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 2012

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 2012. 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 2012

		Six months ended 30 September	
		2012	2011
	Notes	***HK$'000***	*HK$'000*
		(Unaudited)	(Unaudited)
REVENUE	*2*	**502,537**	584,368
Cost of sales		**(246,695)**	(318,450)
Gross profit		**255,842**	265,918
Other income and gains		**79,384**	50,657
Selling and distribution expenses		**(89,637)**	(76,320)
Administrative expenses		**(66,769)**	(50,513)
Other expenses		**(3,678)**	(8,295)
Finance costs	*3*	**(22,090)**	(21,743)
Share of profits and losses of associates		**(965)**	(1,380)

	Notes	Six months ended 30 September **2012** **_HK$'000_** **(Unaudited)**	2011 _HK$'000_ (Unaudited)
PROFIT BEFORE TAX	*4*	**152,087**	158,324
Tax	*5*	**(35,922)**	(37,943)
PROFIT FOR THE PERIOD		**116,165**	120,381
ATTRIBUTABLE TO:			
Equity holders of the parent		**88,922**	83,038
Non-controlling interests		**27,243**	37,343
		116,165	120,381
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	*6*	**_HK cents_**	_HK cents_
Basic		**7.75**	7.26
Diluted		**7.69**	7.17
INTERIM DIVIDEND	*7*	**–**	–

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2012

	Six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period	**116,165**	120,381
Other comprehensive income:		
Exchange differences on translation of foreign operations	**(8,856)**	34,827
Fair value adjustment on available-for-sale investment	**44,448**	(204,462)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	**151,757**	(49,254)
ATTRIBUTABLE TO:		
Owners of the parent	**125,104**	(86,724)
Non-controlling interests	**26,653**	37,470
	151,757	(49,254)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2012

	Notes	**30 September 2012**	31 March 2012
		HK$'000	*HK$'000*
		(Unaudited)	(Audited) (Restated)
NON-CURRENT ASSETS			
Property, plant and equipment		**477,136**	485,798
Investment properties		**1,452,162**	1,446,897
Prepaid land lease payments		**13,335**	13,372
Goodwill		**40,111**	40,111
Other intangible assets		**399,732**	399,732
Interest in a jointly-controlled entity		**–**	–
Interests in associates		**257,138**	256,527
Available-for-sale investments		**977,863**	933,415
Financial assets at fair value through profit or loss		**19,280**	8,918
Properties under development		**984,196**	991,084
Pledged time deposits		**24,705**	23,771
Total non-current assets		**4,645,658**	4,599,625
CURRENT ASSETS			
Properties under development		**446,089**	360,888
Properties held for sale		**351,706**	385,163
Inventories		**47,725**	51,579
Debtors, deposits and prepayments	*8*	**318,570**	198,396
Financial assets at fair value through profit or loss		**–**	493
Restricted cash		**10,427**	17,170
Pledged time deposits		**13,762**	13,766
Cash and cash equivalents		**348,887**	305,200
Total current assets		**1,537,166**	1,332,655
CURRENT LIABILITIES			
Trade creditors	*9*	**(144,216)**	(130,612)
Sundry creditors, accruals and deposits received		**(472,672)**	(361,226)
Due to directors		**(325)**	(1,351)
Due to non-controlling shareholders		**(8,791)**	(13,005)
Interest-bearing bank and other borrowings		**(568,565)**	(561,659)
Finance lease payables		**(323)**	–
Deferred income		**(11,243)**	(11,274)
Tax payable		**(179,959)**	(139,560)
Total current liabilities		**(1,386,094)**	(1,218,687)
NET CURRENT ASSETS		**151,072**	113,968
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,796,730**	4,713,593

	Notes	30 September 2012 HK$'000 (Unaudited)	31 March 2012 HK$'000 (Audited) (Restated)
NON-CURRENT LIABILITIES			
Due to a director		**(32,222)**	(30,700)
Due to non-controlling shareholders		**(48,706)**	(48,711)
Interest-bearing bank and other borrowings		**(577,123)**	(602,229)
Finance lease payables		**(2,156)**	–
Derivative financial instrument		**(8,914)**	(8,418)
Deferred income		**(204,387)**	(209,554)
Deposits received		**(6,425)**	(6,827)
Deferred tax		**(423,866)**	(423,929)
Total non-current liabilities		**(1,303,799)**	(1,330,368)
Net assets		**3,492,931**	3,383,225
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**115,142**	114,442
Reserves		**3,083,766**	2,955,636
Proposed final dividend		**–**	45,777
		3,198,908	3,115,855
Non-controlling interests		**294,023**	267,370
Total equity		**3,492,931**	3,383,225

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2012

1. PRINCIPAL ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the unaudited condensed consolidated interim financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2012, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which also included all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time for the current period's unaudited condensed consolidated interim financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
HKFRS 7 Amendments	Amendments to HKFRS 7 *Financial Instruments: Disclosures – Transfers of Financial Assets*
HKAS 12 Amendments	Amendments to HKAS 12 *Income Taxes – Deferred Tax: Recovery of Underlying Assets*

Other than as further explained below regarding the impact of HKAS 12 Amendments, the adoption of the new and revised HKFRSs in the current interim period has had no material effect on the amounts reported in these unaudited condensed consolidated interim financial statements and/or disclosures set out in these unaudited condensed consolidated interim financial statements.

HKAS 12 Amendments clarify the determination of deferred tax for investment property measured at fair value. The amendments introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, the amendments incorporate the requirement previously in HK(SIC)-Int 21 *Income Taxes – Recovery of Revalued Non-Depreciable Assets* that deferred tax on non-depreciable assets, measured using the revaluation model in HKAS 16, should always be measured on a sale basis.

As a result of the change in accounting policy arising from amendments to HKAS 12, the Group now measures the deferred tax liability arising from the fair value changes of their investment properties using tax rate that would apply on recovery of the assets through sale, rather than through use as applied prior to adoption of these amendments. This change in accounting policy has been applied retrospectively and the effects of the adoption of the above amendments to the Group are summarised as follows:

	Six months ended 30 September **2012** **(Unaudited)** ***HK$'000***	2011 (Unaudited) *HK$'000*
Condensed consolidated income statement		
Decrease in income tax expense and increase in profit for the period attributable to equity holders of the parent	**–**	–
Increase in basic and diluted earnings per share attributable to equity holders of the parent	**–**	–

	As at 30 September 2012 (Unaudited) ***HK$'000***	As at 31 March 2012 (Unaudited) *HK$'000*	As at 1 April 2011 (Unaudited) *HK$'000*
Condensed consolidated statement of financial position			
Decrease in deferred tax liabilities and increase in retained profits	**1,040**	1,040	512

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 2012 are as follows:–

	Restaurant, food and hotel		**Property investment and development**		**Others**		**Total**	
	For the six months ended 30 September							
	2012	2011	**2012**	2011	**2012**	2011	**2012**	2011
	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	**414,203**	411,518	**88,334**	172,850	**–**	–	**502,537**	584,368
Intersegment sales	**425**	132	**561**	2,246	**–**	–	**986**	2,378
							503,523	586,746
Reconciliation:								
Elimination of intersegment sales							**(986)**	(2,378)
Total revenue							**502,537**	584,368
Segment results	**108,381**	102,905	**81,818**	95,197	**(255)**	(79)	**189,944**	198,023
Reconciliation:								
Bank interest income and unallocated corporate income							**1,275**	1,021
Corporate and unallocated expenses							**(17,042)**	(18,977)
Finance costs							**(22,090)**	(21,743)
Profit before tax							**152,087**	158,324

3. Finance costs

	For the six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Interest in respect of:		
Bank loans, overdrafts and other loans wholly repayable within five years or on demand	**21,827**	6,031
Bank loans not wholly repayable within five years	**5,938**	19,095
Finance leases	**42**	–
Total interest expense on financial liabilities not at fair value through profit or loss	**27,807**	25,126
Less: Finance cost capitalised	**(5,717)**	(3,383)
	22,090	21,743

4. Profit before tax

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

	For the six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Depreciation	**24,978**	21,110
Minimum lease payments under operating leases for land and building	**14,396**	13,095
Bank interest income	**(870)**	(685)
Change in fair value of investment properties, net	**(6,000)**	(23,828)
Gross rental income	**(33,728)**	(31,973)
Dividend income from available-for-sale listed investments	**(66,673)**	(22,224)

5. Tax

	For the six months ended 30 September	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Group:		
Current – Hong Kong		
Charge for the period	**425**	–
Current – Mainland China		
Charge for the period	**35,497**	32,148
Deferred tax expense	**–**	5,795
Total tax charge for the period	**35,922**	37,943

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable in Mainland China have been calculated at the rates of tax prevailing in Mainland China.

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	
	2012	2011
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	**88,922**	83,038

	Number of shares For the six months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**1,147,099,924**	1,144,325,607
Effect of dilution – weighted average number of ordinary shares:		
Share options	**9,144,800**	13,447,050
	1,156,244,724	1,157,772,657

7. Interim dividend

The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2012 (2011: Nil).

8. Debtors, deposits and prepayments

Included in the balance is an amount of HK$186,596,000 (31 March 2012: HK$62,180,000) 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 2012	31 March 2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current to 30 days	**158,713**	33,331
31 – 60 days	**16,746**	5,014
61 – 90 days	**3,020**	4,611
Over 90 days	**8,117**	19,224
	186,596	62,180

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 2012	31 March 2012
	HK$'000	*HK$'000*
	(Unaudited)	(Audited)
Current to 30 days	**117,319**	97,564
31 – 60 days	**18,030**	9,557
61 – 90 days	**7,325**	11,483
Over 90 days	**1,542**	12,008
	144,216	130,612

BUSINESS REVIEW AND PROSPECT

For the six months ended 30 September 2012, turnover of the Group was HK$502,537,000, decreased by 14% as compared to the corresponding period of last year. Profit attributable to equity holders of the parent was HK$88,922,000, increased by 7% as compared to corresponding period of last year. Excluding property revaluation gain and related taxes, operating profit attributable to equity holders was HK$82,922,000 significantly increased by 28% from last year. Decrease in turnover was mainly due to recognition of property sales revenue reduced by HK$85 million from last year to only HK$55 million. Rental income and revenue from hotel, restaurant and food business recorded slight growth. The increase in profit attributable to equity holders was mainly due to the continuous growth in operating profit from hotel, restaurant and food business and the increase in dividend income from China South City which more than offset the reduction in profit due to reduction in property sales revenue.

Property

During the period, turnover of property business was HK$88,334,000, lower than corresponding period of last year by 49% while operating profit was HK$81,818,000, reduced by 7% from corresponding period of last year. Excluding investment property revaluation surplus of HK$6,000,000, operating profit was HK$75,818,000, increased by 6% from corresponding period of year. The reduction in revenue was mainly because only HK$55 million property sales revenue was recognized in the period which comprised mainly the sales of shops in China East City project in Lianyungang, Jiangsu province. In the corresponding period of last year, 'Zi Lan Ting' in Yiyang, Hunan Province recorded lake view residential property sales of HK$108 million.

For operating profit, the Group's investment in China South City Holdings Limited recorded satisfactory results. The growth in dividend income from China South City more than offset the reduction in operating profit caused by lower property sales revenue. On the other hand, rental income from the Group's investment properties only slightly increased by 1% from corresponding period of last year due to low economic and consumption growth in Guangdong Province and Shenzhen as a result of government tightening control of property development sector and slower growth in export.

For the second half of this financial year, Grand Lake City in Yiyang, Hunan Province has already achieved RMB220 million in contract sales for its phase 2 residential property development. These contracts will be recognized as sales revenue by phases upon completion of construction and delivery to customers in 2013. For China East City in Lianyungang, Jiangsu Province, total salable area of phase 1 development was 167,000 sq.m. The Group planned to sell 95,000 sq.m., with the remaining property to be held by the Group for rental income so as to facilitate overall planning for different market sector allocations within the project. As at 30 September 2012, contract sales of 81,500 sq.m., 86% of planned sales, was completed of which 59,700 sq.m. was recorded in last financial year and 9,100 sq.m., HK$53 million, was recorded during the current period. The remaining 13,000 sq.m. will be recognized as sales revenue upon delivery to customers.

On the other hand, the Group's 50% owned furniture and construction material wholesale and retail centre project in Dongguan, Guangdong Province has commenced its construction permit applications. Construction will start in early 2013. Total gross floor area of the project will be 410,000 sq.m. of which 95,000 sq.m. will be constructed and operated by Red Star Macalline, the leading furniture retail mall operator in China. The project company owns 30% of the Macalline mall. The remaining 310,000 sq.m. which will be constructed and operated by the project company consists of 190,000 sq.m. retail area with the remaining being office, service apartment, hotel, car park and other utilities.

Hotel, Restaurant and Food

During the period, hotel, restaurant and food turnover was HK$414,203,000, increased slightly by 1% compared to the corresponding period of last year. Operating profit was HK$108,381,000, increased by 5% compared to the corresponding period of last year. During the period, the business dining sector was adversely affected by the tightening of economic policy in China and the reduction in export due to recession in Europe and USA. Average spending on business dining as well as frequency of entertainment reduced significantly for most industries especially the property sector. As a result, the turnover of the Group's restaurant business declined by 10% compared to the corresponding period of last year. Similarly, sales revenue of hotel business also decreased by 11%. Under such difficult operating environment, the Group's Carrianna brand of mooncake and other food sales continued to achieve a satisfactory growth of 11% which was more than enough to offset reduction in revenue from hotel and restaurant business. As food business has better gross margin, overall profit of hotel, restaurant and food segment was HK$5,476,000, 5% higher than the corresponding period of last year.

For the second half of this financial year, restaurant and hotel business will enter the busy season. Together with better economic outlook since the beginning of fourth quarter of 2012, sales revenue and operating profit should be better than the first half of this financial year. The management will continue to improve service and food quality and control cost so as to improve profitability for shareholders. As food sales continued to grow, the Group plans to further expand the food factory in Hainan in order to increase production capacity to match sales growth in the coming year and to deliver further profit growth.

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 2012, the Group's free cash and bank balances amounted to HK$348,887,000 (31 March 2012: HK$305,200,000). The Group's net bank borrowings (total borrowings less deposits pledged for such borrowings) as at 30 September 2012 amounted to HK$1,107,221,000 (31 March 2012: HK$1,126,351,000), and net bank borrowings less free cash and bank balances amounted to HK$758,334,000 (31 March 2012: HK$821,151,000), representing 22% (31 March 2012: 24%) 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$117,715,000.

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$2,022,207,000 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 2012, 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 2012.

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 2012.

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 2012, 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. During the six months ended 30 September 2012, the Board did not appoint an individual to the post of chief executive officer. The roles of the chief executive officer had been performed collectively by all the executive directors, including the chairman, of the Company. On 22 October 2012, Mr. Chan Sheung Lai has been appointed as chief executive officer of the Company. The Company has fully complied with the Code since then.

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 2012.

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 2012/2013 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, 30 November 2012

As at the date of this announcement, Executive Directors of the Company are Messrs. Ma Kai Cheung, Ma Kai Yum, Chan Sheung Lai, 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.