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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

INTERIM RESULTS

The Board of Directors of Tack Fat Group International Limited (the "Company") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries ("Tack Fat" or the "Group") for the six months ended 30 September 2007, together with the comparative figures for the previous period as follows:

CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2007
(Expressed in Hong Kong dollars)

	Note	**Unaudited Six months ended 30 September 2007 $'000**	2006 $'000
Turnover	2	**1,183,147**	910,623
Cost of sales		**(856,238)**	(686,852)
		326,909	223,771
Other revenue		**10,681**	3,816
Selling expenses		**(140,656)**	(98,245)
Administrative expenses		**(46,513)**	(18,064)
Profit from operations		**150,421**	111,278
Finance costs		**(34,183)**	(23,842)
Share of profits less losses of associates	7	**–**	12,682
Profit before taxation	3	**116,238**	100,118
Income tax	4	**(6,084)**	(9,531)
Profit after taxation		**110,154**	90,587
Attributable to:			
Shareholders of the Company		**108,574**	90,587
Minority interest		**1,580**	–
Dividend attributable to the period	5(a)		
Interim dividend declared after the balance sheet date		**–**	21,117
Earnings per share	6		
Basic		**5.14 cents**	5.23 cents
Diluted		**4.95 cents**	4.83 cents

CONSOLIDATED BALANCE SHEET

At 30 September 2007
(Expressed in Hong Kong dollars)

	Note	**Unaudited 30 September 2007 $'000**	Audited 31 March 2007 $'000
Non-current assets			
Fixed assets		**499,974**	363,869
Interest in leasehold land held for own use under operating leases		**102,468**	102,410
Interest in associates	*7*	**546,497**	546,497
Other financial assets	*8*	**79,100**	94,100
Intangible assets	*12*	**243,245**	–
		1,471,284	1,106,876
Current assets			
Inventories		**512,345**	313,670
Trade and other receivables	*9*	**728,535**	833,108
Cash and cash equivalents		**266,389**	340,335
		1,507,269	1,487,113
Current liabilities			
Trade and other payables	*10*	**109,609**	108,099
Bank loans and overdrafts		**394,838**	287,188
Obligations under finance leases		**8,281**	6,914
Current taxation		**32,004**	34,227
Dividend payable		**43,452**	–
		588,184	436,428
Net current assets		**919,085**	1,050,685
Total assets less current liabilities		**2,390,369**	2,157,561
Non-current liabilities			
Bank loans		**440,384**	384,000
Convertible bonds		**119,396**	157,720
Obligations under finance leases		**35,357**	37,932
Provision for long service payments		**1,800**	1,800
Deferred tax liabilities		**260**	237
		597,197	581,689
NET ASSETS		**1,793,172**	1,575,872
CAPITAL AND RESERVES			
Share capital	*11*	**217,261**	200,000
Reserves	*11*	**1,542,726**	1,375,872
Total equity attributable to shareholders of the Company		**1,759,987**	1,575,872
Minority interests		**33,185**	–
TOTAL EQUITY		**1,793,172**	1,575,872

Notes:

1. Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issuance on 21 December 2007.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the annual financial statements for the year ended 31 March 2007. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs", which term collectively includes HKASs and Interpretations).

The interim financial report is unaudited and has been reviewed by the auditors and audit committee of the Company.

The financial information relating to the financial year ended 31 March 2007 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 March 2007 are available from the Company's registered office.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2007, except for those new accounting policies adopted in the current period as described below:

Goodwill

Goodwill represents the excess of purchase consideration over the fair values of the Group's share of net identifiable assets of the acquired subsidiaries at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is tested annually for impairment or where there are indications of possible impairment and is carried at net carrying amount less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Trademarks, brand names and retail network

Trademarks, brand names and retail network estimated to have indefinite useful lives are not subject to amortisation. Trademarks, brand names and retail network having indefinite useful lives are tested annually for impairment or where there are indications of possible impairment and are carried at net carrying amount less accumulated impairment losses.

In the current period, the Group has adopted all of the new and revised Standards and Interpretations issued by the HKICPA that are relevant to its operations and effective for annual reporting period beginning on 1 April 2007. The adoption of these new and revised Standards and Interpretations did not result in substantial changes to the Group's accounting policies nor have affected the amounts reported for the current or prior periods.

The following new and revised standards and interpretations have been issued by the HKICPA but are not effective for financial year ending 31 March 2008 and have not been early adopted:

HKAS 23 (Revised)	Borrowing Costs(1)
HKFRS 8	Operating Segments(1)
HK(IFRIC)-Int 12	Service Concession Arrangements(2)
HK(IFRIC)-Int 13	Customer Loyalty Programmes(3)
HK(IFRIC)-Int 14	HKAS 19 – The Limit on Defined Benefit Asset, Minimum Funding Requirements and their Interaction(2)

(1) Effective for annual periods beginning on or after 1 January 2009
(2) Effective for annual periods beginning on or after 1 January 2008
(3) Effective for annual periods beginning on or after 1 July 2008

2. Segmental information

During the period, the Group actively develops its retailing business in Mainland China. An analysis of the Group's turnover by business segment for the six months ended 30 September 2007, together with comparatives figure is set out below:

	Unaudited Apparel Manufacturing Business		**Unaudited Retail Business**		**Unaudited Consolidated**	
	2007	2006	**2007**	2006	**2007**	2006
	$'000	*$'000*	***$'000***	*$'000*	***$'000***	*$'000*
Segment revenue:						
Sales to external customers	**990,598**	891,378	**192,549**	19,245	**1,183,147**	910,623
Segment results	**149,511**	135,490	**22,299**	3,020	**171,810**	138,510
Unallocated corporate expenses					**(21,389)**	(27,232)
Profit from operation					**150,421**	111,278
Finance costs					**(34,183)**	(23,842)
Share of profits less losses of associates					**–**	12,682
Profit before taxation					**116,238**	100,118
Income tax					**(6,084)**	(9,531)
Profit after taxation					**110,154**	90,587

An analysis of the Group's turnover by geographical location of the customers is set out below:

	Unaudited Group's turnover Six months ended 30 September	
	2007	2006
	$'000	*$'000*
North America	**781,527**	698,551
Mainland China	**192,549**	19,245
Europe	**158,044**	137,564
Other regions	**51,027**	55,263
	1,183,147	910,623

3. Profit before taxation

Profit before taxation is arrived at after charging:

	Unaudited Six months ended 30 September	
	2007	2006
	$'000	*$'000*
(a) Finance costs:		
Interest on bank and other borrowings wholly repayable within five years	**27,994**	20,654
(b) Other items:		
Cost of goods sold	**856,238**	686,852
Depreciation and amortisation of fixed assets	**24,822**	24,257

4. Income tax

	Unaudited Six months ended 30 September 2007 $'000	2006 $'000
Provision for Hong Kong Profits Tax for the period	**6,060**	5,498
Provision for overseas tax	**24**	4,307
Deferred tax benefit relating to the origination and reversal of temporary differences	**–**	(274)
	6,084	9,531

Provision for Hong Kong Profits Tax is calculated at 17.5% (2006: 17.5%) of the estimated assessable profits for the period. Taxation for subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant countries.

Certain subsidiaries in the People's Republic of China ("PRC") are granted tax exemption to PRC income tax.

The Group's subsidiaries in Cambodia are exempted from Cambodian income tax for the period.

5. Dividends

(a) Dividends attributable to the period

	Unaudited Six months ended 30 September 2007 $'000	2006 $'000
Interim dividend was not recommended by the Board of Directors (2006: HK1.2 cents)	**–**	21,117

(b) Dividends attributable to the previous year, approved and accrued during the period

	Unaudited Six months ended 30 September 2007 $'000	2006 $'000
Final dividend of HK2 cents per share in respect of the previous year, approved and accrued during the period (2006: HK1.8 cents)	**43,452**	31,851

6. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share for the period ended 30 September 2007 is based on the profit attributable to equity holders of the Company of $108,574,000 (2006: $90,587,000) and the weighted average number of ordinary shares of 2,111,792,000 shares (2006: 1,733,110,000 shares) in issue during the period.

(b) Diluted earnings per share

The calculation of diluted earnings per share for the period ended 30 September 2007 is based on the adjusted profit attributable to equity holders of the Company of $109,397,000 (2006: $96,436,000) and the weighted average number of ordinary shares of 2,211,639,000 shares (2006: 1,996,288,000 shares) after adjusting for the effects of all dilutive potential ordinary shares.

7. Interest in associates

On 13 October 2007, the Group entered into a settlement agreement with Lung Investment Holding, LLC ("Lung Investment"), Sino Legend Limited and Mudd (USA) LLC pursuant to which all the preferred shares in the share capital of Sino Legend Limited held by the Group (the "Sino Legend Interests") shall be redeemed by Sino Legend Limited (the "Settlement Agreement"). The consideration for the redemption shall be satisfied by the payment of US$16,000,000 (including full refund of US$10 million in respect of the option to acquire an additional 20.8% equity interest in Sino Legend Limited) in cash and the transfer of the entire issued share capital of a new company, which shall hold 100% of the exclusive rights (including ownership, propriety, licensing or other rights) of the Mudd family of Marks ("Trade Marks") in Greater China and a 50% joint venture right to exploit the Trade Marks in Asia (other than Greater China) and the Middle East, to the Group (collectively, the "Consideration"). As at the date of this report, the agreement has not yet been completed. For further details, please refer to the Company's circular dated 10 December 2007.

Pursuant to the profit guarantee given by Lung Investment in the sale and purchase agreement dated 26 July 2004 (as supplemented by six supplemental agreements) and entered into between Newest Global Limited, a wholly-owned subsidiary of the Company and Lung Investment (the "2004 Agreement"), Lung Investment has guaranteed that the aggregate audited consolidated/combined net profits before tax, charges for goodwill, minority interest and any extraordinary or exceptional items of the Sino Legend Limited and its subsidiaries (the "Sino Legend Group") for the period commencing from 21 May 2004 up to and including 31 March 2007 (the "Audited Profits") will not be less than US$108 million as guaranteed. Based on the financial information available to the Group, the Group estimated that Lung Investment would be required to pay to the Group approximately US$26.6 million (or approximately HK$207 million), which is calculated based on the Audited Profits excluding the gain on the sale of trademarks and customer relationships of about US$23.5 million and the gain on the sale of marketable securities of about US$8.9 million, as compensation (the "Compensation").

Pursuant to the terms of the Settlement Agreement, Lung Investment shall be released and discharged absolutely from all and any claims, demands, liabilities, obligations, covenants, undertakings, warranties, losses, damages, costs and expenses whatsoever or otherwise arising out of or in connection with its profit guarantee under the 2004 Agreement. Accordingly, save for the Consideration to be received for the redemption of the Sino Legend Interests, the Group will no longer be entitled to share (a) the results of the Sino Legend Group for the period from 1 April 2007 to 30 September 2007; and (b) the net assets of the Sino Legend Group as at 30 September 2007; or to receive a separate consideration with respect to the Compensation.

Taking into account the Settlement Agreement, the Group considers that it is best to determine the fair value of its Sino Legend Interests with reference to the value of the Trade Marks in Greater China.

Based on the independent valuation reports on the Trade Marks prepared by Grant Sherman Appraisal Limited and BMI Appraisals Limited dated 10 December 2007, there will be a negative goodwill of approximately $151 million arising upon completion of the Settlement Agreement. Accordingly, the Directors consider it not necessary to provide for any impairment loss on the interest in associates.

Based on the management accounts of Sino Legend Limited and its subsidiaries, Sino Legend Limited and its subsidiaries had net assets of approximately US$87,419,000 (equivalent to $681,868,000) as at 30 September 2007 and had net profit of approximately US$3,816,000 (equivalent to $29,765,000) for the period from 1 April 2007 to 30 September 2007.

8 Other financial assets

	Unaudited 30 September 2007	Audited 31 March 2007
	$'000	*$'000*
Premium paid for option to acquire shares (Note)	**78,000**	78,000
Investment securities – unlisted equity shares	**–**	15,000
Club debentures	**1,100**	1,100
	79,100	94,100

Note: In accordance with the Settlement Agreement dated 13 October 2007, the Group agreed not to exercise the option and a full refund of the premium paid, being US$10 million, will be received by the Group upon completion. For further details, please refer to the Company's circular dated 10 December 2007.

9. Trade and other receivables

	Unaudited 30 September 2007	Audited 31 March 2007
	$'000	*$'000*
Trade receivables	**584,606**	473,334
Deposits with subcontractors for manufacturing of garments	**26,798**	26,498
Refundable acquisition deposit	**–**	281,800
Other prepayments and receivables	**117,131**	51,476
	728,535	833,108

Credit terms granted by the Group to customers generally range from one to three months. Included in trade receivables are balances (stated after provisions for doubtful debts) with the following ageing analysis:

	Unaudited 30 September 2007 *$'000*	Audited 31 March 2007 *$'000*
Within 3 months	**562,110**	472,474
More than 3 months but less than 6 months	**22,496**	860
	584,606	473,334

10. Trade and other payables

	Unaudited 30 September 2007 *$'000*	Audited 31 March 2007 *$'000*
Bills payable	**14,439**	18,511
Trade payables	**71,914**	61,826
Accrued expenses and other payables	**23,256**	27,762
	109,609	108,099

The credit terms obtained by the Group generally range from 30 days to 180 days. Included in trade and bills payables are balances with the following ageing analysis:

	Unaudited 30 September 2007 *$'000*	Audited 31 March 2007 *$'000*
Due within 1 month or on demand	**46,412**	24,036
Due after 1 month but within 3 months	**17,454**	41,696
Due after 3 months but within 6 months	**22,487**	14,605
	86,353	80,337

All the trade and other payables are expected to be settled within one year.

11. Capital and reserves

	Share capital $'000	Share premium $'000	Capital reserve $'000	Exchange reserve $'000	Contributed surplus $'000	PRC statutory reserve $'000	Retained earnings $'000	Total $'000
At 1 April 2006	151,666	81,165	62,601	2,522	6,400	74	533,772	838,200
Shares issued								
– placement of new shares	39,277	363,961	–	–	–	–	–	403,238
– exercise of share options	3,600	23,040	–	–	–	–	–	26,640
– conversion of convertible bonds	5,457	49,113	(13,650)	–	–	–	–	40,920
Dividend approved in respect of previous year	–	–	–	–	–	–	(31,851)	(31,851)
Exchange difference on translation of financial statements of subsidiaries outside Hong Kong	–	–	–	5,389	–	–	–	5,389
Profit for the year	–	–	–	–	–	–	314,639	314,639
Profit appropriation to reserve funds	–	–	–	–	–	47	(47)	–
Dividend declared in respect of the current year	–	–	–	–	–	–	(21,303)	(21,303)
At 31 March 2007 – audited	200,000	517,279	48,951	7,911	6,400	121	795,210	1,575,872
At 1 April 2007	200,000	517,279	48,951	7,911	6,400	121	795,210	1,575,872
Shares issued								
– placement of new shares	1,274	12,607	–	–	–	–	–	13,881
– exercise of share options	10,200	56,460	–	–	–	–	–	66,660
– conversion of convertible bonds	5,787	52,086	(14,430)	–	–	–	–	43,443
Dividend approved in respect of previous year	–	–	–	–	–	–	(43,452)	(43,452)
Exchange difference on translation of financial statements of subsidiaries outside Hong Kong	–	–	–	(4,991)	–	–	–	(4,991)
Profit for the year	–	–	–	–	–	–	108,574	108,574
At 30 September 2007 – unaudited	217,261	638,432	34,521	2,920	6,400	121	860,332	1,759,987

12. Acquisition of subsidiaries

Pursuant to the sale and purchase agreement dated 25 May 2007, the Group acquired a controlling equity interest of 90% in Best Favour Investments Limited ("Best Favour") from the Vendor at a cash consideration of $330,000,000 in June 2007. Best Favour is an investment holding company incorporated in the British Virgin Islands. Best Favour Group is principally engaged in the retailing sale of causal wear and has network outlets throughout major cities in the Mainland China.

Further details of the acquisition are set out below:

	Amount
	$'000
Net assets acquired	
Non-current assets	
Fixed Assets	15,922
Intangible assets	148,666
	164,588
Net current assets	87,351
Net assets acquired	251,939
Goodwill on acquisition	78,061
	330,000
Satisfied by:	
Cash paid to the vendor	330,000

INTERIM DIVIDEND

The Board of Directors did not recommend the payment of any interim dividend for the six month ended 30 September 2007 (2006: HK1.2 cents).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospects

Results Summary

Turnover of Tack Fat (the "Group") was approximately HK$1,183 million for the first six months ended 30 September 2007, representing a year-on-year growth of 29.9%. The encouraging performance was attributable to the Group's apparel manufacturing business and the development of the retail and brand management business in Mainland China.

During the period under review, gross profit grew by 46.0% from approximately HK$224 million to HK$327 million. Gross profit margin stood at healthy level of 27.6% as compared to 24.6% in same period last year.

Net profit for the year attributable to equity holders was approximately HK$109 million, representing a year-on-year increase of 19.9%.

The Board did not recommend the payment of any interim dividend for the six months ended 30 September 2007 (2006: HK1.2 cents).

Apparel Manufacturing Business

The Group continued to achieve a healthy increase in revenue from apparel manufacturing business. The increase in turnover was principally attributable to the outsourcing strategy from US and Europe brand-owners as well as the Group's strong and scalable production facilities.

In addition, the US and Europe remained its major markets, accounting for approximately 66% and 13% of total turnover. ODM and OEM businesses are still the core business of the Group. The Group's two core products, casual wear and swimwear accounted for 77% and 21% of the turnover respectively, while sportswear contributed the remaining 2%.

As of 30 September 2007, Tack Fat maintained highly efficient production bases in Cambodia and Mainland China. To further meet the increasing demand for quality apparel from premium brand-owners and customers, the Group expanded and upgraded its production facilities. Overall utilization rate reached as high as over 97% during the period.

Retailing Business in Mainland China

The Group continued to focus on high quality fashion branded products Mudd and XXEZZ and expand their product categories and product range to cater various market segments. During the period under review, both Mudd and XXEZZ stores were in good operational efficiency which contributed a new source of revenue and gross profit to the Group.

During the period, the Group actively developed its network to capture the growing market, and opened new stores. As of 30 September 2007, the Group had over 300 retail outlets in the mainland cities nationwide which covered all key cities, including Beijing, Shanghai, Tianjin, Shenyang, Chengdu, Chongqing, Wuhan, Nanjing, Dalian and Harbin.

The Group has taken a series of marketing initiatives to proactively promote these two brands in Mainland China. Such initiatives include the 'in-house shopping experience and point-of-sales promotions that aim to extend their market reach and boost brand awareness.

Future Prospects

With potential impact brought by US subprime crisis and economic downturn, surging crude oil prices and appreciating Renminbi, the Group will take a prudent approach on apparel production in the second half of this year. The Group will continue its stringent cost control strategies and pursue product diversification to maintain its competitiveness in the industry. However, as market consolidation and global outsourcing trends further intensify, the management remains positive and optimistic with regard to the Group's business performance and future outlook.

Rising household incomes in Mainland China will further boost the domestic spending power and stronger demands for fashionably designed, high-quality products. As a result, the Group expects that market demand for young and fashion apparels in Mainland China will continue to experience high growth in coming years.

In order to accommodate China's dynamic apparel retailing market, the Group have reached strategic alliance with ITAT Group ("ITAT"), one of the largest networks of multi-brand apparel retail chain stores in Mainland China. ITAT principally engages in the retail of a wide range of high quality fashion items domestically through Fashion ITAT Stores, ITAT Super Clubs and ITAT Membership Stores. According to the agreement, the Group currently plans to open Mudd outlets and concession stores in all Fashion ITAT stores and XXEZZ outlets and concession stores in all of the ITAT Membership Stores and Super Clubs. As such, all Mudd and XXEZZ outlets and concession stores are expected to be opened by the first quarter of 2008.

With increasing recognition of Mudd and XXEZZ by young generation, the Group will plan to open more new stores and make use of the ITAT retail network to achieve sales growth. The Group is confident that the retail business in Mainland China will become the major growth driver of the Group in the years to come.

Liquidity, Financial Resources and Capital Structure

The Group's financial position was healthy. As at 30 September 2007, the Group's total assets and total current assets were HK$2,978,553,000 and HK$1,507,269,000 respectively. As at that date, the Group's non-current and current liabilities totalled HK$597,197,000 and HK$588,184,000 respectively.

The gearing ratio, calculated by dividing the Group's total liabilities by its total assets, was 39.8% (31 March 2007: 39.2%). The Group's total bank borrowings amounted to HK$835,222,000. Most of the bank borrowings are denominated in Hong Kong dollars and US dollars with floating interest rate.

Cash Flow

Net cash inflow in the amount of HK$175,440,000 was generated from operating activities, reflecting primarily growth in the Group's core business. There was a net decrease in cash and cash equivalents of HK$78,779,000, which was primarily attributable to the Group's investing activities for the period.

Employees

As at 30 September 2007, the Group employed about 19,900 full time employees in Hong Kong, Cambodia and the Mainland China. The Group remunerates its employees based on performance and experience.

Exposures to Fluctuations in Exchange Rates

Most of the Group's assets and liabilities are denominated in Hong Kong dollars, US dollars and Renminbi, which were relatively stable during the period. The Group is not exposed to material exchange risks.

Contingent Liabilities

There have been no significant adverse changes in the Group's contingent liabilities since 31 March 2007.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 30 September 2007, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES AND THE MODEL CODE

None of the directors of the Company is aware of any information that would reasonably indicate that the Company is not, or was not for any part of the six months ended 30 September 2007, in compliance with the Code on Corporate Governance Practices as set out in Appendix 14 of the Rules (the "Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, except that the independent non-executive directors of the Company are not appointed for specific terms but are subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Company's articles of association.

The Company, having made specific enquiry, confirms that all the directors complied with the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules, and the relevant employees who, because of their office in the Company, are likely to be in possession of unpublished price sensitive information, have been requested to comply with the provisions of the Model Code, throughout the six months ended 30 September 2007.

AUDIT COMMITTEE

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters with the directors. The unaudited interim financial report for the six months ended 30 September 2007 has been reviewed by the Audit Committee and the auditors of the Company.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

The Company's preliminary interim results announcement for the six months ended 30 September 2007 containing all information required by Appendix 16 of the Listing Rules is published on the website of the Stock Exchange at http://www.hkex.com.hk under "Latest Listed Company Information" and the Company's website at http://www.tackfat.com. The unaudited condensed consolidated interim financial statements of the Company for the period ended 30 September 2007 will be dispatched to the shareholders and published on the above websites in due course.

By Order of the Board
Kwok Wing
Chairman

Hong Kong, 21 December 2007

As at the date of this announcement, the executive Directors are Mr. Kwok Wing, Mr. Ho Yik Kin, Norman, Mr. Kwok Kam Chuen and Ms. Kwok Choi Ha, the non-executive Directors are Mr. Szeto Chak Wah, Michael and Mr. Lai Man Leung, and the independent non-executive Directors are Mr. Leung Yiu Wing, Eric, Mr. Ching Kwok Ho, Samuel and Mr. Chow Kai Leung, Sandy.