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 2010

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 2010. 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 2010

		Six months ended 30 September	
		2010	2009
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
REVENUE	*2*	**464,837**	399,656
Cost of sales		**(277,875)**	(229,271)
Gross profit		**186,962**	170,385
Other income and gains		**48,648**	328,138
Selling and distribution expenses		**(61,573)**	(62,302)
Administrative expenses		**(43,919)**	(47,277)
Other expenses		**(510)**	(3,003)
Finance costs	*3*	**(15,258)**	(15,633)
Share of profits and losses of associates		**(272)**	48,638

	Notes	Six months ended 30 September **2010** **HK$'000** **(Unaudited)**	2009 HK$'000 (Unaudited)
PROFIT BEFORE TAX	*4*	**114,078**	418,946
Tax	*5*	**(17,484)**	(11,118)
PROFIT FOR THE PERIOD		**96,594**	407,828
ATTRIBUTABLE TO:			
Equity holders of the parent		**73,606**	390,341
Non-controlling interests		**22,988**	17,487
		96,594	407,828
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*6*	***HK cents***	*HK cents*
Basic		**6.43**	34.12
Diluted		**6.35**	33.64
INTERIM DIVIDEND	*7*	**–**	–

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2010

	Six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**96,594**	407,828
Other comprehensive income:		
Exchange differences on translation of foreign operations	**23,461**	5,472
Fair value adjustment on available-for-sale investment	**(133,345)**	264,850
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(13,290)**	678,150
ATTRIBUTABLE TO:		
Equity holders of the parent	**(38,217)**	661,202
Non-controlling interests	**24,927**	16,948
	(13,290)	678,150

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2010

	Notes	30 September 2010 HK$'000 (Unaudited)	31 March 2010 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**440,100**	429,592
Investment properties		**1,263,179**	1,238,598
Prepaid land lease payments		**13,427**	13,167
Goodwill		**39,852**	40,111
Other intangible assets		**533,559**	533,559
Interest in a jointly-controlled entity		**–**	–
Interests in associates		**70,550**	18,129
Available-for-sale investments		**1,068,030**	1,201,375
Financial assets at fair value through profit or loss		**497**	489
Other receivable		**11,626**	11,626
Properties under development		**809,295**	808,831
Pledged time deposits		**16,443**	21,276
Total non-current assets		**4,266,558**	4,316,753
CURRENT ASSETS			
Properties under development		**247,474**	197,966
Properties held for sale		**175,493**	210,749
Inventories		**39,680**	41,017
Debtors, deposits and prepayments	*8*	**280,155**	204,476
Due from directors		**1,629**	1,291
Financial assets at fair value through profit or loss		**8,396**	8,270
Restricted cash		**6,799**	5,827
Pledged time deposits		**7,063**	7,055
Cash and cash equivalents		**225,417**	113,378
Total current assets		**992,106**	790,029
CURRENT LIABILITIES			
Trade creditors	*9*	**(75,918)**	(51,495)
Sundry creditors, accruals and deposits received		**(267,670)**	(196,419)
Due to directors		**–**	(17,874)
Due to minority shareholders		**(9,574)**	(9,436)
Interest-bearing bank and other borrowings		**(273,004)**	(393,726)
Finance lease payables		**(2)**	(245)
Tax payable		**(91,316)**	(73,186)
Total current liabilities		**(717,484)**	(742,381)
NET CURRENT ASSETS		**274,622**	47,648
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,541,180**	4,364,401

	Notes	**30 September 2010 HK$'000 (Unaudited)**	31 March 2010 HK$'000 (Audited)
NON-CURRENT LIABILITIES			
Due to a director		**(50,814)**	(63,151)
Due to minority shareholders		**(44,454)**	(37,653)
Interest-bearing bank and other borrowings		**(518,960)**	(311,152)
Deferred income		**(266,959)**	(261,788)
Deposits received		**(5,758)**	(5,647)
Deferred tax		**(397,230)**	(391,833)
Total non-current liabilities		**(1,284,175)**	(1,071,224)
Net assets		**3,257,005**	3,293,177
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		**114,412**	114,412
Reserves		**2,886,737**	2,924,954
Proposed final dividend		**–**	22,882
		3,001,149	3,062,248
Non-controlling interests		**255,856**	230,929
Total equity		**3,257,005**	3,293,177

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2010

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 2010.

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 2010, 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(Revised)	*First-time Adoption of Hong Kong Financial Reporting Standards*
HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Additional Exemptions for First-time Adopters*
HKFRS 2 Amendments	Amendments to HKFRS 2 *Share-based Payment – Group Cash-settled Share-based Payment Transactions*
HKFRS 3 (Revised)	*Business Combinations*
HKAS 27 (Revised)	*Consolidated and Separate Financial Statements*
HKAS 32 Amendments	Amendments to HKAS 32 *Financial Instruments: Presentation – Classification of Rights Issues*
Amendments to HKFRS 5 included in *Improvements to HKFRSs* issued in October 2008	Amendments to HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations – Plan to Sell the Controlling Interest in a Subsidiary*
HKAS 39 Amendment	Amendment to HKAS 39 *Financial Instruments: Recognition and Measurement – Eligible Hedged Items*
Annual Improvements Project	*Improvements to HKFRSs 2009*
HK Interpretation 4	*Leases – Determination of the Length of Lease Term in respect of Hong Kong Land Leases*
HK(IFRIC)-Int 17	*Distributions of Non-cash Assets to Owners*

The adoption of the above new standards and interpretations has had no material effect on the accounting policies of the Group and the methods of computation in the unaudited interim condensed consolidated financial 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 2010 are as follows:–

	Restaurant, food and hotel		**Property investment and development**		**Others**		**Total**	
	For the six months ended 30 September							
	2010	2009	**2010**	2009	**2010**	2009	**2010**	*2009*
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**382,407**	340,962	**82,430**	58,694	**–**	–	**464,837**	399,656
Intersegment sales	**16,195**	156	**3,895**	2,690	**–**	–	**20,090**	2,846
							484,927	402,502
Reconciliation:								
Elimination of intersegment sales							**(20,090)**	(2,846)
Total revenue							**464,837**	399,656
Segment results	**78,453**	73,736	**64,829**	363,696	**(122)**	20,568	**143,160**	458,000
Reconciliation:								
Bank interest income and unallocated corporate income							**297**	106
Corporate and unallocated expenses							**(14,121)**	(23,527)
Finance costs							**(15,258)**	(15,633)
Profit before tax							**114,078**	418,946

3. Finance costs

	For the six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest on bank loans, overdrafts and other loans wholly repayable within five years	**15,258**	17,156
Interest on finance leases	**–**	30
Total interest expense on financial liabilities not at fair value through profit or loss	**15,258**	17,186
Less: Finance cost capitalised	**–**	(1,553)
	15,258	15,633

4. Profit before tax

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

	For the six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Depreciation	**13,852**	11,609
Minimum lease payments under operating leases for land and building	**10,798**	13,724
Gain on disposal of items of property, plant and equipment	**(3,165)**	–
Gain on deemed disposal of an associate	**–**	(300,923)
Gain on disposal of available-for-sale investment	**–**	(20,587)
Bank interest income	**(297)**	(106)
Change in fair value of investment properties, net	**(20,570)**	(334)
Gross rental income	**(24,327)**	(24,039)

5. Tax

	For the six months ended 30 September	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Group:		
Current – Mainland China		
Charge for the period	**12,341**	11,034
Deferred tax expense	**5,143**	84
Total tax (credit)/charge for the period	**17,484**	11,118

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 2009: 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.

For six months ended 30 September 2009, the share of tax charge attributable to an associate was HK$23,949,000 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	
	2010	2009
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**73,606**	390,341

	Number of shares For the six months ended 30 September	
	2010	2009
	(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	**15,148,560**	16,164,570
	1,159,270,888	1,160,286,898

7. Interim dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2010 (2009: Nil).

8. Debtors, deposits and prepayments

Included in the balance is an amount of HK$133,688,000 (31 March 2010: HK$50,577,000) representing the trade debtors of the Group. The aged analysis of such debtors as at the end of the reporting period is as follows:

	30 September 2010 *HK$'000* **(Unaudited)**	31 March 2010 *HK$'000* (Audited)
Current to 30 days	**114,493**	8,768
31 – 60 days	**4,760**	5,653
61 – 90 days	**813**	3,957
Over 90 days	**13,622**	32,199
	133,688	50,577

9. Trade creditors

The aged analysis of trade creditors as at the end of the reporting period, based on the invoice date, is as follows:

	30 September 2010 *HK$'000* **(Unaudited)**	31 March 2010 *HK$'000* (Audited)
Current to 30 days	**69,401**	21,734
31 – 60 days	**3,055**	11,533
61 – 90 days	**1,195**	5,120
Over 90 days	**2,267**	13,108
	75,918	51,495

BUSINESS REVIEW AND PROSPECT

For the six month ended 30 September 2010, the turnover of the Group was HK$464,837,000, increased by 16% as compared to the corresponding period of last year. Profit attributable to equity holders of the parent was HK$73,606,000, decreased by 81% as compared to corresponding period of last year. Excluding the one-off profit of HK$300,923,000 arose from the listing of associate company China South City Holdings Limited in the Hong Kong Stock Exchange and share of profit of the associate company before its listing of HK$48,638,000, profit from continue operating businesses of the Group was 80% higher than corresponding period of last year. During the period, the two divisions of the Group, property and hotel, restaurant and food, both achieved satisfactory growth in turnover and operating profit.

Property

During the period, turnover of property business was HK$82,430,000, 40% higher than corresponding period of last year while operating profit was HK$64,829,000, 3.6 times higher than corresponding period of last year. Excluding investment property revaluation surplus of HK$20,570,000, operating profit was 2.1 times higher than corresponding period of last year. During the period, both property sales revenue and rental income recorded satisfactory growth.

Property sales revenue mainly came from Grand Lake City project of Yiyang city, Hunan Province. Sales of remaining phase 1 residential property and shops was more than same period of last year. In addition, over half of the two lake view high rise residential buildings under construction with a total salable area of 27,000 sq.m. had been sold at an average price of about RMB3,600 per sq.m. The two buildings are expected to be completed by 1st quarter of 2011. Upon its completion, sales can be recorded as revenue and will become major source of sales revenue for the 2nd half financial year. On the other hand, construction of phase 1 logistic and wholesale centre in Lianyungang of Jiangsu Province has been started, shops will be launched for sales in 1st quarter of 2011 and construction is planned to be completed by 2nd half year of 2011. For the Group's investment property, both occupancy and rental rate recorded slight growth from last year.

China South City Holdings Limited was listed in the Hong Kong Stock Exchange on 30 September 2009. Upon its listing, the Group's holding in China South City was diluted to 14.8% and the company ceased to be an associate company of the Group. The Group's holding of China South City shares was recorded in the Consolidated Statement of Financial Position as available-for-sale investments .

During the period, the Group's another associated company, South China International Purchasing Exchange Centre Limited, reached agreement with Dongguan city government to cancel an original land development agreement signed several years ago and obtained a parcel of land of 78,268 sq.m. in Dongguan city through public auction. The gross floor area of the land was 273,938 sq.m. Auction price deducted by compensation from Dongguan city government for cancellation of the original land development agreement resulted in net land cost of approximately RMB1,000 per sq.m. of G.F.A. The original plan was to develop a mega size commercial complex in Dongguan city centre comprising office, apartment and wholesale and retail centre for electronic products. The associate company, of which the Group owns 50% share, is now evaluating the original plan and prepare for its construction which is planned to start in the second half of 2011. Upon completion, the project can bring in substantial profit to the Group.

Hotel, Restaurant and Food

During the period, hotel, restaurant and food turnover was HK$382,407,000, increased by 12% compared to corresponding period of last year. Operating profit was HK$78,453,000, increased by 6% compared to corresponding period of last year. All 3 businesses recorded growth in turnover. However, significant increase in salary and wages and food cost resulted in lesser growth in operating profit.

During the period, turnover growth in restaurants in Hong Kong, Beijing and Shenzhen was better than other restaurants. Hong Kong and Beijing also recorded satisfactory growth in operating profit. However, Shenzhen operating profit was reduced due to higher salary and wages. The management is working on various measures to control cost so as to improve operating profit of the restaurants.

Food business continued to record over 20% of satisfactory growth in turnover as well as operating profit as a result of the effective distribution network in Hainan, Kunming and Shenzhen and the increase in production capacity and efficiency of the Hainan food factory. The Group has purchased a plot of land of 8,000 sq.m. in Kunming to build another new food factory. Upon the completion of construction in mid 2011, food production capacity and efficiency will be further improved.

For hotels, turnover and occupancy rate were both higher than last year. However, as a result of higher salary and wages, operating profit decreased from last year. For the second half year, occupancy rate has further improved in fourth quarter of 2010. Together with measures by the management to control cost, operating profit is expected to return to growth soon.

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 2010, the Group's free cash and bank balances amounted to HK$225,417,000 (31 March 2010: HK$113,378,000). The Group's net bank borrowings (total borrowings less deposits pledged for such borrowings) as at 30 September 2010 amounted to HK$768,458,000 (31 March 2010: HK$676,547,000), and net bank borrowings less free cash and bank balances amounted to HK$543,041,000 (31 March 2010: HK$563,169,000), representing 18% (31 March 2010: 18%) 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 end of the reporting period, the Group had contingent liabilities relating to guarantee given to bank for mortgage loan facilities granted to purchasers of properties of approximately HK$89,378,000.

Charges on the Group assets

As at the end of the reporting period, 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$1,596,756,000 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 2010, the Group's staff consists of approximately 100 employees in Hong Kong and approximately 2,200 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 2010.

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 2010.

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 2010, 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 2010.

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 2010/2011 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, 29 November 2010

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.