TACK FAT GROUP INTERNATIONAL LIMITED

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)

FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2009

FINAL RESULTS FOR THE YEAR ENDED 31 MARCH 2009

The joint and several provisional liquidators (the "Provisional Liquidators") of Tack Fat Group International Limited (Provisional Liquidators Appointed) (the "Company") announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2009 together with comparative figures for the year ended 31 March 2008 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2009
(Amounts expressed in Hong Kong dollars)

		2009	2008
			(Restated)
	Note	***$'000***	*$'000*
Turnover		**107,684**	259,175
Costs of sales		**(71,909)**	(123,601)
Gross profit		**35,775**	135,574
Other revenue	*5*	**249,546**	10,917
Distribution costs		**(77,235)**	(99,583)
Administrative and other operating expenses		**(231,880)**	(2,683,194)
Loss from operations		**(23,794)**	(2,636,286)

CONSOLIDATED INCOME STATEMENT *(Continued)*
For the year ended 31 March 2009
(Amounts expressed in Hong Kong dollars)

	Note	**2009** **$'000**	2008 (Restated) $'000
Finance costs	6	**(13,521)**	(17,527)
Loss before taxation	6	**(37,315)**	(2,653,813)
Income tax	7	**(49,815)**	(3,946)
Loss for the year		**(87,130)**	(2,657,759)
Attributable to:			
Equity shareholders of the Company		**(97,162)**	(2,660,962)
Minority interests		**10,032**	3,203
Loss for the year		**(87,130)**	(2,657,759)
Basic loss per share	8	**(4.41 cents)**	(124.52 cents)

CONSOLIDATED BALANCE SHEET
As at 31 March 2009
(Amounts expressed in Hong Kong dollars)

	Note	**2009** $'000	2008 (Restated) $'000
Non-current assets			
Property, plant and equipment		**6,503**	8,484
Current assets			
Inventories	*10*	**15,210**	46,158
Trade and other receivables	*11*	**36,264**	8,762
Escrow money	*9*	**6,332**	–
Cash and cash equivalents		**1,878**	2,673
		59,684	57,593
Current liabilities			
Trade and other payables	*12*	**60,641**	35,734
Provision for bank loan guarantees for subsidiaries	*13*	**822,523**	879,638
Other borrowings	*13*	**90,500**	–
Convertible bonds		**119,396**	–
Loans from Investor	*9*	**16,400**	–
Tax payable		**50,384**	160
Amounts due to deconsolidated subsidiaries		**157,157**	–
		1,317,001	915,532
Net current liabilities		**(1,257,317)**	(857,939)
Total assets less current liabilities		**(1,250,814)**	(849,455)
Non-current liabilities			
Convertible bonds		**–**	119,396
NET LIABILITIES		**(1,250,814)**	(968,851)
EQUITY			
Share capital		**221,261**	217,261
Reserves		**(1,516,915)**	(1,220,920)
ATTRIBUTABLE TO: EQUITY SHAREHOLDERS OF THE COMPANY		**(1,295,654)**	(1,003,659)
Minority interests		**44,840**	34,808
		(1,250,814)	(968,851)

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2009

1 ORGANISATION AND OPERATIONS

Tack Fat Group International Limited (Provisional Liquidators Appointed) together with its subsidiaries, the "Group") was incorporated in the Cayman Islands on 12 March 2001. The address of its registered office is Century Yard, Cricket Square, Hutchins Drive, George Town, Grand Cayman, Cayman Islands, British West Indies. The principal place of business is 14th Floor, The Hong Kong Club Building, 3A Chater Road, Central, Hong Kong. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 29 April 2002 and have been suspended from trading since 30 July 2008.

The Company is principally engaged in investment holding. The Group is principally engaged in apparel retailing business in the People's Republic of China (the "PRC").

The Company's functional currency is Renminbi. The consolidated financial statements are presented in Hong Kong dollars as the Hong Kong dollars is considered the most appropriate presentation currency in view of the Company's past practice.

2 BASIS OF PRESENTATION

Going concern

As at 31 March 2009, the Group had consolidated net current liabilities of approximately HK$1,257.32 million (2008: approximately HK$857.94 million) and consolidated net liabilities of approximately HK$1,250.81 million (2008: approximately HK$968.85 million). The Group had a net loss for the year ended 31 March 2009 of approximately HK$87.13 million (2008: approximately HK$2,657.76 million).

On 11 September 2008, pursuant to a court order, Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of Ferrier Hodgson Limited, were appointed as the Provisional Liquidators as a result of the Company's self petition for winding up and Bank of America N.A.'s application to support the winding up petition against the Company. Upon the appointment of the Provisional Liquidators, the powers of the directors were suspended with regard to the affairs and business of the Company.

Based on the books and records made available to them, the Provisional Liquidators are responsible for the accuracy of the contents of this report and the audited financial statements for the year ended 31 March 2009 in relation to (i) the affairs of the Group after the appointment of the Provisional Liquidators; and (ii) the preparation of the contents of these audited financial statements for the year ended 31 March 2009.

The Provisional Liquidators make no representation as to the completeness of the information contained in these financial statements.

The Company was in the first stage of the delisting procedures in accordance with Practice Note 17 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as at 31 March 2009, the date of these financial statements.

The restructuring proposal submitted by Radford Developments Limited (the "Investor") dated 2 December 2008 has been accepted by the Provisional Liquidators and, in principle, by the major creditors of the Group. On 12 January 2009, an exclusivity and escrow agreement was entered into amongst the Provisional Liquidators, Ferrier Hodgson Limited (as the escrow agent) and the Investor. Pursuant to the exclusivity and escrow agreement, the Provisional Liquidators granted the Investor an exclusive right up to 11 July 2009 to negotiate a legally binding agreement for the implementation of the restructuring proposal. As a result, the Investor provided (i) a sum of HK$10 million as working capital loan to the Group to meet its working capital requirements; and (ii) a sum of HK$6.4 million to the Group as professional fees in relation to the Group's restructuring. On 8 July 2009, the Provisional Liquidators and the Investor entered into a side letter to extend the exclusivity period by a 6-month period to 12 January 2010. On 11 August 2009, the Investor and the Provisional Liquidators entered into a revolving loan facility agreement, pursuant to which, the Investor consented to provide an additional working capital loan for the Group's retail operating entity in the PRC for an aggregate amount equal to HK$15 million.

The Provisional Liquidators have appointed Asian Capital (Corporate Finance) Limited as financial adviser to the Company with a view to restructuring the Company and submitting a viable resumption proposal to the Stock Exchange.

The proposed restructuring, if successfully implemented, will, among other things, result in:

(i) a restructuring of the share capital of the Company through the capital restructuring, and the issuance of rights issue shares and convertible bonds. The issuance of rights issue shares and convertible bonds will provide gross cash proceeds of approximately HK$224 million;

(ii) all the existing creditors of the Company and creditors of its subsidiaries holding guarantees given by the Company discharging and waiving their claims against the Company by way of schemes of arrangement under section 166 of the Companies Ordinance (Cap 32 of the Laws of Hong Kong) (the "Companies Ordinance") by payment of a sum of approximately HK$70 million; and

(iii) only retail business remaining in the Group. The Company operates and manages the retail business of "XXEZZ" through Ever Century Holdings Limited ("Ever Century"), Anway Limited, Best Favour Investments Limited, New Profit Holdings Limited and New Profit Garment (Luo Ding) Company Limited, whilst other subsidiaries of the Company have either been liquidated or transferred to a special purpose vehicle controlled by the Provisional Liquidators for the benefit of the creditors of the Company. The Provisional Liquidators are of the view that any asset recovery leading to realisation will be applied firstly towards the discharge of the relevant creditors of the entities holding the assets, with the residual value attributable to the creditors of the Company. Given the massive level of debts owed by the Company, the Provisional Liquidators consider that a full repayment to the creditors of the Company is not possible and accordingly, there will be no value left to the Company.

The financial statements have been prepared on a going concern basis on the basis that the proposed restructuring of the Company will be successfully completed, and that, following the restructuring, the Group will continue to meet in full its financial obligations as they fall due in the future.

In the opinion of the Provisional Liquidators, the financial statements for the year ended 31 March 2009, which have been prepared on the going concern basis, present fairly the results and state of affairs of the Group.

Should the Group be unable to achieve a successful restructuring and to continue its business as a going concern, adjustments would have to be made to the financial statements to adjust the value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

Loss of books and records

The Provisional Liquidators have used their best endeavors to locate all the books and records of the Group since their appointment but were unable to obtain sufficient books and records to enable them to satisfactorily accept various opening account balances of the Group for the following reasons:

- Most of the books and records of the Group were lost prior to the appointment of the Provisional Liquidators and books and records recovered from the office of the Company and its subsidiaries were minimal;

- According to some former staff of the Group, some of the relevant books and records may have been shipped overseas shortly prior to the appointment of the Provisional Liquidators. However, the Provisional Liquidators are unable to verify the validity of this information; and

- Former accounting personnel of the Group had left and the Provisional Liquidators have been unable to get their cooperation in connection with updating the accounts.

The financial statements of the Group have been prepared based on the available books and records. Accordingly, the Provisional Liquidators are unable to ascertain that the opening balances and corresponding figures of the Group for the year ended 31 March 2009 have been properly reflected.

Deconsolidation of subsidiaries and subsequent impairment of respective book values

The financial statements have been prepared based on the books and records recovered by the Provisional Liquidators since their appointment. The Provisional Liquidators consider that control of the Company over certain subsidiaries has been lost subsequent to the year ended 31 March 2008. Details are set out as follows:

- The directors of the Company resolved to appoint an independent reporting accountant Borrelli Walsh Limited on 30 July 2008 to investigate into the matters giving rise to the Company's failure to report its results for the year ended 31 March 2008;

- On 9 September 2008, Borrelli Walsh Limited resigned, citing that it was unable to obtain sufficient information to properly discharge its engagement, and raised concern that the board of directors was unable to control the assets of the Group after 23 June 2008;

- Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of Ferrier Hodgson Limited, were appointed as provisional liquidators to Tack Fat Swimwear Manufacturing Limited ("Tack Fat Swimwear") and liquidators to Tack Fat Manufacturing Factory Limited ("Tack Fat Manufacturing") on 6 October 2008 and 4 September 2009 respectively;

- Tack Fat International Holdings Limited ("Tack Fat International") and Chiu Wing Enterprise Company Limited ("Chiu Wing") were placed into creditors' voluntary liquidation on 23 April 2009;

- Lantern Services Limited, Potter Industries Limited and Sino Profit Limited, all directly wholly owned subsidiaries of Ever Century were transferred to a special purpose vehicle controlled by the Provisional Liquidators on 29 May 2009 for realisation for the benefit of the creditors of the Company and to facilitate the restructuring as proposed by the Investor; and

- According to the investigation by the Provisional Liquidators, the Company does not have any legal ownership over Masswin International Limited ("Masswin") and accordingly, Masswin is no longer deemed as a subsidiary of the Company. Moreover, Masswin was struck off from the British Virgin Islands (the "BVI") registrar on 1 May 2009.

The Provisional Liquidators are of the view that the results and assets and liabilities of the said subsidiaries should not be consolidated to the financial statements of the Company. The Provisional Liquidators also feel that it would be appropriate to fully impair their book value on the Group's financial statements to zero, due to (i) the adverse financial positions of Tack Fat Swimwear, Tack Fat Manufacturing, Tack Fat International and Chiu Wing; and (ii) the Group's control over the operations of Lantern Services Limited, Potter Industries Limited, Sino Profit Limited and Masswin being lost before the appointment of the Provisional Liquidators.

Among the assets, the values of which the Provisional Liquidators consider should be fully impaired are the trademarks related to the brands "XXEZZ" and "MUDD®" and the receivables of approximately HK$300 million recorded under Global Far East (Macao Commercial Offshore) Limited ("GFE (Macao)"), a wholly owned subsidiary of Sino Profit Limited.

Pursuant to the Company's announcement dated 29 May 2007, the Company acquired the XXEZZ business in June 2007 by acquiring 90% interest in Best Favour Investments Limited, which was principally engaged in fashion design and management of its XXEZZ brand of smart casual wear. Investigations conducted by the Provisional Liquidators show that the brand "XXEZZ" does not belong to the Group. Thus, any value that has been previously attributed to the goodwill relating to the "XXEZZ" brand should be fully impaired. However, Best Favour Investments Limited has always been managing the brand of XXEZZ pursuant to a written authority.

In respect of the "MUDD®" trademark, it is owned by Wingar Limited, an indirect subsidiary of Tack Fat Swimwear. Since the Provisional Liquidators have been appointed to Tack Fat Swimwear, which is deconsolidated from the Group, the goodwill related to the "MUDD®" trademark, if any, should not be accounted for by the Group. Furthermore, the MUDD® retail business has been loss making since the year ended 31 March 2008 and accordingly, the Provisional Liquidators consider that any value that has been attributed to the goodwill previously should be fully impaired.

The Provisional Liquidators are aware that the Company had disclosed in its announcement on 15 July 2008 that the Company was going to assign the receivables of GFE (Macao) for HK$300 million to the vendor for the acquisition of 40% shareholding interest in Global Agricultural Development Limited. The Provisional Liquidators are unable to obtain any supporting documents from available records to identify the debtor(s) and determine whether the HK$300 million receivables ever existed. GFE (Macao) is a directly owned subsidiary of Sino Profit Limited, which has been transferred to a special purpose vehicle controlled by the Provisional Liquidators on 29 May 2009 for realisation of the benefit of the creditors of the Company and to facilitate the restructuring as proposed by the Investor.

Any adjustment as a result of the abovementioned action may have a significant effect to the Group's financial statements for the year ended 31 March 2009 and the relevant disclosures. Accordingly, the corresponding figures shown in the financial statements may not be comparable with those figures for the year ended 31 March 2008.

Departure from the Hong Kong Financial Reporting Standards ("HKFRSs")

Due to the resignation of the majority of management personnel responsible for maintaining the books and records and the failure to access the books and records of certain subsidiaries, the Provisional Liquidators do not have sufficient information to compile the financial statements of the Group for the year ended 31 March 2009 so as to comply with the HKFRSs. The following information are not disclosed in the said financial statements:

(a) Information about the extent and nature of the financial instruments as required by HKAS 32 "Financial Instruments: Disclosure and Presentation" issued by the HKICPA;

(b) Details of the Group's policy in respect of the financial risk management as required by HKFRS 7 "Financial Instruments: Disclosure" issued by the HKICPA;

(c) Details of related party disclosures as required by HKAS 24 "Related Party Disclosures" issued by the HKICPA;

(d) Details of the Group's aging of debtors and creditors as required by the Listing Rules;

(e) Details of analysis of pledge of assets as required by the Hong Kong Companies Ordinance;

(f) Information of deferred taxation and taxation charge reconciliation as required by HKAS 12 "Income Taxes" issued by the HKICPA; and

(g) Details of directors' and employees' emoluments as required by the Listing Rules and the Hong Kong Companies Ordinance.

3 ADOPTION OF NEW AND REVISED HKFRSs

(a) Application of New and Revised HKFRSs

In the current year, the Group has applied the following new amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are or have become effective.

HKAS 39 & HKFRS 7 (Amendments)	Reclassification of Financial Assets
HK(IFRIC) – Int 12	Service Concession Arrangements
HK(IFRIC) – Int 13	Customer Loyalty Programmes
HK(IFRIC) – Int 14	HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The adoption of the new HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvement to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 1 (Revised)	Presentation of Financial Statements[3]
HKAS 23 (Revised)	Borrowing Costs[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[4]
HKAS 32 (Amendment)	Classification of Rights Issues[8]
HKAS 32 &1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation[3]
HKAS 39 (Amendment)	Eligible Hedged Items[4]
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate[3]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[7]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[7]
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations[3]
HKFRS 3 (Revised)	Business Combinations[4]
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments[3]
HKFRS 8	Operating Segments[1]
HK(IFRIC) – Int 15	Agreements for the Construction of Real Estate[3]
HK(IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation[5]
HK(IFRIC) – Int 17	Distribution of Non-cash Assets to Owners[4]
HK(IFRIC) – Int 18	Transfers of Assets from Customers[6]

1 Effective for annual periods beginning on or after 1 January 2009 except the amendments to HKFRS 5, effective for annual periods beginning on or after 1 July 2009

2 Effective for annual periods beginning on or after 1 January 2009, 1 July 2009 and 1 January 2010, as appropriate

3 Effective for annual periods beginning on or after 1 January 2009

4 Effective for annual periods beginning on or after 1 July 2009

5 Effective for annual periods beginning on or after 1 October 2008

6 Effective for transfers on or after 1 July 2009

7 Effective for annual periods beginning on or after 1 January 2010

8 Effective for annual periods beginning on or after 1 February 2010

The application of HKFRS 3 (Revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary. The Provisional Liquidators anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the results and financial positions of the Group.

4 SEGMENT INFORMATION

Segment information is presented in respect of the Group's business and geographical segments according to the information available to the Provisional Liquidators. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

(a) Business Segment

The Group has been predominately operating in one single business segment, i.e. the retail trading of garments in the PRC.

(b) Geographical Segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of the customers. Segment assets and capital expenditures are based on the geographical location of the assets.

The Group's business is principally managed in Hong Kong and other parts of the PRC while the principal market for the Group's products is retail trading of garments in the PRC.

For the years ended 31 March 2008 and 2009, over 90% of the Group's revenue and assets are derived from operations based in the PRC. Accordingly, no further analysis of the Group's geographical segments is disclosed.

5 OTHER REVENUE

	2009	2008
	HK$'000	*HK$'000*
Interest income	**15**	504
Reversal of excess impairment and written off *(Note)*	**245,511**	–
Others	**4,020**	10,413
	249,546	10,917

Note: These amounts represent certain impairments recognised in the "Prepayment, deposits and other receivables" and "Amounts due to deconsolidated subsidiaries" written-off in the accounts of New Profit Garment (Luo Ding) Company Limited in 2008 due to incomplete books and records. As a result of further investigation by the Provisional Liquidators and the auditors, such impairments and write-off are considered excessive. Accordingly, the Provisional Liquidators have made adjustments for the reversal of these figures this year. However, without reliable accounting information for these figures, the auditors provided qualified opinion on the transactions.

6 LOSS BEFORE TAXATION

Results before taxation is arrived at after charging the following:

(a) Finance Costs

	2009	2008
	HK$'000	*HK$'000*
Interest on bank advances and other borrowings wholly repayable within five years	**12,037**	13,665
Bank charges	**7**	3,376
Other borrowing costs	**1,477**	486
	13,521	17,527

(b) Other Items

	2009	2008
		(Restated)
	HK$'000	*HK$'000*
Cost of inventories	**71,909**	123,601
Depreciation		
– owned assets	**2,779**	3,222
Auditor's remuneration	**485**	550
Impairment loss on subsidiaries not consolidated	**–**	1,659,003
Impairment loss on intangible assets	**–**	243,245
Adjustment to capital reserve	**–**	8,931
Provision for bank loans guarantee for subsidiaries	**–**	681,638
Bad debts written off	**1,348**	–
Allowance for bad and doubtful debt	**7,025**	–
Allowance for inventories	**35,619**	–

On the basis of the available books and records to the Provisional Liquidators, the Provisional Liquidators are not aware of any significant discrepancy as to the completeness and accuracy of the abovementioned items.

7 INCOME TAX

The provision for Hong Kong Profits Tax for 2009 is calculated at 16.5% (2008: 17.5%) of the estimated assessable profits for the year.

The Group's subsidiary in the PRC is subject to PRC income tax at the rate of 25% (2008: 25%) of its taxable income.

The immediate holding company of all of the Company's Cambodia subsidiaries, Tack Fat International, has been deconsolidated from the financial statements of the Group since the year ended 31 March 2008 and has been placed into creditors' voluntary liquidation pursuant to section 228A of the Companies Ordinance on 23 April 2009. On this basis, the Group will no longer be subject to Cambodia tax.

8 LOSS PER SHARE

(a) Basic Loss Per Share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of approximately HK$97.16 million (2008: approximately HK$2,660.96 million) and the weighted average of 2,205,175,106 (2008: 2,136,900,955) ordinary shares in issue during the year, calculated as follows:

	2009 Number of shares *(thousands)*	2008 Number of shares *(thousands)*
Issued ordinary shares at 1 April	**2,172,607**	2,000,000
Effect of conversion of convertible bonds	**–**	44,421
Effect of issuance of new shares	**–**	12,316
Effect of share options exercised	**32,568**	80,164
Weighted average number of ordinary shares at 31 March	**2,205,175**	2,136,901

(b) Diluted Earnings Per Share

Since the outstanding share options and convertible bonds are anti-dilutive to the loss per share, no diluted loss per share is presented for both years.

9 ESCROW MONEY

	2009 *HK$'000*	2008 *HK$'000*
Professional fees	**3,184**	–
Working capital	**3,148**	–
	6,332	–

On 12 January 2009, the Provisional Liquidators, on behalf of the Company, entered into an exclusivity and escrow agreement with the Investor. The said agreement granted the Investor a 6-month exclusivity period to negotiate the restructuring of the Company and certain subsidiaries and associated companies in the Group, and in turn, the Investor paid a sum of HK$10 million loan to the Company to meet its working capital requirement and a sum of HK$6.4 million to meet the cost and expenses in relation to the restructuring of the Company during the 6-month exclusivity period according to the said agreement.

10 INVENTORIES

	2009	2008
	HK$'000	*HK$'000*
Finished goods	**50,829**	46,158
Allowance for inventories	**(35,619)**	–
	15,210	46,158

11 TRADE AND OTHER RECEIVABLES

	2009	2008
	HK$'000	*HK$'000*
Trade receivables	**22,486**	8,762
Prepayment, deposits and other receivables	**13,778**	–
	36,264	8,762

All the trade and other receivables are expected to be recovered within one year and are denominated in Renminbi.

12 TRADE AND OTHER PAYABLES

	2009	2008
	HK$'000	*HK$'000*
Trade payables	**40,532**	35,267
Accruals and other payables	**20,109**	467
	60,641	35,734

All the trade and other payables are expected to be settled within one year. All the trade payables are denominated in Renminbi and all accruals and other payables are denominated in Renminbi and Hong Kong dollars.

13 PROVISION FOR BANK LOAN GUARANTEES FOR SUBSIDIARIES AND OTHER BORROWINGS

The banking facilities of the Group were secured by corporate guarantees issued by the Company. The banking facilities granted to the subsidiaries of the Company were secured by the Company's interest in some of its subsidiaries and guaranteed by the Company. During the year ended 31 March 2009, the Company obtained other borrowings from certain financial institutions. Details of the abovementioned items are set out as follows:

(i) Provision for bank loan guarantee for subsidiaries

	2009	2008
	HK$'000	*HK$'000*
		(Restated)
Secured *(Note)*	**133,018**	198,000
Unsecured	**689,505**	681,638
	822,523	879,638

All bank loan guarantees for subsidiaries are repayable within 1 year or on demand.

(ii) Other borrowings

	2009	2008
	HK$'000	*HK$'000*
		(Restated)
Secured	**45,000**	–
Unsecured	**45,500**	–
	90,500	–

All other borrowings are interest bearing, repayable within 1 year or on demand.

The effective interest rate for the year ended 31 March 2009 for other borrowings were 2% per month and 6% per annum (2008: Nil).

On the basis of the available books and records to the provisional liquidators, the provisional liquidators are not aware of any significant discrepancy of the abovementioned provision for bank loan guarantees for subsidiaries and other borrowings.

Note: Pursuant to further investigations by the Provisional Liquidators, the provision for bank loan guarantees for subsidiaries for the year ended 31 March 2008 was understated. Accordingly, this amount is restated.

14 COMMITMENTS

At 31 March 2009, the total future minimum lease payments under non-cancellable operating leases are repayable as follows:

	2009	2008
	HK$'000	*HK$'000*
Within 1 year	**2,130**	11,176
After 1 year but within 5 years	**14,091**	9,008
	16,221	20,184

According to the books and records available to the Provisional Liquidators, the Group is the leasee in respect of a number of properties held under operating leases. The leases typically run for an initial period of one to three years, with an option to renew the lease when all terms are renegotiated.

15 CONTINGENT LIABILITIES

On the basis of the available books and records to the Provisional Liquidators, the Provisional Liquidators are not aware of any significant contingent liabilities.

16 POST BALANCE SHEET EVENTS

In June 2008, the Company has charged its entire interest in Ever Century to Forefront Finance Co., Limited ("Forefront") and Forefront has enforced its right under the said share charge. Accordingly, the Company's ownership in Ever Century was transferred to Merrier Limited ("Merrier") on 15 August 2008.

On 3 April 2009, the Company, the Provisional Liquidators, Forefront, Merrier, Hansom Finance Limited ("Hansom") and the Investor entered into a settlement deed pursuant to which Merrier agreed to transfer the interest in Ever Century back to the Company in order to facilitate the restructuring of the Company, Forefront and Hansom acknowledged, confirmed and agreed that there was no intention for Forefront to change the beneficial ownership of interest in Ever Century or the Company's control over Ever Century upon the transfer of the legal ownership of Ever Century to Merrier on 15 August 2008.

Chiu Wing and Tack Fat International commenced creditors' voluntary liquidation on 23 April 2009 as they had insufficient working capital to continue their operations. On 23 April 2009, Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of Ferrier Hodgson Limited, were appointed as the provisional liquidators and, on 20 May 2009, as liquidators to Chiu Wing and Tack Fat International.

On 29 May 2009, the Provisional Liquidators, Ever Century, Key Winner Holdings Limited ("Key Winner") (a special purpose vehicle controlled by the Provisional Liquidators) entered into a sale and purchase agreement where the Provisional Liquidators (on behalf of the Company) agreed to transfer the Ever Century's entire interest in Lantern Services Limited, Potter Industries Limited and Sino Profit Limited to Key Winner in furtherance of the restructuring of the Group.

On 8 July 2009, the Provisional Liquidators and the Investor entered into a side letter to extend the exclusivity period by a 6-month period to 12 January 2010.

On 20 July 2009, the Company submitted a proposal to the Stock Exchange for resumption of trading in the shares of the Company.

On 11 August 2009, the Investor and the Provisional Liquidators entered into a revolving loan facility agreement, pursuant to which, the Investor consented to provide an additional working capital loan in an aggregate amount equal to HK$15 million.

On 4 September 2009, Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of Ferrier Hodgson Limited, were appointed as liquidators to Tack Fat Manufacturing.

17 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

According to the latest available information to the Provisional Liquidators, the immediate parent and ultimate controlling party of the Group was Efulfilment Enterprises Limited, which was incorporated in the BVI and beneficially owned by Mr. Kwok Chiu and Mr. Kwok Wing, former executive director and chairman of the Company, in the proportion of 50:50, as at 31 March 2009. This entity does not produce financial statements available for public use.

18 COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

AT EXTRACT OF AUDITOR'S REPORT

Basis for Disclaimer of Opinion

1. *Opening balances and corresponding figures*

   The consolidated financial statements of the Group for the year ended 31 March 2008 which form the basis for the corresponding figures presented in the current year's consolidated financial statements were not audited by us, and were disclaimed by the previous auditors in their report dated 22 July 2009. There were no satisfactory audit procedures to ascertain the existence, accuracy, presentation and completeness of the opening balances and corresponding figures shown in the current year's consolidated financial statements.

2. *Disclosures*

   The following disclosures have not been made in the consolidated financial statements:

   i. The consolidated cash flows statements for the year ended 31 March 2009 as required by Hong Kong Accounting Standard ("HKAS") 7 "Cash Flow Statements" issued by the HKICPA;

   ii. Details of the Group's policy in respect of the financial risk management as required by HKFRS 7 "Financial Instruments: Disclosures" issued by the HKICPA;

   iii. Details of related parties transactions as required by Chapter 14 and/or Chapter 14A of the Listing Rules and HKAS 24 "Related Party Disclosures" issued by the HKICPA; and

   iv. Details of directors' and employees' emoluments as required by The Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance.

3. *Share-based payment*

   No sufficient evidence has been provided to satisfy ourselves as to the completeness of the equity-settled share option scheme as at 31 March 2009 and disclosure required by HKFRS 2 "Share-based Payment".

4. *Tax payable*

   One of the Group companies has understated the value-added tax payable since the date of incorporation and the amount provided to us amounting to HK$50,384,000 as at 31 March 2009. However, we have not received sufficient evidence up to the date of this report to satisfy ourselves as to the completeness, existence and validity of the tax payable appearing in the consolidated balance sheet was fairly stated.

5. *Sundry income*

We have not been provided with adequate documents and information regarding the components of sundry income amounting to HK$245,511,000 to satisfy ourselves as to the completeness, existence and validity of those transactions. Accordingly, we were unable to determine whether or not the total amount of sundry income disclosed in note 5 to the financial statements was fairly stated.

6. *Non-compliance with HKAS 27 "Consolidated and Separate Financial Statements"*

As explained in note 2 to the financial statements, provisional liquidators were appointed to Tack Fat Swimwear Manufacturing Limited, a Hong Kong incorporated subsidiary, on 6 October 2008. Tack Fat Manufacturing Factory Limited, was wound up by court order on 18 February 2009. Due to the absence of accounting information that is considered reliable by the Provisional Liquidators (from 1 April 2008 to the respective dates when the two companies ceased to be the subsidiaries of the Group), the results and financial positions of the above-mentioned subsidiaries have been excluded from consolidated financial statements of the Group as at 31 March 2009. Whilst the Provisional Liquidators consider such exclusion to be the best way of presenting the Group's result and financial position, we consider this treatment to be in non-compliance with HKAS 27 "Consolidated and Separate Financial Statements" issued by HKICPA.

Any adjustments to the figures as described from points 1 to 6 above might have a significant consequential effect on the Group's results for the year ended 31 March 2009 and the financial positions of the Group as at 31 March 2009 thereof in the consolidated financial statements.

Material Uncertainty Relating to the Going Concern Basis

In forming our opinion, we have considered the adequacy of the disclosures made in note 2 to the financial statements which explains that a proposal for the resumption of trading in the Company's shares and the restructuring of the Group (the "Resumption Proposal") was submitted to The Stock Exchange of Hong Kong Limited on 20 July 2009. The financial statements have been prepared on a going concern basis on the assumptions that the Resumption Proposal will be successfully completed in the foreseeable future and following that the Group will continue to meet in full its financial obligations as they fall due. The financial statements do not include any adjustments that would result from a failure to complete the Resumption Proposal. We consider that the disclosures are adequate. However, in view of the extent of the material uncertainty relating to the completion of the Resumption Proposal, we disclaim our opinion in respect of the material uncertainty relating to the going concern basis.

Disclaimer of Opinion

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group and of the Company as at 31 March 2009 and of the Group's results for the year then ended in accordance with HKFRS and as to whether the consolidated financial statements have been properly prepared in accordance with the disclosure requirement of the Hong Kong Companies Ordinance.

BUSINESS REVIEW

The Company is principally engaged in investment holding. The Group is principally engaged in apparel retailing business in the PRC.

The Provisional Liquidators were appointed on 11 September 2008 as a result of the Company's self petition for winding up and Bank of America N.A.'s application to support the winding up petition against the Company.

As such, the Provisional Liquidators do not have the same knowledge of the financial affairs of the Group as the directors of the Company would have, particularly in relation to the transactions entered into by the Group prior to the appointment date.

RESTRUCTURING OF THE GROUP AND KEY EVENTS AFTER THE APPOINTMENT OF THE PROVISIONAL LIQUIDATORS

On 10 October 2008, Listing Division of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") issued a letter to the Company, inter alia, setting out the conditions for resumption of trading of the shares of the Company as follows:

- to submit a viable resumption proposal to demonstrate the Company's compliance with Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and all applicable laws and regulations;

- to clarify the Group's financial position and the transfer of the shares of Ever Century, to Merrier for US$1 on 15 August 2008;

- to publish all outstanding financial results of the Group as required under the Listing Rules and address any concerns that may be raised by the auditors of the Company through the qualification of their audit report on the financial statements of the Group; and

- to demonstrate that the Company has adequate financial reporting system and internal control procedures to enable the Company to meet its obligations under the Listing Rules.

The Stock Exchange placed the Company in the first stage of the delisting procedures in accordance with Practice Note 17 to the Listing Rules. If the Company failed to submit a viable resumption proposal on or before 10 April 2009 and demonstrate its compliance with Rule 13.24 of the Listing Rules, the Stock Exchange would consider whether to proceed to place the Company in the second stage of delisting procedures. Subsequently, the Stock Exchange extended the said deadline.

Asian Capital (Corporate Finance) Limited has been appointed by the Provisional Liquidators as the financial advisor to the Company regarding the restructuring of the Group.

On 12 January 2009, the Provisional Liquidators, on behalf of the Company, entered into an exclusivity and escrow agreement with the Investor. The said agreement granted the Investor a 6-month exclusivity period to negotiate the restructuring of the Company and certain subsidiaries and associated companies in the Group, and in turn, the Investor paid a sum of HK$10 million loan to the Company to meet its working capital requirement and a sum of HK$6.4 million to meet the cost and expenses in relation to the restructuring of the Company during the 6-month exclusivity period according to the said agreement.

On 3 April 2009, the Company, the Provisional Liquidators, Forefront, Merrier, Hansom and the Investor entered into a settlement deed pursuant to which Merrier agreed to transfer the interest in Ever Century Holdings Limited ("Ever Century") back to the Company in order to facilitate the restructuring of the Company and Forefront and Hansom acknowledged, confirmed and agreed that there was no intention to change the beneficial ownership of interest in Ever Century or the Company's control over Ever Century.

On 23 April 2009, Chiu Wing and Tack Fat International, both indirect wholly-owned subsidiaries of the Company, commenced voluntary winding-up.

On 29 May 2009, the Provisional Liquidators, Ever Century and Key Winner entered into a sale and purchase agreement where Key Winner agreed to acquire and the Provisional Liquidators (on behalf of the Company) agreed to sell Ever Century's entire interest in Lantern Services Limited, Potter Industries Limited and Sino Profit Limited at a nominal consideration of HK$1. The said transaction is primarily in furtherance of the Group's restructuring.

On 8 July 2009, the Provisional Liquidators and the Investor entered into a side letter to extend the exclusivity period by a 6-month period to 12 January 2010.

On 20 July 2009, the Company submitted a proposal to the Stock Exchange for the resumption of trading in the shares of the Company.

On 11 August 2009, the Investor and the Provisional Liquidators entered into a revolving loan facility agreement, pursuant to which, the Investor consented to provide additional working capital for the Group's retail business operating entity in the PRC of an aggregate amount equal to HK$15 million till 31 December 2009 or any date to be extended by written agreement between the Investor and the Provisional Liquidators.

PROSPECTS

It is anticipated that the financial position of the Group will be substantially improved upon (i) the Investor signing a formal restructuring agreement with the Provisional Liquidators (on behalf of the Company without personal liability) to revive the Group; and (ii) completion of the proposed restructuring of the Group as contemplated under such agreement. The Investor and the Provisional Liquidators anticipate all existing liabilities owed to the creditors of the Company and creditors of its subsidiaries holding guarantees given by the Company will be compromised and discharged through a proposed Hong Kong scheme of arrangement.

Subject to, among other things, the approvals of the shareholders of the Company and the Stock Exchange upon completion of the abovementioned restructuring agreement, the Company's shares will resume trading on the Stock Exchange.

It is the Investor's intention to maintain the Group's existing retail business, currently conducted through New Profit Garment (Luo Ding) Company Limited, an indirect 90%-owned subsidiary of the Company which is currently the only operating subsidiary of the Company.

With the strong and continuous support provided by the Investor to the Group in terms of both business and financial aspects, the Group will be able to sustain its retail business at a sufficient level in the upcoming financial years and expand its retail business to a substantial level within a reasonable period of time after the resumption of trading in the shares of the Company on the Stock Exchange.

SUSPENSION OF TRADING OF THE COMPANY'S SHARES AND APPOINTMENT OF THE JOINT AND SEVERAL PROVISIONAL LIQUIDATORS

Trading in the Company's shares on Stock Exchange has been suspended since 30 July 2008. As stated in note 2 to the financial statements:

"On 11 September 2008, pursuant to a court order, Mr. Fok Hei Yu and Mr. Roderick John Sutton, both of Ferrier Hodgson Limited, were appointed as the Provisional Liquidators as a result of the Company's self petition for winding up and Bank of America N.A.'s application to support the winding up petition against the Company. Upon the appointment of the Provisional Liquidators, the powers of the directors were suspended with regard to the affairs and business of the Company.

Based on the books and records made available to them, the Provisional Liquidators are responsible for the accuracy and completeness of the contents of this report and the audited financial statements for the year ended 31 March 2009 in relation to (i) the affairs of the Group after the appointment of the Provisional Liquidators; and (ii) the preparation of the contents of these audited financial statements for the year ended 31 March 2009."

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

To the best knowledge of the Provisional Liquidators, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2009.

CORPORATE GOVERNANCE

Since the Provisional Liquidators were appointed on 11 September 2008 pursuant to an order of the High Court, the Provisional Liquidators are unable to comment as to whether the Company has complied with the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules throughout the year ended 31 March 2009.

REVIEW BY THE AUDIT COMMITTEE

Following the resignations of the Company's independent non-executive directors in or around September 2008, there have been no replacements of independent non-executive directors until the appointment of Mr. Pau Chin Hung, Andy, Mr. Choong Khuat Leok and Mr. Kooi Tock Chian on 7 October 2009 due to restricted financial resources. Accordingly, the Company did not establish an audit committee and has not complied with Rule 3.21 of the Listing Rules. The audited accounts of the Group for the year ended 31 March 2009 have therefore not been reviewed by an audit committee.

PUBLICATION OF INFORMATION ON WEBSITES

This results announcement is available for viewing on the website of Stock Exchange at www.hkex.com.hk and on the website of the Company at www.tackfatgroup.com.

For and on behalf of
TACK FAT GROUP INTERNATIONAL LIMITED
(Provisional Liquidators Appointed)
FOK Hei Yu
Roderick John Sutton
Joint and Several Provisional Liquidators
who act without personal liabilities

Hong Kong, 19 November 2009

As at the date of this announcement, the Board comprises (i) one non-executive Director, Mr. James D. McMullen; and (ii) three independent non-executive Directors, namely, Mr. Pau Chin Hung, Andy, Mr. Choong Khuat Leok and Mr. Kooi Tock Chian.