

**If you are in doubt** as to any aspect of this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares of HK\$0.10 each in the capital of Tack Fat Group International Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for transmission to the purchaser or the transferee.

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**TACK FAT GROUP INTERNATIONAL LIMITED**  
**德發集團國際有限公司**

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 928)

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES  
AND  
REPURCHASE BY THE COMPANY OF ITS OWN SHARES;**  
**(2) PROPOSED RE-ELECTION OF DIRECTORS;**  
**(3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of the Company to be held at 14th Floor, Printing House, 6 Duddell Street, Central, Hong Kong at 9:30 a.m. on Tuesday, 5 September 2006 is set out on pages 15 to 20 of this circular. A form of proxy for use at the annual general meeting is enclosed with this circular. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at [www.hkex.com.hk](http://www.hkex.com.hk).

Whether or not you are able to attend the annual general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and deposit the same at the offices of the Company's branch share registrar and transfer office in Hong Kong, Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the annual general meeting or any adjournment thereof should you so wish.

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“AGM”	the annual general meeting of the Company to be convened and held to consider and, if thought fit, to approve, among other things, the proposed grant of the General Mandate and the Repurchase Mandate, the proposed re-election of Directors and the proposed amendments to the Articles of Association
“Articles of Association”	the articles of association of the Company, and “Article” shall mean an article of the Articles of Association
“associate”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“CG Code”	the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules
“Company”	Tack Fat Group International Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“General Mandate”	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company at the date of the passing of such resolution
“Group”	the Company and all of its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	26 July 2006, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Repurchase Mandate”	the repurchase mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company at the date of the passing of such resolution

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## DEFINITIONS

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“SFO”	the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

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LETTER FROM THE BOARD

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**TACK FAT GROUP INTERNATIONAL LIMITED**  
**德發集團國際有限公司**

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 928)

*Executive Directors:*

Mr Kwok Wing (*Chairman*)

Mr Lee Yuk Man

Mr Ho Yik Kin, Norman

Mr Kwok Kam Chuen

*Independent non-executive Directors:*

Mr Leung Yiu Wing, Eric

Mr Ching Kwok Ho, Samuel

Mr Heng Kwo Seng

*Registered office:*

Century Yard

Cricket Square

Hutchins Drive

George Town

Grand Cayman

Cayman Islands

British West Indies

*Head office and principal place of  
business in Hong Kong:*

13th Floor

Roxy Industrial Centre

58-66 Tai Lin Pai Road

Kwai Chung

New Territories

Hong Kong

31 July 2006

*To the Shareholders*

Dear Sir or Madam

- (1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE NEW SHARES  
AND  
REPURCHASE BY THE COMPANY OF ITS OWN SHARES;  
(2) PROPOSED RE-ELECTION OF DIRECTORS;  
(3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION;  
AND  
(4) NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

At the AGM to be held at 14th Floor, Printing House, 6 Duddell Street, Central, Hong Kong on Tuesday, 5 September 2006 at 9:30 a.m., resolutions will be proposed, among other matters:

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## LETTER FROM THE BOARD

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- (a) to re-elect the Directors;
- (b) to declare a final dividend for the year ended 31 March 2006 of HK1.81 cents per Share;
- (c) to amend the Articles of Association;
- (d) to grant the General Mandate to the Directors;
- (e) to grant the Repurchase Mandate to the Directors; and
- (f) to increase the number of Shares to be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

The purpose of this circular is to provide you with information in relation to the resolutions to be proposed at the AGM for the grant of the General Mandate and the Repurchase Mandate, the re-election of Directors and the amendments to the Articles of Association, and to give you the notice of the AGM.

### **GENERAL MANDATE AND REPURCHASE MANDATE**

The General Mandate and the Repurchase Mandate shall be effective until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association, or any other applicable law of the Cayman Islands to be held; or
- (c) the passing of an ordinary resolution by the Shareholders in general meeting revoking or varying the authority given to the Directors.

Under the Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable Shareholders to make an informed decision as to whether to vote for or against the resolution to renew the grant to the Directors of the Repurchase Mandate. The explanatory statement required by the Listing Rules to be included in this circular is set out in Appendix I.

### **General Mandate**

The Company has in issue an aggregate of 1,744,164,000 Shares as at the Latest Practicable Date. Subject to the passing of the proposed resolution for the approval of the General Mandate and in accordance with the terms therein, the Company would be allowed to allot and issue up to a maximum of 348,832,800 Shares, representing 20% of the aggregate nominal amount of the issued Shares at the time of the passing of the resolution approving the General Mandate on the basis that no further Shares will be issued or repurchased by the Company prior to the AGM.

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## LETTER FROM THE BOARD

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The Directors have no immediate plans to issue any new Shares other than any Shares which may fall to be issued under the share option scheme or any scrip dividend scheme which may be approved by the Shareholders.

### **Repurchase Mandate**

On pages 15 to 20 of this circular is the notice of the AGM. At the AGM, and as part of the special business of the AGM, an ordinary resolution will be proposed to grant the Repurchase Mandate to the Directors.

Subject to the passing of the proposed resolution to granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 174,416,400 Shares.

### **DECLARATION OF FINAL DIVIDENDS**

**In order to ascertain the entitlements to attend the AGM and to receive the final dividend for the year ended 31 March 2006, the register of members of the Company will be closed on Friday, 11 August 2006 when no transfer of Shares will be registered.**

**The last day for dealing in Shares cum entitlements to the proposed final dividend for the year ended 31 March 2006 will be Thursday, 10 August 2006. Shareholders are reminded that in order to qualify for the proposed final dividend for the year ended 31 March 2006, all transfers of Shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Thursday, 10 August 2006.**

Please also refer to the announcement of the Company dated 27 July 2006 in relation to the declaration of the final dividend.

### **RE-ELECTION OF DIRECTORS**

According to Article 87, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not greater than one-third shall retire from office by rotation at every annual general meeting. A retiring Director shall be eligible for re-election.

In accordance with Article 87, Mr. Kwok Wing and Mr. Ching Kwok Ho, Samuel shall retire from their offices by rotation at the AGM. Being eligible, Mr. Kwok Wing will offer himself for re-election as executive Directors and Mr. Ching Kwok Ho, Samuel will offer himself for re-election as independent non-executive Director. At the AGM, an ordinary resolution will be proposed to re-elect each of Mr. Kwok Wing as executive Director and Mr. Ching Kwok Ho, Samuel as independent non-executive Director.

Particulars relating to each of Mr. Kwok Wing and Mr. Ching Kwok Ho, Samuel are set out in Appendix III to this circular.

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## **LETTER FROM THE BOARD**

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### **AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

The Listing Rules have been amended by the Stock Exchange with effect from 1 March 2006 requiring that, among other matters, the Articles of Association shall provide that Directors may be removed at any time by ordinary resolution of the Shareholders.

The Directors therefore propose to put forward to the Shareholders for approval of a special resolution to amend the Articles of Association at the AGM. The amendments are to bring the current Articles of Association in line with, paragraph 4(3) of Appendix 3 to the Listing Rules which provides that any Directors may be removed by ordinary resolution in general meeting before the expiration of his period of office.

The proposed amendments to the Articles of Association are stated in the proposed special resolution no. 5 in the notice convening the AGM as set out on pages 15 to 20 of this circular.

### **ACTION TO BE TAKEN**

Whether or not you intend to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof. The completion and return of a form of proxy will not preclude you from attending and voting at the AGM or any adjournment thereof in person if you so wish.

### **RECOMMENDATION**

The Directors believe that the proposed grant of the General Mandate and the Repurchase Mandate, the proposed re-election of Directors and the proposed amendments to the Articles of Association are in the best interests of the Company and the Shareholders as a whole and recommend the Shareholders to vote in favour of the above resolutions to be proposed at the AGM.

The Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and its net assets and/or earnings per Share and will only be made when the Directors believe that a repurchase of Shares will benefit the Company and the Shareholders as a whole.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 March 2006, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.



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## LETTER FROM THE BOARD

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The Directors believe that an exercise of the General Mandate to allot and issue new Shares will enable the Company to take advantage of market conditions to raise additional capital for and/or as a means of payment by the Company.

### GENERAL

Your attention is drawn to the information set out in the appendices to this Circular.

Yours faithfully  
For and on behalf of  
the board of Directors of  
**Tack Fat Group International Limited**  
**Kwok Wing**  
*Chairman*

*This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.*

## **1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES**

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a “connected person”, that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates and a connected person is prohibited from knowingly selling his/her/its securities to the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has any such connected person undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is passed.

## **2. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,744,164,000 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 174,416,400 Shares.

## **3. REASONS FOR THE REPURCHASE**

The Directors believe that the Repurchase Mandate is in the best interests of the Company and the Shareholders as a whole. An exercise of the Repurchase Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets per Share and/or earnings per Share and will only be made when the Directors believe that a repurchase will benefit the Company and the Shareholders as a whole.

## **4. FUNDING OF REPURCHASES**

Pursuant to the Repurchase Mandate, repurchases would be funded entirely from the Company’s available cash flow or working capital facilities which will be funds legally available under the laws of the Cayman Islands and the memorandum and articles of association of the Company for such purpose.

An exercise of the Repurchase Mandate in full could have a material adverse impact on the working capital and gearing position of the Company compared with that as at 31 March 2006, being the date of its latest published audited consolidated accounts. The Directors do not, however, intend to make any repurchase in circumstances that would have a material adverse impact on the working capital or gearing position of the Company.

## 5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months were as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
<b>2005</b>		
July	0.99	0.88
August	0.92	0.81
September	0.87	0.72
October	0.76	0.58
November	0.81	0.72
December	0.87	0.75
<b>2006</b>		
January	0.80	0.68
February	0.96	0.77
March	0.98	0.84
April	1.20	0.93
May	1.05	0.87
June	1.04	0.87
July (up to the Latest Practicable Date)	1.02	0.91

## 6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM and exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, the following Shareholders are interested in more than 10% of the Shares then in issue:

Name	Number of Shares	Percentage holding
Kwok Wing	762,424,000 <i>(Note 1)</i>	43.71%
Wan Lai Ngan	762,424,000 <i>(Note 2)</i>	43.71%
Kwok Chiu	652,800,000 <i>(Note 3)</i>	37.43%
Efulfilment Enterprises Limited	652,800,000 <i>(Note 4)</i>	37.43%
SinoPac Capital Limited	234,000,000	13.42%
Sansar Capital Management, LLC	192,196,000	11.02%
Templeton Asset Management Limited	175,106,000	10.04%

*Notes:*

- 652,800,000 of these Shares are owned by Efulfilment Enterprises Limited, a company incorporated in the British Virgin Islands and 50% of the issued share capital of which is held by Mr. Kwok Wing, and 109,624,000 of these Shares are owned by Sharp Asset Holdings Limited, a company incorporated in the British Virgin Islands and the entire issued share capital of which is held by Mr. Kwok Wing.
- Ms. Wan Lai Ngan is the spouse of Mr. Kwok Wing. Ms. Wan is deemed to be interested in the Shares beneficially owned by Mr. Kwok Wing pursuant to the SFO.
- The Shares are owned by Efulfilment Enterprises Limited, a company incorporated in the British Virgin Islands and 50% of the issued share capital of which is held by Mr. Kwok Chiu.
- The issued share capital of Efulfilment Enterprises Limited is beneficially owned by Mr. Kwok Chiu and Mr. Kwok Wing, an executive Director, in the proportion of 50:50.

In the event that the Directors exercise in full the power to repurchase Shares in accordance with the Repurchase Mandate, the total interests of the above Shareholders in the Shares would be increased to:

<b>Name</b>	<b>Percentage holding</b>
Kwok Wing	48.57%
Wan Lai Ngan	48.57%
Kwok Chiu	41.59%
Efulfilment Enterprises Limited	41.59%
SinoPac Capital Limited	14.91%
Sansar Capital Management, LLC	12.24%
Templeton Asset Management Limited	11.16%

As Mr. Kwok Wing, Ms. Wai Lai Ngan, Mr. Kwok Chiu and Efulfilment Enterprises Limited are considered as parties acting in concert and on the basis of their current shareholding, an exercise of the Repurchase Mandate in full will result in them becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code. However, the Directors have no intention to exercise any of the Repurchase Mandate to such an extent that will result in a requirement of the above Shareholders to make a mandatory offer under the Takeovers Code.

Save as disclosed above, the Directors are not aware of any consequences which may arise under the Takeovers Code as consequences of any purchase made under the Repurchase Mandate. In addition, the Company will not repurchase Shares if it would result in the number of Shares held by the public being reduced to less than 25%.

## **7. SHARES REPURCHASE MADE BY THE COMPANY**

No repurchases of Shares have been made by the Company (whether on the Stock Exchange or otherwise) during the six months immediately prior to the Latest Practicable Date.

The procedures by which the Shareholders may demand a poll at the AGM are set out in this Appendix.

According to Article 66, a resolution put to the vote of any general meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) demanded. A poll may be demanded by:

- (a) the chairman of the meeting; or
- (b) at least three Shareholders present in person or in the case of a Shareholder being a corporation, by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) any Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) any Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

*The details of the Directors who will retire from office by rotation at the AGM and being eligible, will offer themselves for re-election at the AGM, are set out below:*

**Mr. Kwok Wing**

Mr. Kwok Wing, aged 55, is the chairman of the Company and executive Director. Mr. Kwok is one of the founders of the Group. He has over 35 years of experience in the clothing industry. Mr. Kwok is responsible for the formulation of overall corporate policy and business development strategy of the Group. He is also responsible for supervising the operations of the Group's business and maintaining the relationships with major customers of the Group. Mr. Kwok does not hold any directorship in other public listed company or any other position with the Company and other members of the Group in the past three years.

As at the Latest Practicable Date, Mr. Kwok is interested in 762,424,000 Shares, representing approximately 43.71% of the existing issued share capital of the Company within the meaning of Part XV of the SFO. Save as disclosed, Mr. Kwok does not have any relationships with other Directors, senior management, substantial or controlling Shareholders.

Mr. Kwok has entered into a service contract with the Company for a term of three years commencing from 29 April 2002 and will thereafter continue until termination by a three months' notice in writing served by him on the Company. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles of Association. He is entitled to (i) an annual emolument of HK\$1,200,000 which is determined by the Board with reference to his duties and responsibilities with the Company; and (ii) a discretionary bonus which will depend on the financial results of the Company and on his performance.

There is no information relating to Mr. Kwok that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.

**Mr. Ching Kwok Ho, Samuel**

Mr. Ching Kwok Ho, Samuel, aged 49, is the independent non-executive Director. Mr. Ching is a practicing solicitor in Hong Kong. He graduated from the University of Hong Kong with a bachelor of laws degree and a postgraduate certificate in laws. Mr. Ching is currently one of the partners in King & Company in Hong Kong. He has over 21 years of legal experience in banking and finance, liquidation, tenancy, conveyancing, commercial disputes and civil litigation in Hong Kong. Mr. Ching does not hold any directorship in other public listed company or any other position with the Company and other members of the Group in the past three years. He joined the Company in April 2002.

Mr. Ching does not have any relationship with other Directors, senior management, substantial or controlling Shareholders, nor any interests in the Shares within the meaning of Part XV of the SFO.

Mr. Ching has not entered into any service contract with the Company. He will have no fixed term of service with the Company. His appointment will be subject to normal retirement and re-election by the Shareholders pursuant to the Articles of Association. Mr. Ching is entitled to an annual emolument of HK\$60,000 which is determined by the Board with reference to his duties and responsibilities with the Company.

There is no information relating to Mr. Ching that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

Save as disclosed herein, there is no other matter that needs to be brought to the attention of the Shareholders.





## TACK FAT GROUP INTERNATIONAL LIMITED

### 德發集團國際有限公司

*(incorporated in the Cayman Islands with limited liability)*

(Stock Code: 928)

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Tack Fat Group International Limited (the “**Company**”) will be held at 14th Floor, Printing House, 6 Duddell Street, Central, Hong Kong on Tuesday, 5 September 2006 at 9:30 a.m. to transact the following ordinary business:

1. to receive and consider the audited consolidated financial statements and reports of the directors (the “**Directors**”) and auditors of the Company for the year ended 31 March 2006;
2. to declare a final dividend for the year ended 31 March 2006 of HK1.81 cents per share (each a “**Share**”) of HK\$0.10 each in the capital of the Company;
3. to re-elect Directors and to authorise the board of Directors to fix the Directors’ remuneration;
4. to re-appoint auditors and to authorise the board of Directors to fix their remuneration;
5. to consider, as special business and, if thought fit, pass the following resolution as a special resolution:

“**THAT** the articles of association (the “**Articles**”) of the Company be and are hereby amended in the following manner:

**(a) Article 66**

By inserting the words “voting by way of a poll is required by the rules of the Designated Stock Exchange or” immediately after the words “a show of hands unless” in the eleventh line in Article 66; and by deleting the full stop at the end of Article 66(d) and replacing it with a semi-colon and inserting the word “or” after the semi-colon.

Then by adding the following paragraph as Article 66(e) immediately after Article 66(d):

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## NOTICE OF AGM

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“(e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five (5) per cent or more of the total voting rights at that meeting, and if on a show of hands in respect of any resolution, the meeting votes in the opposite manner to that instructed in those proxies.”

**(b) Article 68**

By deleting the second sentence of Article 68 in its entirety and substituting therefor the following:

“The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

**(c) Article 86**

By deleting the existing Article 86(5) in its entirety and substituting therefor the following new Article 86(5):

“86. (5) Subject to any provision to the contrary in these Articles the Members may, at any general meeting convened and held in accordance with these Articles, by ordinary resolution remove a Director at any time before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim for damages under any such agreement).”

**(d) Article 87**

By deleting the existing Article 87(1) in its entirety and substituting therefor the following new article 87(1):

“87. (1) Notwithstanding any other provisions in the Articles, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.”

and, as special business and, if thought fit, passing the following resolutions as ordinary resolutions:

6. **“THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period of all the

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## NOTICE OF AGM

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powers of the Company to allot, issue and deal with unissued Shares and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;

- (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise), issued or dealt with by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue; or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:
  - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
  - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

**“Relevant Period”** means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws of the Cayman Islands to be held; and

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- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

7. “**THAT:**

- (a) the exercise by the Directors of the Company during the Relevant Period of all powers of the Company to purchase the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Law and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any other applicable law of the Cayman Islands to be held; and
  - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors of the Company by this resolution.”

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8. “**THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 6 above in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.”

Yours faithfully  
For and on behalf of  
the board of Directors of  
**Tack Fat Group International Limited**  
**Kwok Wing**  
*Chairman*

Hong Kong, 31 July 2006

*Registered office:*

Century Yard  
Cricket Square  
Hutchins Drive  
George Town  
Grand Cayman  
Cayman Islands  
British West Indies

*Principal place of business in Hong Kong:*

13th Floor  
Roxy Industrial Centre  
58-66 Tai Lin Pai Road  
Kwai Chung  
New Territories  
Hong Kong

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*Notes:*

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's branch registrars in Hong Kong, Tengis Limited, at 26th, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time for holding the meeting or adjourned meeting.
3. The board of Directors has recommended a final dividend for the year ended 31 March 2006 of HK1.81 cents per Share and, if such dividend is declared by the members passing resolution 2, it is expected to be paid on or before Thursday, 5 October 2006 to those shareholders whose names appeared on the Company's register of members on Friday, 11 August 2006.
4. The register of members of the Company will be closed on Friday, 11 August 2006 when no transfer of shares in the Company will be effected. In order to qualify for the proposed final dividend, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch registrars in Hong Kong, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not later than 4:00 p.m. on Thursday, 10 August 2006.
5. In relation to proposed resolution no. 3 above, Mr. Kwok Wing and Mr. Ching Kwok Ho, Samuel will retire from their offices of Directors at the above meeting pursuant to article 87 of the articles of association of the Company and, being eligible, they will offer themselves for re-election.
6. The articles of association of the Company are written in English. There is no official Chinese translation in respect thereof. Therefore, the Chinese version of proposed resolution no. 5 above on amendments of the articles of association of the Company is purely a translation only. Should there be any discrepancy, the English version shall prevail.
7. In relation to proposed resolutions nos. 6 and 8 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Listing Rules. The Directors have no immediate plans to issue any new Shares which may fall to be issued under the share option scheme of the Company or any scrip dividend scheme which may be approved by shareholders.
8. In relation to proposed resolution no. 7 above, the directors wish to state that they will exercise the powers conferred thereby to repurchase Shares in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited is set out in Appendix I to this circular.