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TACK FAT GROUP INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)



ASIAN CAPITAL

(CORPORATE FINANCE) LIMITED

卓亞(企業融資)有限公司

Financial Advisor to the Company

ANNOUNCEMENT OF
(i) FULFILLMENT OF THE RESUMPTION CONDITIONS;
(ii) THE SCHEMES BECOMING EFFECTIVE, DISCHARGE OF
THE PROVISIONAL LIQUIDATORS AND COMPLETION OF
THE RESTRUCTURING AGREEMENT;
(iii) APPOINTMENT OF PROPOSED DIRECTORS;
(iv) CHANGE OF PRINCIPAL BUSINESS ADDRESS; AND
(v) RESUMPTION OF TRADING

FULFILMENT OF THE RESUMPTION CONDITIONS

The Company is pleased to announce that all the Resumption Conditions as set out in the Stock Exchange's letter dated 26 May 2011 have been satisfied and fulfilled on 5 August 2011.

THE SCHEMES BECOMING EFFECTIVE, DISCHARGE OF THE PROVISIONAL LIQUIDATORS AND COMPLETION OF THE RESTRUCTURING AGREEMENT

The Schemes became effective on 5 August 2011 and the Provisional Liquidators were discharged on the same date. All the transactions contemplated in the Restructuring Agreement have been completed as at 5 August 2011.

APPOINTMENT OF PROPOSED DIRECTORS

As all the transactions contemplated under the Restructuring Agreement have been completed, the appointments of the three proposed Directors, namely Mr. CHIU Siu Po, Mr. HO Tak Fun and Mr. Phillip KING, as set out in the Circular have become effective on 5 August 2011, i.e. the date of Closing.

CHANGE OF PRINCIPAL BUSINESS ADDRESS

The Board further announces that the principal place of business of the Company in Hong Kong has been changed to 8/F China United Centre, No. 28 Marble Road, North Point, Hong Kong from 5 August 2011.

RESUMPTION OF TRADING

Trading in the Shares has been suspended since 9:30 a.m. on 30 July 2008. As all the Resumption Conditions have been fulfilled, an application has been made to the Stock Exchange for the resumption of trading in the New Shares on the Stock Exchange with effect from 9:00 a.m. on 9 August 2011.

Reference is made to the circular of Tack Fat Group International Limited (the “**Company**”) dated 28 June 2011 (the “**Circular**”), and the announcements of the Company (the “**Announcements**”) dated 13 July 2011, 26 July 2011, 2 August 2011 and 3 August 2011, in relation to (i) the poll results of the New EGM held on 13 July 2011; (ii) the court sanction of the Hong Kong Scheme and the grant of a conditional court order for the withdrawal of winding-up petition against the Company and for the discharge of the Provisional Liquidators; (iii) the obtaining of the Listing Approval and the appointment of a company secretary; and (iv) the results of the Open Offer, the Share Consolidation and the Change in Board Lot, respectively. Unless otherwise defined, terms used in this announcement shall have the same meanings as used in the Circular and the Announcements.

FULFILLMENT OF THE RESUMPTION CONDITIONS

As disclosed in the Circular, the Resumption Conditions set out in the letter from the Stock Exchange dated 26 May 2011 are as follows:

- 1) completion of the open offer, subscription of convertible bonds and all other transactions in the resumption proposal;
- 2) publication of a circular containing the following:
 - a) detailed disclosure of the resumption proposal of the Company comparable to prospectus standard;
 - b) profit forecast for each of the two years ending 31 March 2013 which should be prepared by the directors (including the proposed directors) after due and careful enquiry; and
 - c) pro forma balance sheet upon completion of the resumption proposal;

- 3) provision of a comfort letter from the auditors or the financial advisor relating to working capital sufficiency for the next 12 months from the latest practicable date before the expected resumption date; and
- 4) provision of an undertaking to (a) appoint an independent professional advisor to conduct follow-up reviews on the internal control procedures within 6 months from the resumption date; and (b) disclose the review results in subsequent financial reports.

Details in relation to the completion of each of the above Resumption Conditions are set out below:

Completion of the Open Offer

As stated in the announcement of the Company dated 3 August 2011, the Open Offer became unconditional at 4:30 p.m. on Tuesday, 2 August 2011 and has been completed. New share certificates in yellow colour for the New Shares, which include the New Shares consolidated from the Reorganised Shares and the Offer Shares, have been despatched to the Shareholders at their own risks by the Company on Friday, 5 August 2011.

Completion of the subscription of the Convertible Bonds

As stated in the Circular, completion of the Supplemental Investor Subscription Agreement and the Supplemental Creditors Subscription Agreement is conditional upon certain conditions precedent being fulfilled. The Board is pleased to announce that (i) the relevant ordinary resolutions in relation to the transactions contemplated under the Restructuring Agreement, the Supplemental Investor Subscription Agreement and the Supplemental Creditors Subscription Agreement (including but not limited to the issue of the Convertible Bonds and the Conversion Shares) were approved by the Independent Shareholders at the New EGM held on 13 July 2011; (ii) the Listing Approval in relation to the listing of and permission to deal in the Conversion Shares was granted by the Stock Exchange to the Company on 1 August 2011; and (iii) other conditions precedent of the Restructuring Agreement (as detailed below) were all fulfilled on 5 August 2011, the subscription of the Investor Convertible Bonds and the Creditors Convertible Bonds has been duly completed in accordance with the terms thereof on 5 August 2011.

As the Share Consolidation has become effective after 5:00 p.m. on 4 August 2011, the Conversion Price of the Investor Convertible Bonds and the Creditors Convertible Bonds has automatically been adjusted to HK\$0.10 per New Share.

Completion of all other transactions in the resumption proposal

On 4 August 2011, Hansom and Forefront entered into deeds with the Company separately to release their share charges over the Ever Century Shares.

On 5 August 2011, the Company, the Provisional Liquidators and Key Winner entered into a deed of assignment in respect of transfer of claims and any non-XXEZZ Assets to Key Winner for the benefit of the Scheme Creditors.

Further, on 5 August 2011, all the trademarks in relation to XXEZZ brand were assigned to the Company by companies controlled by the Provisional Liquidators.

The business transfer from New Profit Luo Ding to Newco was completed on 4 August 2011. Thus, the Group now holds 100% interest in the XXEZZ business and New Profit Luo Ding was deconsolidated from the Group on 5 August 2011.

Publication of the Circular

The Circular containing (a) detailed disclosure of the resumption proposal of the Company comparable to prospectus standard; (b) profit forecast for each of the two years ending 31 March 2013 prepared by the Directors (including the proposed Directors) after due and careful enquiry; and (c) pro forma balance sheet upon completion of the resumption proposal, was despatched by the Company on 28 June 2011.

Provision of a working capital sufficiency comfort letter by the auditors

The comfort letter dated 28 June 2011 issued by Hopkins CPA Limited, being the auditors of the Company, in relation to the working capital sufficiency of the Company for the 12 months to 31 August 2012 has been submitted to the Stock Exchange.

Undertaking to engage an independent professional advisor to conduct follow-up internal control reviews

The Company provided an undertaking to the Stock Exchange on 5 August 2011 that it will (i) appoint an independent professional advisor to conduct follow-up reviews on the internal control procedures of the Group within 6 months from 9 August 2011, which is the date of resumption of the trading of the Shares; and (ii) disclose the review results in the subsequent financial reports of the Group.

The Company is now pleased to announce that all the Resumption Conditions as set out in the Stock Exchange's letter dated 26 May 2011 have been fully satisfied and fulfilled on 5 August 2011.

THE SCHEMES BECOMING EFFECTIVE, DISCHARGE OF THE PROVISIONAL LIQUIDATORS AND COMPLETION OF THE RESTRUCTURING AGREEMENT

Reference is made to the announcements of the Company dated 8 September 2010 and 26 July 2011, respectively. The Hong Kong Scheme and the Cayman Scheme have been sanctioned by the Hong Kong Court and the Cayman Islands Court respectively, and have become effective on 5 August 2011.

All the resolutions in respect of the transactions contemplated under the Restructuring Agreement were approved by the Independent Shareholders at the New EGM held on 13 July 2011.

In the expectation that all the Resumption Conditions would have been fulfilled, the Stock Exchange granted the Listing Approval in respect of the New Shares and the Conversion Shares to be issued upon conversion of the Convertible Bonds on 1 August 2011.

On 5 August 2011, as the Open Offer, the transfer agreement in respect of transfer of claims and any non-XXEZZ Assets to Key Winner for the benefit of the Scheme Creditors, the release of share charges over the Ever Century Shares, and the subscription of the Convertible Bonds were completed, the conditional court order for the withdrawal of the winding-up petition against the Company presented by the Company itself with Bank of America N.A being the supporting creditor of the Company, and for the discharge of the Provisional Liquidators became unconditional. Accordingly, the Provisional Liquidators were discharged.

On 5 August 2011, all the conditions precedent to the Restructuring Agreement were satisfied and all the transactions contemplated thereunder were completed.

APPOINTMENT OF PROPOSED DIRECTORS

As disclosed in the Circular, the appointments of the new executive Directors, namely Mr. CHIU Siu Po, Mr. HO Tak Fun and Mr. Phillip KING, were approved by the Shareholders at the Previous EGM held on 15 September 2010.

As all the transactions contemplated under the Restructuring Agreement were completed, such appointments have become effective on 5 August 2011, i.e. the date of Closing. The biographical details of each of Mr. CHIU Siu Po, Mr. HO Tak Fun and Mr. Phillip KING, were disclosed in the Circular, and are restated below.

Mr. CHIU Siu Po, aged 62, is the managing director and chief executive officer of More Fortune Company Limited, a company principally engaged in import and export of textile business. Mr. Chiu has over 20 years of experience in textile industry for the manufacturing, sales and distribution. Mr. Chiu was an independent non-executive director of Freeman Corporation Limited (presently known as Freeman Financial Corporation Limited), a company listed on the Main Board of the Stock Exchange (Stock Code: 279) and resigned on 22 September 2010. In addition to his valuable expertise in textile industry, Mr. Chiu also has extensive corporate and investment experience in both Hong Kong and the PRC markets.

Mr. CHIU Siu Po has been designated to act as the chairman of the Board with immediate effect.

Mr. HO Tak Fun, aged 57, received a Bachelor degree in Business Administration, Marketing from The Chinese University of Hong Kong and a Master degree in Science, Information Systems from the Hong Kong Polytechnic University. He was the general manager of Jumbo Grade Co., Limited, which runs leading retail chain stores in books, magazines, stationery and specialty items and he has held the position as General Manager in the past 20 years with good exposure to international business.

Mr. Ho is a seasoned retail practitioner with profound experience in launching, strategic planning, business development and operations of both the PRC and Hong Kong retail businesses. He also has extensive knowledge in marketing, merchandising, distribution and promotion on consumer products and mass merchandise.

Mr. Ho has also been appointed as an authorised representative of the Company with effect from 5 August 2011.

Mr. Phillip KING, aged 40, received a Master's degree in Business Administration from the University of San Francisco in the United States of America. He has over 20 years of experience in real estate investment, management and development. Since 2005, Mr. King has been appointed executive director and the managing director of Willie International Holdings Limited, a company listed on the Main Board of the Stock Exchange. Mr. King was also an independent non-executive director of Glory Future Group Limited (presently known as China Metal Resources Holdings Limited), a company listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8071). He subsequently resigned on 20 November 2007. He has experience in administration, strategic development and investor relations for listed companies in Hong Kong.

Save as mentioned above, as at the date of this announcement, each of the three new executive Directors:

- (a) did not hold any directorships in other listed company in the last three years;
- (b) did not enter into any written service contract with the Company but will hold office until the next annual general meeting of the Company and will be subject to retirement by rotation and re-election pursuant to the Memorandum and Articles of Association;

- (c) was not interested in and did not hold any short position in any shares or underlying shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO;
- (d) was not connected with any Directors, senior management or substantial Shareholders or controlling Shareholders; and
- (e) save for disclosed herein, there was no information to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules relating to his appointment as executive Director.

The remuneration of each of the three new executive Directors is HK\$50,000 per month, which is determined by the Board with reference to the prevailing market conditions.

The new Directors are of the view that the terms of the Restructuring Agreement are on normal commercial terms and are fair and reasonable and in the interest of the Company, the Shareholders and the Creditors as a whole.

CHANGE OF PRINCIPAL BUSINESS ADDRESS

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RESUMPTION OF TRADING

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For and on behalf of
TACK FAT GROUP INTERNATIONAL LIMITED
CHIU Siu Po
Chairman of the Board

Hong Kong, 8 August 2011

As at the date of this announcement, the Board comprises (i) three executive Directors, namely Mr. CHIU Siu Po, Mr. HO Tak Fun and Mr. Phillip KING; (ii) one non-executive Director, Mr. James McMULLEN; and (iii) three independent non-executive Directors, namely Mr. PAU Chin Hung, Andy, Mr. CHOONG Khuat Leok and Mr. KOOI Tock Chian.