TAK SING ALLIANCE HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00126)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009

UNAUDITED INTERIM RESULTS

The Board of Directors (the "Board") of Tak Sing Alliance Holdings Limited (the "Company") is pleased to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2009. These condensed consolidated interim financial statements have not been audited but have been reviewed by the Company's audit committee.

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2009

		Six months ended 30 September	
		2009	2008
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
REVENUE	*2*	**399,656**	344,971
Cost of sales		**(229,271)**	(189,823)
Gross profit		**170,385**	155,148
Other income and gains		**328,138**	57,956
Selling and distribution expenses		**(62,302)**	(62,743)
Administrative expenses		**(47,277)**	(40,002)
Other expenses		**(3,003)**	(5,630)
Finance costs	*3*	**(15,633)**	(15,347)
Share of profits and losses of associates		**48,638**	(64,008)

	Notes	Six months ended 30 September 2009 HK$'000 (Unaudited)	2008 HK$'000 (Unaudited)
PROFIT BEFORE TAX	*4*	**418,946**	25,374
Tax	*5*	**(11,118)**	462
PROFIT FOR THE PERIOD		**407,828**	25,836
ATTRIBUTABLE TO:			
Equity holders of the parent		**390,341**	17,080
Minority interests		**17,487**	8,756
		407,828	25,836
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*6*	***HK cents***	*HK cents*
Basic		**34.12**	1.49
Diluted		**33.64**	1.47
INTERIM DIVIDEND	*7*	**–**	–

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2009

	Six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**407,828**	25,836
Other comprehensive income:		
Exchange differences on translation of foreign operations	**5,472**	8,902
Fair value adjustment on available-for-sale investment	**264,850**	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**678,150**	34,738
ATTRIBUTABLE TO:		
Equity holders of the parent	**661,202**	22,439
Minority interests	**16,948**	12,299
	678,150	34,738

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2009

	Notes	**30 September 2009 *HK$'000* (Unaudited)**	31 March 2009 *HK$'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**427,999**	438,657
Investment properties		**1,212,321**	1,211,768
Prepaid land lease payments		**13,709**	13,502
Goodwill		**40,264**	40,264
Other intangible assets		**533,559**	533,559
Interest in a jointly-controlled entity		**–**	–
Interests in associates		**12,709**	928,582
Available-for-sale investments		**1,423,617**	9,742
Financial assets at fair value through profit or loss		**19,258**	7,347
Properties under development		**600,681**	460,909
Deposits paid for purchases of land		**–**	80,943
Pledged time deposits		**21,205**	21,030
Total non-current assets		**4,305,322**	3,746,303
CURRENT ASSETS			
Properties under development		**191,085**	191,085
Properties held for sale		**136,666**	162,916
Inventories		**42,064**	45,434
Debtors, deposits and prepayments	*8*	**305,948**	275,789
Pledged time deposits		**7,016**	7,041
Cash and cash equivalents		**169,161**	125,151
Total current assets		**851,940**	807,416
CURRENT LIABILITIES			
Trade creditors	*9*	**(45,857)**	(38,662)
Sundry creditors, accruals and deposits received		**(258,244)**	(185,106)
Due to directors		**–**	(1,767)
Due to minority shareholders		**(8,783)**	(7,559)
Interest-bearing bank and other borrowings		**(376,114)**	(424,531)
Finance lease payables		**(530)**	(630)
Tax payable		**(130,718)**	(117,394)
Total current liabilities		**(820,246)**	(775,649)
NET CURRENT ASSETS		**31,694**	31,767
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,337,016**	3,778,070

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 30 September 2009

	Notes	30 September 2009 HK$'000 (Unaudited)	31 March 2009 HK$'000 (Audited)
NON-CURRENT LIABILITIES			
Due to directors		**(55,411)**	(58,281)
Due to minority shareholders		**(40,257)**	(31,453)
Interest-bearing bank and other borrowings		**(294,755)**	(299,438)
Finance lease payables		**–**	(243)
Deferred tax		**(389,851)**	(389,756)
Total non-current liabilities		**(780,274)**	(779,171)
Net assets		**3,556,742**	2,998,899
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		**114,412**	114,412
Reserves		**3,187,168**	2,634,832
Proposed final dividend		**–**	11,441
		3,301,580	2,760,685
MINORITY INTERESTS		**255,162**	238,214
Total equity		**3,556,742**	2,998,899

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2009

1. Basis of preparation and summary of the effects of the changes in accounting policies

The Condensed Consolidated Interim Financial Statements are prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited.

The Condensed Consolidated Interim Financial Statements do not include all information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2009.

The accounting policies and basis of preparation adopted in the preparation of Interim Financial Statements are the same as those used in the annual financial statements of the Group for the year ended 31 March 2009, except in relation to the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") which are adopted by the Group for the first time for the current period's financial statements:

HKFRS 1 and HKAS 27 Amendments	Amendments to HKFRS 1 *First-time Adoption of HKFRSs* and HKAS 27 *Consolidated and Separate Financial Statements – Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Vesting Conditions and Cancellations*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments Disclosures – Improving Disclosures about Financial Instruments*
HKFRS 8	*Operating Segments*
HKAS 1 (Revised)	*Presentation of Financial Statements*
HKAS 23 (Revised)	*Borrowing Costs*
HKAS 32 and HKAS 1 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation and HKAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation*
HK(IFRIC)-Int 9 and HKAS 39 Amendments	Amendments to HK(IFRIC) – Int 9 *Reassessment of Embedded Derivatives* and HKAS 39 *Financial Instrument: Recognition and Measurement – Embedded Derivatives*
HK(IFRIC)-Int 13	*Customer Loyalty Programmes*
HK(IFRIC)-Int 15	*Agreements for the Construction of Real Estate*
HK(IFRIC)-Int 16	*Hedges of a Net Investment in a Foreign Operation*

Except for HKFRS 8 and HKAS 1 (Revised), the adoption of these new and revised HKFRSs has had no impact on the Group's results of operation and financial position. The principal effects of adopting HKFRS 8 and HKAS 1 (Revised) are as follows:

HKFRS 8 Operating Segments

This standard, which replaced HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The adoption of this standard did not have any effect on the financial position or performance of the Group. The Group determined that the operating segments were the same as the business segments previously identified under HKAS 14 *Segment Reporting*.

HKAS 1 (Revised) Presentation of Financial Statements

This revised standard introduces changes in the presentation and disclosures of financial statements, which require owner and non-owner changes in equity to be separately presented. The statement of changes in equity will only include details of transactions with owner and all non-owner changes in equity will be presented in a single line. In addition, this standard also introduces the statement of comprehensive income, with all items of income and expense recognised in income statement, together with all other items of income and expense recognised directly in equity, to be presented either in one single statement, or in two linked statements. The Group has elected to present in two statements.

2. Segment information – Unaudited

The Group determines its operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The Group is principally engaged in property investment and development, the operation of restaurant, food and hotel businesses. These principal activities are the basis on which the Group reports its primary segment information.

An analysis of the Group's revenue and contribution to profit/(loss) from operating activities by principal activity for the six months ended 30 September 2009 are as follows:–

	Restaurant, food and hotel		Property investment and development		Others		Eliminations		Consolidated	
	For the six months ended 30 September									
	2009	2008	**2009**	2008	**2009**	2008	**2009**	2008	**2009**	2008
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:										
Sales to external customers	**340,962**	296,333	**58,694**	48,638	**–**	–	**–**	–	**399,656**	344,971
Intersegment sales	**156**	370	**2,690**	450	**–**	–	**(2,846)**	(820)	**–**	–
Other revenue	**2,276**	2,594	**4,246**	24,568	**20,587**	–	**–**	–	**27,109**	27,162
Total	**343,394**	299,297	**65,630**	73,656	**20,587**	–	**(2,846)**	(820)	**426,765**	372,133
Segment results	**73,736**	55,572	**14,135**	28,088	**20,568**	(10)	**–**	–	**108,439**	83,650
Unallocated corporate income									**301,029**	30,794
Unallocated corporate expenses									**(23,527)**	(9,715)
Finance costs									**(15,633)**	(15,347)
Share of profits and losses of associates	**–**	–	**48,638**	(64,008)	**–**	–	**–**	–	**48,638**	(64,008)
Profit before tax									**418,946**	25,374
Tax									**(11,118)**	462
Profit for the period									**407,828**	25,836

3. Finance costs

	For the six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank loans, overdrafts and other loans wholly repayable within five years	**17,156**	21,035
Interest on finance leases	**30**	55
Total interest expense on financial liabilities not at fair value through profit or loss	**17,186**	21,090
Less: Finance cost capitalised	**(1,553)**	(5,743)
	15,633	15,347

4. **Profit before tax**

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

	For the six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Depreciation	**11,609**	7,938
Minimum lease payments under operating leases for land and building	**13,724**	11,560
Gain on disposal of items of property, plant and equipment	**–**	(1,367)
Gain on deemed disposal of an associate	**(300,923)**	–
Gain on disposal of available-for-sale investment	**(20,587)**	–
Equity-settled share option expenses	**–**	(8,487)
Bank interest income	**(106)**	(870)
Gross rental income	**(24,039)**	(26,254)

5. **Tax**

	For the six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Group:		
Current – Mainland China		
Charge for the period	**11,034**	7,757
Over provision in prior years	**–**	(11,168)
Deferred tax expense	**84**	2,949
Total tax (credit)/charge for the period	**11,118**	(462)

No provision for Hong Kong profits tax has been made as the Group had no assessable profits derived from or earned in Hong Kong during the period (six months ended 30 September 2008: Nil). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

Deferred tax has been provided for at the rate that is expected to apply in the period when the liability is settled or the asset is realised.

Share of tax charge attributable to an associate amounting to HK$23,949,000 (six months ended 30 September 2008: tax credit of HK$16,087,000) is included in "Share of profits and losses of associates" on the face of the condensed consolidated income statement.

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

The calculation of basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares in issue during the period.

The calculation of diluted earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 30 September	
	2009	2008
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**390,341**	17,080

	Number of shares For the six months ended 30 September	
	2009	2008
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**1,144,122,328**	1,144,122,328
Effect of dilution – weighted average number of ordinary shares:		
Share options	**16,164,570**	16,013,340
	1,160,286,898	1,160,135,668

7. Interim dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2009 (2008: Nil).

8. Debtors, deposits and prepayments

Included in the balance is an amount of HK$91,661,000 (31 March 2009: HK$70,754,000) representing the trade debtors of the Group. The aged analysis of such debtors as at the balance sheet date is as follows:

	30 September 2009	31 March 2009
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current to 30 days	**33,730**	9,695
31 – 60 days	**8,120**	6,312
61 – 90 days	**4,060**	5,841
Over 90 days	**45,751**	48,906
	91,661	70,754

9. Trade creditors

The aged analysis of trade creditors is as follows:

	30 September 2009	31 March 2009
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current to 30 days	**27,729**	11,499
31 – 60 days	**6,237**	10,262
61 – 90 days	**3,904**	8,460
Over 90 days	**7,987**	8,441
	45,857	38,662

BUSINESS REVIEW AND PROSPECT

For the six month ended 30 September 2009, the turnover of the Group was HK$399,656,000, increased by 16% as compared to the corresponding period of last year. Profit attributable to equity holders of the parent was HK$390,341,000, increased by 21 times as compared to corresponding period of last year. The main reason for the significant increase in profit was the record of HK$300 million profit arose from the listing of associate company China South City Holdings Limited in the Hong Kong Stock Exchange. Upon listing of China South City, the Group recorded the difference between its share of China South City net asset value against book carrying value as profit. In addition to China South City, core operating businesses of the Group also achieved satisfactory growth in turnover and operating profit.

Property

The Group's associate company, China South City Holdings Limited, was listed in the Hong Kong Stock Exchange on 30 September 2009. During the period, share of profit from the associate company amounted to HK$48,638,000, substantially improved from loss of HK$64,008,000 from the corresponding period of last year. On the day of its listing, China South City ceased to be an associate company of the Group as the Group's shareholdings in the company reduced from 20% to 14.8%. The Group's holding in China South City was recorded in the consolidated statement of financial position as available-for-sale investments. According to HKAS 27, 28 and 39, the difference between the share of net asset value of China South City on listing day and the Group's carrying value was recorded in the income statement as profit. On the other hand, the difference between market value of the China South City shares on consolidated statement of financial position date and its corresponding share of net asset value was directly credited to the statement in changes in equity as available-for-sale investments revaluation reserve. The corresponding profit and reserve amount was HK$300,923,000 and HK$264,850,000 respectively.

The investment in China South City contributed substantial profit to the Group in the past years. Upon its listing, the Group owns available-for-sale investments amounting to HK$1.42 billion which significantly improves the total quantity and quality of the Group's assets.

During the period, the Group's other property businesses also achieved satisfactory results. Turnover was HK$58,694,000, increased by 21% from corresponding period of last year. Operating profit was HK$14,135,000, reduced by 49% from corresponding period of last year. Excluding the effect of revaluation gain, actual operating profit increased by 1.8 times from last year. During the period, investment properties in Guangdong and Hong Kong continued to have stable rental rate and occupancy rate. The sales of remaining properties in Phase 1 of Grand Lake City in Yiyang city of Hunan Province was slower than expected and achieved sales of HK$35 million, still higher than corresponding period of last year by 50%. The sales of shops was satisfactory but could only be recorded as sales revenue upon the completion of all construction in early next year.

The Group's major logistic and commercial project in Lianyungang also had good progress. Land certificate for all 614,000 sq.m. of land had been obtained. Government subsidy for environment improvement had also been granted. Including the government grant, the effective cost for the land was less than HK$200 per sq.m. The project is now on final planning stage and construction will start in 2nd quarter of 2010.

Hotel, Restaurant and Food

During the period, hotel, restaurant and food turnover was HK$340,962,000, increased by 15% compared to corresponding period of last year. Operating profit was HK$73,736,000, increased by 33% compared to corresponding period of last year. With the impact of financial tsunami still on, such performance was outstanding and was better than most other operators in the same industry.

Affected by difficult business environment, turnover of restaurant reduced slightly by 4% during the period. However, restaurant operating profit increased by 13% due to successful cost control measures. The three restaurants in Kunming and Wuhan achieved satisfactory growth while the other nine restaurants recorded slight reduction in turnover.

Food business achieved excellent results in both turnover and operating profit with growth of 43% and 37% respectively. The major contributor was Carrianna brand of moon cake which continued its strong growth trend in the past years. For hotels, Yiyang Carrianna International Hotel in Yiyang, Hunan achieved satisfactory growth in turnover and operating results compared to same period of last year. Occupancy rate was over 60%. Carrianna Hotel in Foshan Guandong was, however, affected by the slow down in manufacturing activities in the Pearl River Delta. Turnover and operating profit were both reduced from last year.

Looking forward for the second half year, management expects more comprehensive growth in the hotel, restaurant and food division following the gradual recovery of the economy.

FINANCIAL REVIEW

Liquidity and financial resources

As the Group adopts a prudent funding and treasury policy on its overall business operation, a variety of credit facilities is maintained. As at 30 September 2009, the Group's free cash and bank balances amounted to HK$169,161,000 (31 March 2009: HK$125,151,000). The Group's net bank borrowings (total borrowings less deposits pledged for such borrowings) as at 30 September 2009 amounted to HK$642,648,000 (31 March 2009: HK$695,898,000), and net bank borrowings less free cash and bank balances amounted to HK$473,487,000 (31 March 2009: HK$570,747,000), representing 14% (31 March 2009: 21%) of the Group's consolidated net assets attributable to its shareholders. The Group's borrowings are principally on floating rate basis.

Exposure on foreign exchange fluctuations and treasury policy

The Group mainly operates in Hong Kong and Mainland China and is exposed to foreign exchange risk with respect to Renminbi. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in operations in Mainland China. The directors consider that the exchange rate of Hong Kong dollars against Renminbi in the foreseeable future is expected to be relatively stable, there is no hedge against fluctuation in foreign exchange rates.

The Group has certain major investments in operations in Mainland China, whose net assets are exposed to translation risk. The management does not expect any material adverse impact from the foreign exchange fluctuation.

Contingent liabilities

As at the balance sheet date, the Group had contingent liabilities relating to guarantee given to bank for mortgage loan facilities granted to purchasers of properties of approximately HK$9,541,000.

Charges on the Group assets

As at the balance sheet date, certain of the Group's properties, plant and equipment, investment properties, time deposits, financial asset at fair value through profit or loss and properties held for sale with a total carrying value of HK$1,178,065,000 were pledged to secure general banking, trade finance and other facilities granted to the Group. In addition, rental income generated in respect of certain investment properties of the Group were assigned to bankers to secure loan facilities granted to the Group.

Material acquisition and disposal

The Group has no material acquisition and disposal during the period.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2009, the Group's staff consists of approximately 100 employees in Hong Kong and approximately 2,220 employees outside Hong Kong. Employees are rewarded on a performance-related basis within the general framework of the Group's salary and bonus system.

AUDIT COMMITTEE

The audit committee comprises three independent non-executive directors of the Company.

The audit committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of the unaudited condensed consolidated interim financial statements for the six months ended 30 September 2009.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 of the Listing Rules as the code for securities transactions by Directors of the Company. Following specific enquiry by the Company, the Directors have confirmed that they have complied with the required standard under the Model Code for the six months ended 30 September 2009.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 of the Listing Rules throughout the six months ended 30 September 2009, except for deviation of the code provisions A.2.1 of the Code as mentioned below.

According to the code provision A.2.1 of the Code, the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Up to the date of this interim report, the Board has not appointed an individual to the post of chief executive officer. The roles of the chief executive officer have been performed collectively by all the executive directors, including the chairman, of the Company. The Board considers that this arrangement allows contributions from all executive directors with different expertise and is beneficial to the continuity of the Company's policies and strategies. Going forward, the Board will periodically review the effectiveness of this arrangement and considers appointing an individual to chief executive officer when it thinks appropriate.

PURCHASE, REDEMPTION OR SALE OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 September 2009.

PUBLICATION OF RESULTS ANNOUNCEMENT AND INTERIM REPORT

The interim results announcement is published on the websites of the Company (http://www.taksing.com.hk) and the Stock Exchange (www.hkex.com.hk) respectively. The 2009/2010 interim report will be despatched to the shareholders of the Company and available on the same websites in due course.

APPRECIATION

The Board takes this opportunity to express hearty gratitude to business partners, shareholders, and loyal and diligent staff.

On behalf of the Board
Tak Sing Alliance Holdings Limited
Dr. Ma Kai Cheung
Chairman

Hong Kong, 18 December 2009

As at the date of this announcement, Executive Directors of the Company are Messrs. Ma Kai Cheung, Ma Kai Yum, Ng Yan Kwong, Ma Hung Ming John and Yuen Wai Man. Independent Non-Executive Directors are Messrs. Lo Ming Chi Charles, Lo Man Kit Sam and Wong See King.