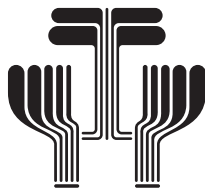


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TACK HSIN HOLDINGS LIMITED

(德興集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock code: 611)

PROFIT 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 2011 are expected to record a significant increase of loss as compared to the net loss of approximately HK\$573,390,000 for the year ended 31 March 2010.

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 2011 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.

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 2011 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 2011 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 Group. As the closing market price of the Shares as at 31 March 2011 was significantly above each of the prevailing conversion price of the Warrants of HK\$0.62 per Share, the prevailing conversion price of the 2009 CBs of HK\$0.40 per Share immediately prior to their full conversion and the prevailing conversion price of the 2011 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 2011 CBs as at 31 March 2011. Consequently, in compliance with the currently applicable accounting standards, it is expected the Group will record a significant increase of loss for the year ended 31 March 2011 as compared to the net loss of approximately HK\$573,390,000 for the year ended 31 March 2010, which would also materially and adversely affect the book net asset value of the Group as at 31 March 2011.

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 2011 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. 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 2011, 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 in June 2011.

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 which have been fully converted into Shares as at the date of this announcement, particulars of such convertible bonds are set out in the circular of the Company dated 6 October 2009
“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 entirely 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
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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, 3 June 2011

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

Executive Directors:

Mr. Chan Shu Kit
Mr. Chan Ho Man
Ms. Jian Qing
Mr. Chung Chi Shing

Independent non-executive Directors:

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

* *For identification purpose only*