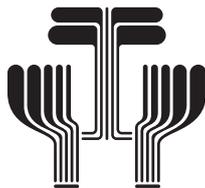


*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## **TACK HSIN HOLDINGS LIMITED**

**(德興集團有限公司)\***

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 611)**

### **PROFIT WARNING**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that the results of the Group for the year ended 31 March 2010 are expected to record a substantial loss as compared to the net profit of approximately HK\$5,824,000 for the year ended 31 March 2009.

The expected loss is due to the recognition of derivative financial liability, in compliance with the currently applicable accounting standards, relating to each of the Warrants, the 2009 CBs and the 2010 CBs. The Board wishes to state that such derivative financial liabilities and related losses on changes in fair value are non-cash in nature and the Group will in no event be obliged to settle any of such liabilities by incurring any cash payout or otherwise by using any of its assets. If the anticipated losses related to the Warrants, the 2009 CBs and the 2010 CBs are excluded, the Group would expect to record a net profit for the year ended 31 March 2010.

### **PROFIT WARNING**

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules. Particulars of the Warrants, the 2009 CBs and the 2010 CBs are set out in the Company's announcement dated 16 September 2009, circular dated 6 October 2009 and circular dated 26 February 2010, respectively.

In compliance with the currently applicable accounting standards adopted by the Group, each of the Warrants, the 2009 CBs and the 2010 CBs is required to be recognised as derivative financial asset/liability and the related gain or loss on changes in fair value is required to be reflected in the consolidated income statement of the Company. As the closing market price of the Shares as at 31 March 2010 was significantly above each of the prevailing subscription price of the Warrants of HK\$0.90 per Share, the prevailing conversion price of the 2009 CBs of HK\$0.40 per Share and the prevailing conversion price of the 2010 CBs of HK\$0.50 per Share, the independent professional valuer retained by the Group has preliminarily assessed the financial liabilities in significant amounts in each of the Warrants, the 2009 CBs and the 2010 CBs as at 31 March 2010. Consequently, in compliance with the currently applicable accounting standards, it is expected the Group will record a substantial loss for the year ended 31 March 2010 as compared to the net profit of approximately HK\$5,824,000 for the year ended 31 March 2009, which would also materially and adversely affect the book net asset value of the Group as at 31 March 2010.

However, the Board wishes to draw the attention of the Shareholders and potential investors to the fact that the aforesaid derivative financial liability and the related loss on changes in fair value relating to each of the Warrants, the 2009 CBs and the 2010 CBs are non-cash in nature and will not have any impact on the cashflow of the Group. The Group will in no event be obliged to settle any of such liabilities by incurring any cash payout or otherwise by using any of its assets. If the anticipated losses related to the Warrants, the 2009 CBs and the 2010 CBs are excluded, the Group would expect to record a net profit for the year ended 31 March 2010. The Group remains in a healthy and solid financial condition and is continuing to pursue various investment opportunities.

As the Company is still in the process of finalising its consolidated financial statements for the year ended 31 March 2010, the information contained in this announcement is only based on preliminary assessment of the unaudited management accounts of the Group and the information currently available. Shareholders and potential investors are advised to read carefully the results announcement of the Company which is expected to be released on 13 July 2010.

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

## **DEFINITIONS**

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

“2009 CBs”	the zero coupon rate unsecured redeemable convertible bonds due 2012 in the principal amount of HK\$80,000,000 issued by the Company on 16 November 2009, particulars of which are set out in the circular of the Company dated 6 October 2009
“2010 CBs”	the zero coupon rate unsecured redeemable convertible bonds due 2013 in the principal amount of HK\$200,000,000 to be issued by the Company upon completion of the Subscription Agreement, particulars of which are set out in the circular of the Company dated 26 February 2010
“Board”	board of Directors
“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
“Directors	directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“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

“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the conditional subscription agreement entered into between the Company and China He Investment (Hong Kong) Company Limited dated 20 January 2010
“Warrants”	a total number of 72,000,000 unlisted warrants issued by the Company on 19 October 2009, particulars of which are set out in the announcement of the Company dated 16 September 2009
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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

Hong Kong, 6 July 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*