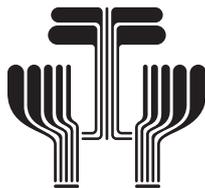


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TACK HSIN HOLDINGS LIMITED

(德興集團有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock code: 611)

SECOND SUPPLEMENTAL AGREEMENT IN RELATION TO A MAJOR ACQUISITION

Subsequent to the Company and the Vendor entering into the Acquisition Agreements, the Company proposed to acquire further interest in Zhong He Libaite through the Acquisition and negotiated with the Vendor for Well Link's proposed acquisition of additional 10% equity interest in Zhangjiagang Libaite such that Well Link's stake in Zhangjiagang Libaite will be increased from 15% (as agreed under the Acquisition Agreements) to 25% before Completion.

On 13 May 2011, the Company and the Vendor entered into the Second Supplemental Agreement to amend and supplement the Acquisition Agreements as follows:

- (a) the Consideration has been adjusted to HK\$200,000,000 which will be satisfied by (i) the payment of HK\$80,000,000 in cash to the Vendor; and (ii) the issue of the Convertible Bonds to the Vendor, at Completion;
- (b) Completion has been made conditional upon the Equity Transfer Agreement having been terminated by Well Link and East King and the conditions precedent relating to Well Link's acquisition of the entire issued share capital of East King; and
- (c) the Long Stop Date for fulfilment of the conditions precedent in the Acquisition Agreements has been changed to 30 September 2011 or such later date or time as the Company and the Vendor may agree in writing.

Save as disclosed in this announcement, all major terms and conditions of the Acquisition as set out in the Announcements remain unchanged.

INTRODUCTION

Reference is made to the announcement of the Company dated 23 December 2010 and the clarification announcement of the Company dated 29 December 2010 in relation to the Acquisition.

Unless otherwise defined, terms used in this announcement shall have the same meanings as defined in the Announcements.

THE SECOND SUPPLEMENTAL AGREEMENT

On 13 May 2011, the Company and the Vendor entered into the Second Supplemental Agreement to amend and supplement the Acquisition Agreements as follows:

- (a) the Consideration has been adjusted to HK\$200,000,000 which will be satisfied by (i) the payment of HK\$80,000,000 in cash to the Vendor; and (ii) the issue of the Convertible Bonds to the Vendor, at Completion;
- (b) the conditions precedent relating to (i) completion of the Equity Transfer Agreement; and (ii) the Company obtaining a legal opinion from the Vendor's PRC counsel on Well Link being the equity owner of Zhong He Libaite with 15% equity interest therein, as set out in the Announcements are no longer required; and Completion has been made conditional upon the following new conditions precedent:
 - (i) the Company having completed due diligence exercise on East King and satisfied with the results thereof;
 - (ii) the East King Agreement having been duly completed in accordance with its terms (including payment of consideration by Well Link to the vendor thereunder) and East King having become a wholly owned subsidiary of Well Link; and
 - (iii) the obtaining by the Company of a legal opinion from the Vendor's PRC counsel, which shall be a reputable law firm in the PRC acceptable to the Company, opining to the satisfaction of the Company that East King is the equity owner of Zhong He Libaite with 25% equity interest therein; and
- (c) the Long Stop Date for fulfilment of the conditions precedent in the Acquisition Agreements has been changed to 30 September 2011 or such later date or time as the Company and the Vendor may agree in writing.

Save as disclosed in this announcement, all major terms and conditions of the Acquisition as set out in the Announcements remain unchanged.

REASONS FOR THE SECOND SUPPLEMENTAL AGREEMENT

Subsequent to the Company and the Vendor entering into the Acquisition Agreements, the Company proposed to acquire further interest in Zhong He Libaite through the Acquisition and negotiated with the Vendor for Well Link's proposed acquisition of additional 10% equity interest in Zhangjiagang Libaite such that Well Link's stake in Zhangjiagang Libaite will be increased from 15% (as agreed under the Acquisition Agreements) to 25% before Completion. Zhangjiagang Libaite, a company established in the PRC with limited liability, has been converted into Zhong He Libaite, a joint stock company incorporated in the PRC with limited liability, since 31 January 2011. The proposal was ultimately implemented through the termination of the Equity Transfer Agreement and Well Link entering into the East King Agreement, pursuant to which Well Link conditionally agreed to acquire the entire issued share capital of East King. Upon fulfillment of the conditions precedent in the Acquisition Agreements as amended by the Second Supplemental Agreement, East King, being a holder of 25% equity interest in Zhong He Libaite, will have become a wholly owned subsidiary of Well Link.

The Company and the Vendor entered into the Second Supplemental Agreement to reflect the increase of Well Link's stake in Zhong He Libaite before the Completion and the corresponding increase in the Consideration. The Directors consider the terms of the Acquisition under the Acquisition Agreements as amended by the Second Supplemental Agreement, which were determined through arm's length negotiation between the Company and the Vendor, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FURTHER INFORMATION OF ZHONG HE LIBAITE

Zhong He Libaite was incorporated in the PRC through the Conversion on 31 January 2011. As at the date of this announcement, the entire issued share capital of Zhong He Libaite of RMB289,091,118 is owned as to 25% by East King, 10% by 中國核工業二三建設有限公司 ("China He Construction") and the remaining 65% by two other shareholders. To the best knowledge, information and belief of the Directors, China He Construction is a fellow subsidiary of China He Investment (Hong Kong) Company Limited ("China He Investment"), the holder of the Company's convertible bonds for the principal amount of HK\$200,000,000 convertible into Shares at the initial conversion price of HK\$0.5 per Share issued on 17 March 2011 pursuant to a subscription agreement dated 20 January 2010 entered into between the Company and China He Investment, details of which are disclosed in the announcements of the Company dated 20 January 2010 and 17 March 2011. Save as disclosed above, all of the existing shareholders of Zhong He Libaite are Independent Third Parties. The articles of association of Zhong He Libaite provides, among other things, as follows:

- (a) all of its shareholders may not dispose of or pledge their respective shares in Zhong He Libaite within three years from its date of incorporation; and
- (b) East King is entitled to nominate one director out of a total of seven directors of Zhong He Libaite and the vice-chairman of the board of directors of Zhong He Libaite.

Set out below is certain financial information of Zhong He Libaite (formerly known as Zhangjiagang Libaite) as extracted from its audited financial statements for the year ended 31 December 2010 prepared in accordance with the PRC generally accepted accounting principles:

	For the year ended 31 December 2010 <i>(RMB)</i>
Revenue	111,541,803
Net assets	289,092,260
Total assets	346,969,781
Net profit (before taxation and extraordinary items)	21,479,807
Net profit (after taxation and extraordinary items)	19,108,826

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms used herein shall have the following meanings:

“Acquisition Agreements”	the conditional sale and purchase agreement dated 23 December 2010 and entered into between the Vendor and the Company in relation to the Acquisition as amended and supplemented by the First Supplemental Agreement
“Announcements”	the announcement made by the Company on 23 December 2010 and the clarification announcement made by the Company on 29 December 2010 in relation to the Acquisition
“Completion”	completion of the Acquisition
“East King Agreement”	the sale and purchase agreement dated 13 May 2011 entered into between the legal and beneficial owner of the entire issued share capital of East King, an Independent Third Party, and Well Link pursuant to which Well Link shall acquire the entire issued share capital of East King
“Second Supplemental Agreement”	the second supplemental agreement dated 13 May 2011 entered into between the Company and the Vendor to amend and supplement the Acquisition Agreements
“First Supplemental Agreement”	the supplemental agreement dated 29 December 2010 entered into between the Company and the Vendor to amend and supplement the Acquisition Agreements, details of which are contained in the announcement of the Company dated 29 December 2010

By Order of the Board
Tack Hsin Holdings Limited
Chan Shu Kit
Chairman

Hong Kong, 13 May 2011

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

Executive Directors:

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

Independent non-executive Directors:

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

* For identification purpose only