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TACK FAT GROUP INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)

PROPOSED GRANT OF SHARE OPTIONS

Reference is made to the announcement (the “Announcement”) of Tack Fat Group International Limited (the “Company”) dated 6 October 2011. Capitalised terms used herein shall have the same meaning as those defined in the Announcement, unless otherwise specified.

The Board would like to provide further information in respect of the proposed grant of Share Options as follows:

- (a) Assuming all the Share Options are duly exercised within the Exercise Period, total funds to be raised from the proposed grant of Share Options will amount to HK\$30,000,000. The proceeds of from the issuance of the Options Shares will be applied as general working capital of the Company.
- (b) The net price of the Option Shares is expected to be approximately HK\$0.10 per Option Share.
- (c) The closing price of the Shares as quoted on the Stock Exchange on 6 October 2011, being the date of the Option Deeds, was HK\$0.13 per Share.

- (d) The Company conducted the following fund raising activities in the twelve months immediately preceding the Announcement:

Date of announcement	Event	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds as at the date of this announcement
23 July 2010	Open offer of 15,001,474,104 offer shares at the subscription price of HK\$0.01 per offer share on the basis of 339 offer shares for every five reorganised shares, which was completed on 5 August 2011	approximately HK\$146 million	All the proceeds will be applied for general working capital and cash buffer for any adverse business conditions and/or hidden costs that the Company might not be fully aware of.	Approximately HK\$9 million had been utilised as general working capital for the Group; HK\$16 million had been applied as acquisition of Z & Z International Limited which is a group of companies engaged in retail business; and approximately HK\$121 million is maintained at bank.
23 July 2010	Investor subscription agreement in relation to the investor convertible bonds in the principal of HK\$100,000,000 with zero coupon and 3-year tenure, which was completed on 5 August 2011	approximately HK\$100 million	(i) Repayment of the working capital loan of HK\$10 million provided by Radford Developments Limited to the Company under the exclusivity and escrow agreement; (ii) payment of fees and costs of HK\$16 million incurred by the Company in negotiation, documentation and implementation of the restructuring of the Group; (iii) repayment of a revolving facility of HK\$15 million; (iv) payment of a sum of HK\$50 million to the Scheme Administrators* for the benefit of the Scheme Creditors* and New Profit* for the benefit of the New Profit Stakeholders* respectively; and (v) remaining of HK\$9 million will be applied towards the working capital requirements of the restructured Group.	Used as intended as stated in (i) to (v).

* Capitalised term used herein shall have the same meaning as those defined in a circular dated 28 June 2011 issued by the Company

- (e) The Company is principally engaged in apparel retail business under the brand name “XXEZZ” in the PRC. Upon the successful financial restructuring of the Company, the Shares have resumed trading on 9 August 2011. The Company is joined by a dedicated team of experienced management in order to revamp the image and design to some of its stores and products.

By Order of the Board
TACK FAT GROUP INTERNATIONAL LIMITED
Liu On Bong, Peter
Vice Chairman

Hong Kong, 11 October 2011

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Chiu Siu Po (*Chairman*)
Mr. Liu On Bong, Peter (*Vice Chairman*)
Mr. Chan Chak Kai, Kenneth
Mr. Ho Tak Fun
Mr. Au Wai June
Mr. King Phillip

Independent Non-Executive Directors:

Dr. Leung Shiu Ki, Albert
Mr. Robert James Iaia II
Ms. Lam Yan Fong, Flora
Mr. Yau Yan Ming, Raymond
Mr. Miu H., Frank