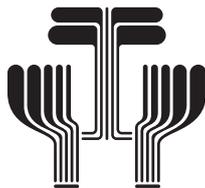


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## TACK HSIN HOLDINGS LIMITED

(德興集團有限公司)\*

*(Incorporated in Bermuda with limited liability)*

(Stock code: 611)

### PROFIT ALERT

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 six months ended 30 September 2011 are expected to record a significant increase of profit as compared to the net profit of approximately HK\$70,715,000 for the six months ended 30 September 2010.

The expected profit is due to the recognition of derivative financial liabilities, in compliance with the currently applicable accounting standards, relating to each of the Warrants, the 2011 CBs and the Acquisition Convertible Bonds. The Board wishes to state that such derivative financial liabilities and related profit 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 (except for the redemption of the 2011 CBs and the Acquisition Convertible Bonds upon their respective maturities).

**This profit alert constitutes a profit forecast under Rule 10 of The Codes on Takeovers and Mergers and Share Repurchases (the “Takeovers Code”). As such, the Company is required to comply with the requirements under Rule 10 of the Takeovers Code with respect to this profit alert which has to be reported on by the Company’s auditor and financial adviser. Since this announcement is required to be made pursuant to Rule 13.09(1) of the Listing Rules, which requires the Company to issue the profit alert announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code, the Company would like to draw the attention of the Shareholders and potential investors of the Company that this profit alert announcement does not meet the standard required by Rule 10 of the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on such forecasts in assessing the merits and demerits of the Offers. Normally, the reports from the Company’s auditor and financial adviser on this profit alert are required to be included in the Composite Document to be issued by the Company and CNI 23 HK in relation to the Offers. As the Interim Results will be published prior to the despatch of the Composite Document which will also include the Interim Results, the requirement of “reporting on” under Rule 10 for this profit alert will be superseded by the publication of the Interim Results.**

Reference is made to the joint announcement of Tack Hsin Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) and China Nuclear Industry 23 Construction (Hong Kong) Company Limited dated 28 October 2011 (the “Announcement”) in relation to the Offers. Unless otherwise defined, capitalised terms used herein have the same meanings as defined in the Announcement.

This announcement is made pursuant to Rule 13.09(1) of the Listing Rules. Particulars of the Warrants, the 2011 CBs and the Acquisition Convertible Bonds are set out in the Company’s announcement dated 16 September 2009, circular dated 26 February 2010 and circular dated 12 August 2011, respectively.

In compliance with the currently applicable accounting standards adopted by the Group, each of the Warrants, the 2011 CBs and the Acquisition Convertible Bonds 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. The independent professional valuer and the auditor retained by the Group have preliminarily assessed the financial liabilities in significant amounts in each of the Warrants, the 2011 CBs and the Acquisition Convertible Bonds as at 30 September 2011. Consequently, in compliance with the currently applicable accounting standards, it is expected that the Group will record a significant increase of gain for the six months ended 30 September 2011 as compared to the net profit of approximately HK\$70,715,000 for the six months ended 30 September 2010, which would also materially affect the net asset value of the Group as at 30 September 2011. The fair value gain should be due to the change in the share price of the Company as at 30 September 2011 as compared to the share price as at 31 March 2011.

However, the Board wishes to draw the attention of the Shareholders and potential investors to the fact that the changes in the aforesaid derivative financial liabilities and the related profit on changes in fair value relating to each of the Warrants, the 2011 CBs and the Acquisition Convertible Bonds 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 (except for the redemption of the 2011 CBs and the Acquisition Convertible Bonds upon their respective maturities). The Group remains in a healthy and solid financial condition.

As the Company is still in the process of finalising its unaudited consolidated financial statements for the six months ended 30 September 2011 of the Group (“Interim Results”), the information contained in this announcement is not the final assessment of the unaudited management accounts of the Group by the management of the Company. Shareholders and potential investors are advised to read carefully the results announcement of the Company for the Interim Results which is expected to be released on or about 23 November 2011.

**This profit alert constitutes a profit forecast under Rule 10 of The Codes on Takeovers and Mergers and Share Repurchases (the “Takeovers Code”). As such, the Company is required to comply with the requirements under Rule 10 of the Takeovers Code with respect to this profit alert which has to be reported on by the Company’s auditor and financial adviser. Since this announcement is required to be made pursuant to Rule 13.09(1) of the Listing Rules, which requires the Company to issue the profit alert announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code, the Company would like to draw the attention of the Shareholders and potential investors of the Company that this profit alert announcement does not meet the standard required by Rule 10**

of the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on such forecasts in assessing the merits and demerits of the Offers. Normally, the reports from the Company's auditor and financial adviser on this profit alert are required to be included in the Composite Document to be issued by the Company and CNI 23 HK in relation to the Offers. As the Interim Results will be published prior to the despatch of the Composite Document which will also include the Interim Results, the requirement of "reporting on" under Rule 10 for this profit alert will be superseded by the publication of the Interim Results.

#### **WARNINGS: THE OFFERS ARE A POSSIBILITY ONLY**

The Offers will only be made if the Conversion Shares are issued pursuant to the exercise of the conversion rights attaching to the CNI 23 HK Convertible Bonds in full. Exercise of the Conversion Rights attaching to the CNI 23 HK Convertible Bonds is conditional upon fulfilment of the Conditions set out in the paragraph headed "Conditions to the Proposed Amendments" in the Announcement. Accordingly, the Offers may or may not be made. Shareholders and investors are advised to exercise caution when dealing in the Shares.

#### **DEFINITIONS**

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

- "2011 CBs"** the zero coupon rate unsecured redeemable convertible bonds due 2014 in the principal amount of HK\$200,000,000 issued by the Company on 17 March 2011 which remain outstanding as at the date of this announcement, particulars of such convertible bonds are set out in the circular of the Company dated 26 February 2010
- "Acquisition Convertible Bonds"** zero coupon rate unsecured redeemable convertible bonds due 2014 in the principal amount of HK\$120 million with conversion price of HK\$1.20 per Share issued by the Company on 1 September 2011 to Shining Rejoice Limited which remain outstanding as at the date of this announcement, details of which are set out in the announcement of the Company dated 13 May 2011 and the circular of the Company dated 12 August 2011
- "Warrants"** unlisted warrants to subscribe for a total number of 72,000,000 Shares at the initial subscription price of HK\$0.90 per Share issued on 19 October 2009, particulars of which are set out in the announcement of the Company dated 16 September 2009. As at the date of this announcement, the aforesaid warrants to subscribe in aggregate HK\$58,500,000 for Shares at the prevailing subscription price of HK\$0.62 per Share, totaling 94,354,839 Shares, remain outstanding and unexercised

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

Hong Kong, 21 November 2011

*As at the date of this announcement, the directors of the Company are: Mr. Chan Shu Kit, Mr. Chan Ho Man, Ms. Jian Qing, Mr. Chung Chi Shing, Mr. Han Naishan, Mr. Lei Jian and Mr. Song Limin, all of whom are executive directors; and Mr. Chan Ka Ling, Edmond, Mr. Chang Nan and Dr. Dai Jinping, all of whom are independent non-executive directors.*

*The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any such statement in this announcement misleading.*

*\* For identification purpose only*