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 2011

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 2011. 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 2011

		Six months ended 30 September	
		2011	2010
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
REVENUE	*2*	**584,368**	464,837
Cost of sales		**(318,450)**	(277,875)
Gross profit		**265,918**	186,962
Other income and gains		**50,657**	48,648
Selling and distribution expenses		**(76,320)**	(61,573)
Administrative expenses		**(50,513)**	(43,919)
Other expenses		**(8,295)**	(510)
Finance costs	*3*	**(21,743)**	(15,258)
Share of profits and losses of associates		**(1,380)**	(272)

	Notes	Six months ended 30 September 2011 HK$'000 (Unaudited)	2010 HK$'000 (Unaudited)
PROFIT BEFORE TAX	*4*	**158,324**	114,078
Tax	*5*	**(37,943)**	(17,484)
PROFIT FOR THE PERIOD		**120,381**	96,594
ATTRIBUTABLE TO:			
Equity holders of the parent		**83,038**	73,606
Non-controlling interests		**37,343**	22,988
		120,381	96,594
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*6*	***HK cents***	*HK cents*
Basic		**7.26**	6.43
Diluted		**7.17**	6.35
INTERIM DIVIDEND	*7*	**–**	–

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2011

	Six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**120,381**	96,594
Other comprehensive income:		
Exchange differences on translation of foreign operations	**34,827**	23,461
Fair value adjustment on available-for-sale investment	**(204,462)**	(133,345)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**(49,254)**	(13,290)
ATTRIBUTABLE TO:		
Equity holders of the parent	**(86,724)**	(38,217)
Non-controlling interests	**37,470**	24,927
	(49,254)	(13,290)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2011

	Notes	30 September 2011 HK$'000 (Unaudited)	31 March 2011 HK$'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment		**483,550**	468,686
Investment properties		**1,376,269**	1,346,196
Prepaid land lease payments		**14,069**	13,306
Goodwill		**40,111**	40,111
Other intangible assets		**399,732**	399,732
Interest in a jointly-controlled entity		**–**	–
Interests in associates		**248,043**	217,214
Available-for-sale investments		**915,636**	1,120,098
Financial assets at fair value through profit or loss		**4,899**	497
Properties under development		**964,668**	950,004
Pledged time deposits		**17,680**	18,524
Total non-current assets		**4,464,657**	4,574,368
CURRENT ASSETS			
Properties under development		**441,284**	209,926
Properties held for sale		**289,592**	355,693
Inventories		**54,320**	49,179
Debtors, deposits and prepayments	*8*	**245,588**	152,497
Due from directors		**740**	652
Due from non-controlling shareholders		**68,475**	67,234
Financial assets at fair value through profit or loss		**45,649**	–
Other receivable		**11,626**	11,626
Restricted cash		**6,855**	7,018
Pledged time deposits		**2,052**	2,044
Cash and cash equivalents		**361,842**	221,606
Total current assets		**1,528,023**	1,077,475
CURRENT LIABILITIES			
Trade creditors	*9*	**(91,678)**	(75,207)
Sundry creditors, accruals and deposits received		**(611,659)**	(319,351)
Due to directors		**(1,333)**	(2,362)
Due to non-controlling shareholders		**(3,823)**	(11,566)
Interest-bearing bank and other borrowings		**(627,232)**	(541,080)
Deferred income		**(14,585)**	(14,203)
Tax payable		**(134,457)**	(91,423)
Total current liabilities		**(1,484,767)**	(1,055,192)
NET CURRENT ASSETS		**43,256**	22,283
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,507,913**	4,596,651

	Notes	30 September 2011 HK$'000 (Unaudited)	31 March 2011 HK$'000 (Audited)
NON-CURRENT LIABILITIES			
Due to a director		**(27,989)**	(37,522)
Due to non-controlling shareholders		**(49,184)**	(49,126)
Interest-bearing bank and other borrowings		**(353,660)**	(369,424)
Derivative financial instrument		**(7,866)**	(669)
Deferred income		**(248,213)**	(252,661)
Deposits received		**(6,023)**	(5,884)
Deferred tax		**(413,497)**	(408,844)
Total non-current liabilities		**(1,106,432)**	(1,124,130)
Net assets		**3,401,481**	3,472,521
EQUITY			
Equity attributable to equity holders of the parent			
Issued capital		**114,442**	114,412
Reserves		**2,939,023**	3,024,681
Proposed final dividend		**–**	22,882
		3,053,465	3,161,975
Non-controlling interests		**348,016**	310,546
Total equity		**3,401,481**	3,472,521

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2011

1. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this unaudited interim financial information are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2011, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, HKASs and Interpretations) and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time for the current period's unaudited interim financial information:

HKFRS 1 Amendment	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Limited Exemptions from Comparative HKFRS 7 Disclosure for First-time Adopters*
HKAS 24 (Revised)	*Related Party Disclosures*
HK(IFRIC) – Int 14	Amendments to HK(IFRIC)-Int 14 *Prepayments of a Minimum Amendments Funding Requirement*
HK (IFRIC) – Int 19	*Extinguishing Financial Liabilities with Equity Instruments*
Improvements to HKFRS (2010)	*Amendments to a number of HKFRSs*

The adoption of these new and revised HKFRSs has had no significant financial effect on this unaudited interim financial information and there have been no significant changes in accounting policies applied in this financial information.

The Group has not early applied any new and revised HKFRSs, that have been issued but are not yet effective for the six months ended 30 September 2011, in this financial information. The Group is in the process of making an assessment of the impact of these new and revised HKFRSs but is not yet in a position to state whether these new and revised HKFRSs would have a significant impact on its results of operations and financial position.

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 2011 are as follows:–

	Restaurant, food and hotel		**Property investment and development**		**Others**		**Total**	
	For the six months ended 30 September							
	2011	2010	**2011**	2010	**2011**	2010	**2011**	2010
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
	(Unaudited)	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)	**(Unaudited)**	(Unaudited)
Segment revenue:								
Sales to external customers	**411,518**	382,407	**172,850**	82,430	**–**	–	**584,368**	464,837
Intersegment sales	**132**	16,195	**2,246**	3,895	**–**	–	**2,378**	20,090
							586,746	484,927
Reconciliation:								
Elimination of intersegment sales							**(2,378)**	(20,090)
Total revenue							**584,368**	464,837
Segment results	**102,905**	78,453	**95,197**	64,829	**(79)**	(122)	**198,023**	143,160
Reconciliation:								
Bank interest income and unallocated corporate income							**1,021**	297
Corporate and unallocated expenses							**(18,977)**	(14,121)
Finance costs							**(21,743)**	(15,258)
Profit before tax							**158,324**	114,078

3. Finance costs

	For the six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest in respect of:		
Bank loans, overdrafts and other loans wholly repayable within five years or on demand	**6,031**	15,258
Bank loans not wholly repayable within five years	**19,095**	–
Total interest expense on financial liabilities not at fair value through profit or loss	**25,126**	15,258
Less: Finance cost capitalised	**(3,383)**	–
	21,743	15,258

4. Profit before tax

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

	For the six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Depreciation	**21,110**	13,852
Minimum lease payments under operating leases for land and building	**13,095**	10,798
Gain on disposal of items of property, plant and equipment	**–**	(3,165)
Bank interest income	**(685)**	(297)
Change in fair value of investment properties, net	**(23,828)**	(20,570)
Gross rental income	**(31,973)**	(24,327)
Dividend income from available-for-sale listed investments	**(22,224)**	(17,779)

5. Tax

	For the six months ended 30 September	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Group:		
Current – Mainland China		
Charge for the period	**32,148**	12,341
Deferred tax expense	**5,795**	5,143
Total tax charge for the period	**37,943**	17,484

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 2010: 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.

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	
	2011	2010
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**83,038**	73,606

	Number of shares For the six months ended 30 September	
	2011	2010
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**1,144,325,607**	1,144,122,328
Effect of dilution – weighted average number of ordinary shares:		
Share options	**13,447,050**	15,148,560
	1,157,772,657	1,159,270,888

7. Interim dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2011 (2010: Nil).

8. Debtors, deposits and prepayments

Included in the balance is an amount of HK$115,896,000 (31 March 2011: HK$42,510,000) 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 2011 *HK$'000* **(Unaudited)**	31 March 2011 *HK$'000* (Audited)
Current to 30 days	**46,749**	10,346
31 – 60 days	**48,859**	5,016
61 – 90 days	**2,706**	3,292
Over 90 days	**17,582**	23,856
	115,896	42,510

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 2011 *HK$'000* **(Unaudited)**	31 March 2011 *HK$'000* (Audited)
Current to 30 days	**80,142**	23,885
31 – 60 days	**5,714**	14,111
61 – 90 days	**4,239**	14,721
Over 90 days	**1,583**	22,490
	91,678	75,207

BUSINESS REVIEW AND PROSPECT

For the six month ended 30 September 2011, turnover of the Group was HK$584,368,000, increased by 25% as compared to the corresponding period of last year. Profit attributable to equity holders of the parent was HK$83,038,000, increased by 13% as compared to corresponding period of last year. Increase in turnover was mainly due to recognition of sales revenue of approximately HK$108 million from the two lake view residential apartment towers 'Zi Lan Ting' in Grand Lake City of Yiyang, Hunan Province, upon delivery of the apartments to buyers in May 2011. Hotel, restaurant and food business also achieved satisfactory growth in turnover and operating profit. During the period, approximately HK$8 million sales and administrative expenses were recorded for China East City in Lianyungang, Jiangsu province while the corresponding sales revenue will be recorded in second half of this financial year. Excluding these expenses, profit attributable to shareholders from existing operation was 24% higher than corresponding period of last year, in line with growth in turnover.

Property

During the period, turnover of property business was HK$172,850,000, 110% higher than corresponding period of last year while operating profit was HK$95,197,000, 47% higher than corresponding period of last year. Excluding investment property revaluation surplus of HK$23,828,000, operating profit was HK$71,369,000, 61% higher than corresponding period of last year. 27,000 sq.m. lake view residential apartment 'Zi Lan Ting' in Yiyang, Hunan Province was delivered to buyers in May 2011, 95% of the property was sold and the corresponding turnover of HK$108 million was recorded as revenue during the period. Construction of Phase 2 of Grand Lake City residential apartment was in good progress and will be launched to the market in mid 2012. Initial offer for sales will be 40,000 to 50,000 sq.m.

During the period, the construction of leather and construction material markets in China East City of Lianyungan, Jiangsu Province was in line with plan and will be completed and delivered to buyers in December 2011 and early 2012. Contract sales had exceeded HK$400 million with sales area of over 70,000 sq.m., which was 75% of the total 95,000 sq.m. offer for sales in Phase 1.

On the other hand, the Group's 50% owned associated company, South China International Purchasing Exchange Limited, had finished planning for the 78,000 sq.m. commercial land in Dongguan City. Over 300,000 sq.m. of furniture and construction material wholesale and retail centre will be built which will also include residential apartments and office buildings. Construction will start in 2012. On completion, property value is expected to be worth more than RMB 3 billion.

The Group's investment properties in Hong Kong, Shenzhen and Panyu all recorded satisfactory growth in rental income. The most important investment property 'Carrianna Friendship Square' achieved growth in both occupancy rate and average rental.

Hotel, Restaurant and Food

During the period, hotel, restaurant and food turnover was HK$411,518,000, increased by 8% compared to corresponding period of last year. Operating profit was HK$102,905,000, increased significantly by 31% compared to corresponding period of last year. All 3 businesses recorded growth in turnover. Hotel and food businesses achieved double digits growth while restaurant turnover was only slightly higher than corresponding period of last year. Growth of operating profit mainly came from food business while hotel also achieved satisfactory growth in profit. However, restaurant profit was reduced from last year due to increase in food ingredient cost and human resources expenses.

During the period, business entertainment in China general reduced especially in the property sector as a result of tightening of monetary policy by the government. Our restaurants still recorded slight growth in sales which should be considered as a satisfactory performance. However, with double digits increase in food ingredient cost and human resources expenses, overall gross profit in most of the restaurants reduced by approximately 1-2% which caused operating profit to be lower than corresponding period of last year. Management will continue to tighten cost control and adjust certain menu prices so as to return to normal gross profit in the second half year and bring restaurant operating profit back to growth.

During the period, food business continued to record double digits sales growth. The food factory in Hainan started to produce lotus paste which is the major ingredient of moon cake. As a result, overall gross profit of food business increased by 5% which was the major reason for growth in food operating profit. After investment in recent years to improve food production capacity and efficiency, the Group will put more resources into development of new market and distribution network. Food business is expected to continue as one of the major contributor to Group profit growth.

Both Carrianna hotels in Yiyang and Foshan recorded double digits growth in turnover. Operating profit for hotel business also recorded satisfactory growth. Yiyang Carrianna hotel started to make operation profit in recent months. This is the result of the effort of all hotel staff and management after two years of hard work. For the coming year, hotel business will continue to be a profit contributor to the Group.

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 2011, the Group's free cash and bank balances amounted to HK$361,842,000 (31 March 2011: HK$221,606,000). The Group's net bank borrowings (total borrowings less deposits pledged for such borrowings) as at 30 September 2011 amounted to HK$961,160,000 (31 March 2011: HK$889,936,000), and net bank borrowings less free cash and bank balances amounted to HK$599,318,000 (31 March 2011: HK$668,330,000), representing 20% (31 March 2011: 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 end of the reporting period, the Group had contingent liabilities relating to guarantees given to bank for mortgage loan facilities granted to purchasers of properties of approximately HK$119,755,000.

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 assets at fair value through profit or loss and properties held for sale with a total carrying value of HK$2,002,099,000 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 had no material acquisition and disposal during the period.

EMPLOYEES AND REMUNERATION POLICY

As at 30 September 2011, 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 2011.

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 2011.

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 2011, 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 2011.

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 2011/2012 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, 28 November 2011

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.