249,081,620	32.63	249,081,620	24.13
<b>Total:</b>	<b>363,321,620</b>	<b>100.00</b>	<b>763,321,620</b>	<b>100.00</b>	<b>1,032,321,620</b>	<b>100.00</b>

### Notes:

1. Hoylake Holdings Limited is a company wholly owned by Mr. Chan Shu Kit, an executive Director
2. No adjustment to the conversion price of the CBs, if any, has been taken into account.
3. As at the date of this announcement, there are 69,000,000 Warrants remain outstanding and unexercised. No adjustment to the subscription price of the Warrants, if any, has been taken into account.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

As disclosed in the Announcement, the Company raised approximately HK\$81 million from the issue of the CBs and Warrants. Save and except for the issue of the CBs and the Warrants, the Company has not carried out any fund raising activity in the past 12 months from the date of this announcement.

Pursuant to the respective terms of the CB Instrument and the Warrant Instrument, each of the subscription price of the outstanding Warrants and the conversion price of the CBs may have to be adjusted when the Convertible Bonds are issued by the Company. Further announcement will be issued by the Company in this regard.

## **INFORMATION OF THE GROUP**

The Group is principally engaged in property investment and development, hotel and restaurant operation. As stated in the annual report of the Company for the year ended 31 March 2009 and the Announcement, it is the corporate strategy of the Group to continue to identify investment opportunities with the aim to increase its market share. It is the intention of the Group to continue to expand its market share in a steady and proactive way in spite of the currently weak consumer sentiment. It is believed that such strategy will provide a solid platform for the Group to continue to expand as and when the consumer market recovers.

## **REASONS FOR THE ACQUISITION AND THE SUBSCRIPTION AND USE OF PROCEEDS**

In light of the above corporate strategy, the Directors have sought to identify suitable investment opportunity to diversify its business to a sector which is less susceptible to global financial market while at the same time has a steady revenue stream. China Nuclear is considered to be an appropriate investment opportunity for the Company as China Nuclear is an established enterprise which has been performing well in the past years. The concrete industry, so far as the Directors believe, will be performing well in the coming few years given that PRC will continue to undertake a lot of infrastructure and construction projects, which heavily depend on the supply of concrete.

The Acquisition is the first step for the Company to participate in the concrete industry in the PRC. Given that it is a new venture of the Company in a sector which is completely new to the Directors, the Company takes a cautious measure by acquiring a minority stake in China Nuclear through the Acquisition.

Zhong He Investment is the sole shareholder of the Subscriber and has a controlling stake in China Nuclear. In addition, the Directors may consider to acquire further interest in China Nuclear from Zhong He Investment or other shareholders of China Nuclear after having further evaluated the performance and business of China Nuclear upon completion of the Acquisition. Therefore, the Directors consider that it is in the interest of the Company to undertake the Subscription so that the Company may form a strategic alliance with Zhong He Investment while at the same time raise additional funds for its future expansion including the acquisition of further interest in China Nuclear. It is expected that the net proceeds of up to approximately HK\$199 million can be raised from the Subscription and will be used by the Group to finance future investment opportunities and as general working capital. To the extent that no investment is identified by the Group, the amounts will be used as general working capital.

However, as at the date of this announcement, the Company has not started any negotiation nor formed any kind of agreement with any shareholder of China Nuclear in respect of acquisition of further interest in China Nuclear. As at the date of this announcement, the Company has not yet identified any suitable investment opportunity other than China Nuclear.

## GENERAL

A circular containing, among other things, further details of Equity Transfer Agreement, the Subscription Agreement and the Bond Instrument, details of the refreshment of the General Mandate, the letter of advice from the independent financial adviser to the independent board committee and the Independent Shareholders and the recommendation from the independent board committee, together with the notice of the SGM, will be dispatched to the Shareholders as soon as practicable. Save for the controlling shareholder(s) and its/their associates who have to abstain from voting in favour of the resolutions in approving the refreshment of the General Mandate, no Shareholder is required to abstain from voting at the SGM. So far as the Directors are aware, no Director or Shareholder has a material interest in the Equity Transfer Agreement, Subscription Agreement and the transactions contemplated thereunder.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms used herein shall have the following meanings:

“Acquisition”	the acquisition of 7.5% equity interest in China Nuclear as contemplated under the Equity Transfer Agreement
“Announcement”	the announcement dated 16 September 2009 in respect of the CBs and the Warrants
“associate(s)”	has the meaning ascribed thereto in the Listing Rules, unless otherwise specified
“Board”	board of Directors
“Bond Instrument”	the instrument to be entered into by the Company constituting the Convertible Bonds, substantially in the form of the draft set out in a schedule to the Subscription Agreement
“CBs”	the convertible bonds in the principal amount of HK\$80,000,000 issued by the Company on 16 November 2009
“CB Instrument”	the instrument dated 16 November 2009 and signed by the Company constituting the CBs
“China Nuclear”	中核混凝土股份有限公司 (China Nuclear Concrete Company Limited*), a joint stock limited liability company incorporated in the PRC, which Zhong He Investment and the Vendor have 29.1333% and 10% equity interest therein, respectively
“Company”	Tack Hsin Holdings Limited, a company incorporated in Bermuda with limited liability whose shares are listed and traded on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules, unless otherwise specified

“Conversion Price”	initial conversion price of HK\$0.50 per Conversion Share but subject to standard adjustment clauses in the Bond Instrument
“Conversion Shares”	the Shares which may fall to be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds
“Convertible Bonds”	zero coupon rate unsecured redeemable convertible bonds due 2013 in the principal amount of HK\$200,000,000 convertible into Shares, to be constituted by the Bond Instrument
“Directors”	directors of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 20 January 2010 and entered into between the Company and the Vendor, pursuant to which the Vendor has conditionally agreed to sell, and the Company has conditionally agreed to purchase, 7.5% equity interest in China Nuclear at a consideration of RMB6,429,517.50, subject to the terms and conditions therein
“General Mandate”	the general mandate as refreshed and granted to the Directors by the Shareholders at the annual general meeting of the Company held on 8 September 2009 to allot, issue and deal with up to 20% of the then issued share capital of the Company as at the date of the annual general meeting
“Governmental Authorities”	any supra-national, national, provincial, municipal or local government (including any subdivision, court, administrative agency or commission or other authority thereof) or any quasi-governmental or private body exercising any regulatory, taxing, importing or other governmental or quasi-governmental authority
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	any Shareholders other than the controlling shareholder(s) of the Company and its/their associates
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	a special general meeting of the Company to be held to approve, inter alia, (a) the Subscription Agreement and the transactions contemplated thereunder; (b) the issue and allotment of the Conversion Shares upon exercise of the conversion rights attaching to the Convertible Bonds; and (c) the refreshment of the General Mandate
“Shareholder(s)”	holder(s) of Shares

“Shares”	ordinary shares of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	China He Investment (Hong Kong) Company Limited, a company incorporated in Hong Kong with limited liability whose entire issued share capital is owned by Zhong He Investment
“Subscription”	the subscription of the Convertible Bonds pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Subscriber dated 20 January 2010 in relation to the Subscription
“Takeovers Code”	the Code on Takeovers and Mergers of Hong Kong
“Vendor”	博信資產管理有限公司 (Bo Xin Asset Management Limited*), a company established in the PRC with limited liability
“Warrant Instrument”	the instrument dated 19 October 2009 and signed by the Company constituting the Warrants
“Warrants”	a total number of 72,000,000 unlisted warrants issued by the Company on 19 October 2009. As at the date of this announcement, a total of 69,000,000 Warrants are still outstanding
“Zhong He Investment”	中核投資有限公司 (Zhong He Investment Company Limited*), a company established in the PRC with limited liability and a PRC State-owned enterprise
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board  
**Tack Hsin Holdings Limited**  
**Chan Shu Kit**  
*Chairman*

Hong Kong, 20 January 2010

As at the date of this announcement, the directors of the Company are:

*Executive Directors:*

Mr. Chan Shu Kit  
Mr. Kung Wing Yiu  
Mr. Chan Ho Man  
Ms. Jian Qing

*Independent non-executive Directors:*

Mr. Kung Fan Cheong  
Mr. Chan Ka Ling, Edmond  
Mr. Lo Kin Cheung

\* for identification purpose only