TACK FIORI INTERNATIONAL GROUP LIMITED

(previously known as Tack Fat Group International Limited)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2011

INTERIM RESULTS

The Board of Directors of Tack Fiori International Group Limited (the "Company") (previously known as Tack Fat Group International Limited) announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the six months ended 30 September 2011 together with comparative figures for the corresponding period as follows:

The unaudited condensed consolidated financial statements for the six months ended 30 September 2011 have been reviewed by the Company's Audit Committee and the Company's auditor in accordance with Hong Kong Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2011

(Amounts expressed in Hong Kong dollars)

		Unaudited Six months ended 30 September	
		2011	2010
	Notes	***$'000***	*$'000*
Turnover	*4*	**29,580**	22,788
Cost of sales		**(12,522)**	(12,782)
Gross profit		**17,058**	10,006
Other revenue	*5*	**63**	1,386
Gain on debt restructuring	*6*	**1,321,849**	—
Gain on bargain purchase	*7*	**21,563**	—
Gain on deconsolidation of subsidiaries	*8*	**56,376**	—
Distribution costs		**(18,330)**	(18,793)
Administrative and other operating expenses		**(24,002)**	(73,974)
Profit (loss) from operations		**1,374,577**	(81,375)
Finance costs	*9*	**(12,711)**	(17,759)
Profit (loss) before tax	*10*	**1,361,866**	(99,134)
Income tax	*11*	**—**	—
Profit (loss) for the period		**1,361,866**	(99,134)
Other comprehensive (expense) income:			
Exchange differences on translating foreign operations		**(137)**	266
Total comprehensive income (expense) for the period		**1,361,729**	(98,868)
Profit (loss) for the period attributable to:			
Owners of the Company		**1,362,032**	(98,652)
Non-controlling interests		**(166)**	(482)
		1,361,866	(99,134)
Total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**1,361,895**	(98,386)
Non-controlling interests		**(166)**	(482)
		1,361,729	(98,868)
			(restated)
Earnings (loss) per share	*12*		
— Basic		**158.30 cents**	(44.59 cents)
— Diluted		**125.12 cents**	N/A

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2011

(Amounts expressed in Hong Kong dollars)

	Notes	Unaudited 30 September 2011 $'000	Audited 31 March 2011 $'000
Non-current assets			
Property, plant and equipment		**5,958**	2,111
Trademark		**2,500**	—
		8,458	2,111
Current assets			
Inventories		**44,007**	18,762
Trade and other receivables	*13*	**15,548**	31,448
Escrow money		**325**	2,504
Loan receivable		**3,000**	—
Amounts due from deconsolidated subsidiaries		**—**	642
Cash and cash equivalents		**140,582**	3,378
		203,462	56,734
Current liabilities			
Trade and other payables	*14*	**8,793**	78,129
Provision for bank loan guarantees for deconsolidated subsidiaries		**—**	928,627
Other borrowings		**—**	52,390
Convertible bonds	*15*	**4,530**	121,557
Loans from the Investor		**—**	31,200
Amounts due to deconsolidated subsidiaries		**18,050**	234,567
		31,373	1,446,470
Net current assets (liabilities)		**172,089**	(1,389,736)
Total assets less current liabilities		**180,547**	(1,387,625)
Non-current liabilities			
Convertible bonds	*15*	**27,768**	—
NET ASSETS (LIABILITIES)		**152,779**	(1,387,625)
EQUITY			
Share capital	*16*	**229,869**	2,213
Deficiency		**(77,090)**	(1,436,953)
Total equity attributable to owners of the Company		**152,779**	(1,434,740)
Non-controlling interests		**—**	47,115
		152,779	(1,387,625)

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2011

1 GENERAL

Tack Fiori International Group Limited (the "Company", previously known as Tack Fat Group International Limited, 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 8th Floor, China United Centre, No. 28 Marble Road, North Point, Hong Kong. The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 29 April 2002 and have been suspended from trading since 30 July 2008 and was resumed trading on 9 August 2011.

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") and luxury goods and accessories retailing business (watches, audio equipments and products and other accessories) and sale of crystal gemming service and products in Hong Kong and PRC.

Pursuant to a special resolution passed during the annual general meeting of the Company on 30 September 2011, the English name of the Company was changed from Tack Fat Group International Limited to Tack Fiori International Group Limited and the Chinese name of the Company was changed from 德發集團國際有限公司 to 野馬國際集團有限公司. The new company name "Tack Fiori International Group Limited 野馬國際集團有限公司" has been registered in Cayman Islands and the Certificate of Incorporation on Change of Name has been issued by the Registrar of Companies in Cayman Islands on 14 October 2011. The Company has registered its new name in Hong Kong under Part XI of Companies Ordinance and the Certificate of Registration of Change of Corporate Name of Non-Hong Kong Company has been issued by the Registrar of Companies in Hong Kong on 23 November 2011.

The unaudited condensed consolidated financial statements for the six months ended 30 September 2011 are presented in Hong Kong dollars as the Hong Kong dollars is considered as the most appropriate presentation currency in view of the Company's past practice. All values are rounded to the nearest thousand ($'000) except otherwise indicated.

RESUMPTION OF TRADING AND COMPLETION OF GROUP RESTRUCTURING

Capitalised term used herein shall have the same meaning as those defined in the Company's circular dated 28 June 2011 (the "Circular"), announcements dated 13 July 2011, 26 July 2011, 2 August 2011 and 3 August 2011. Details of the development of the group reorganization and debt restructuring during the period are set out below:

On 8 August 2011, the Company announced that all the Resumption Conditions as set out in the Stock Exchange's letter dated 26 May 2011 have been satisfied and fulfilled on 5 August 2011. the Resumption Conditions set out in the letter from the Stock Exchange dated 26 May 2011 are as follows:

1) completion of the open offer, subscription of convertible bonds and all other transactions in the resumption proposal;

2) publication of a circular containing the following:

    a) detailed disclosure of the resumption proposal of the Company comparable to prospectus standard;

    b) profit forecast for each of the two years ending 31 March 2013 which should be prepared by the directors (including the proposed directors) after due and careful enquiry; and

    c) pro forma balance sheet upon completion of the resumption proposal;

3) provision of a comfort letter from the auditors or the financial advisor relating to working capital sufficiency for the next 12 months from the latest practicable date before the expected resumption date; and

4) provision of an undertaking to (a) appoint an independent professional advisor to conduct followup reviews on the internal control procedures within 6 months from the resumption date; and (b) disclose the review results in subsequent financial reports.

1 GENERAL (Continued)

RESUMPTION OF TRADING AND COMPLETION OF GROUP RESTRUCTURING *(Continued)*

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

(i) Completion of the Open Offer

As stated in the announcement of the Company dated 3 August 2011 , the Open Offer became unconditional at 4:30 p.m. on Tuesday, 2 August 2011 and has been completed.

(ii) Completion of the subscription of the Convertible Bonds

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

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

(iii) Completion of all other transactions in the resumption proposal

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

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

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

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

(iv) Publication of the Circular

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

(v) Provision of a working capital sufficiency comfort letter by the auditors

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

1 GENERAL (Continued)

RESUMPTION OF TRADING AND COMPLETION OF GROUP RESTRUCTURING (Continued)

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

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

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

Capitalised term used herein shall have the same meaning as these defined in the Company's announcements dated 8 September 2010, 26 July 2011 and 8 August 2011. Details of the development of the Scheme and the Restructuring Agreement are as follows:

The Hong Kong Scheme and the Cayman Scheme have been sanctioned by the Hong Kong Court and the Cayman Islands Court respectively, and have become effective on 5 August 2011. All the resolutions in respect of the transactions contemplated under the Restructuring Agreement were approved by the Independent Shareholders at the New EGM held on 13 July 2011.

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

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

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

2 BASIS OF PREPARATION

The unaudited condensed consolidated financial information for the six months ended 30 September 2011 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 'Interim Financial Reporting', issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The unaudited condensed consolidated interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2011, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations).

3 APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2011, as described in those annual financial statements.

a) Amendments to existing standards adopted by the Group

The following amendments to existing standards are mandatory for the first time for the financial year beginning 1 April 2011.

- HKAS 24 (Revised), "Related Party Disclosures" is effective for annual period beginning on or after 1 January 2011. It introduces an exemption from all of the disclosure requirements of HKAS 24 for transactions among government related entities and the government. Those disclosures are replaced with a requirement to disclose:

  — The name of the government and the nature of their relationship;

  — The nature and amount of any individually significant transactions; and

  — The extent of any collectively-significant transactions qualitatively or quantitatively.

It also clarifies and simplifies the definition of a related party.

- HKAS 34 (Amendment), "Interim Financial Reporting" is effective for annual periods beginning on or after 1 January 2011. It emphasises the existing disclosure principles in HKAS 34 and adds further guidance to illustrate how to apply these principles. Greater emphasis has been placed on the disclosure principles for significant events and transactions. Additional requirements cover disclosure of changes to fair value measurement (if significant), and the need to update relevant information from the most recent annual report. The change in accounting policy only results in additional disclosures.

b) Amendments and interpretations to existing standards effective for the financial year beginning 1 April 2011 but not relevant to the Group

- HKAS 32 (Amendment), "Classification of Rights Issues" is effective for annual periods beginning on or after 1 February 2010.

- HK (IFRIC)-Int 14 (Amendment), "Prepayments of a Minimum Funding Requirement" is effective for annual periods beginning on or after 1 January 2011.

- HK (IFRIC)-Int 19, "Extinguishing Financial Liabilities with Equity Instruments" is effective for annual periods beginning on or after 1 July 2010.

- Third improvements to Hong Kong Financial Reporting Standards (2010) were issued in May 2010 by the HKICPA, except for amendment to HKAS 34 "Interim Financial Reporting" as disclosed in note 3(a) and the clarification to allow the presentation of an analysis of the components of other comprehensive income by item within the notes, all are not currently relevant to the Group. All improvements are effective in the year ending 31 March 2012.

3 APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") (Continued)

c) The following new standards and amendments to standards have been issued but are not effective for the financial year beginning 1 April 2011 and have not been early adopted:

- HKFRS 1 (Amendment), "Disclosures — Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters" (effective for annual periods beginning on or after 1 July 2011).
- HKFRS 7 (Amendment), "Disclosures — Transfers of Financial Assets" (effective for annual periods beginning on or after 1 July 2011).
- HKFRS 9, "Financial Instruments" (effective for annual periods beginning on or after 1 January 2013).
- HKFRS 10, "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2013).
- HKFRS 11, "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2013).
- HKFRS 12, "Disclosure of Interests in Other Entities" (effective for annual periods beginning on or after 1 January 2013).
- HKFRS 13, "Fair Value Measurements" (effective for annual periods beginning on or after 1 January 2013).
- HKAS 1 (Amendment), "Presentation of Financial Statements" (effective for annual periods beginning on or after 1 July 2012).
- HKAS 12 (Amendment), "Deferred Tax: Recovery of Underlying Assets" (effective for annual periods beginning on or after 1 January 2012).
- HKFRS 19 (Amendment), "Employee Benefits" (effective for annual periods beginning on or after 1 January 2013).
- HKAS 27 (Amendment), "Separate Financial Statements" (effective for annual periods beginning on or after 1 January 2013).
- HKAS 28 (Amendment), "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2013).

4 TURNOVER AND SEGMENT INFORMATION

Business Segments

The Group operates and manages the business segments as strategic organisational units for internal financial reporting purposes and determined that business segments by products are its primary reporting segments. During the period, the Group acquired 100% interest in Z & Z International Limited, a group of companies offering a variety of products and services including high-end audio systems, luxury watches, fashion accessories, children's wear, custom designed antique-style furniture, as well as professional nail polishing services ("Luxury goods and accessories retailing business"), which resulted in a new business segment to the Group. As a result, the Group's operations was organised into two reporting segments comprising (i) apparel retailing business and (ii) luxury goods and accessories retailing business. Segment information about these businesses is presented below:

For the six months ended 30 September 2011 (Unaudited)

	Apparel retailing business *$'000*	**Luxury goods and accessories retailing business** *$'000*	**Consolidated** *$'000*
Turnover	**30,148**	**1,313**	**31,461**
Inter-segment revenue	**(1,881)**	**—**	**(1,881)**
	28,267	**1,313**	**29,580**
Segment result	**(22,448)**	**(2,826)**	**(25,274)**
Other revenue			**63**
Gain on debt restructuring			**1,321,849**
Gain on bargain purchase			**21,563**
Gain on deconsolidation of subsidiaries			**56,376**
Finance costs			**(12,711)**
Profit before taxation			**1,361,866**

For the six months ended 30 September 2010 (Unaudited)

	Apparel retailing business *$'000*	Luxury goods and accessories retailing business *$'000*	Consolidated *$'000*
Turnover	26,691	—	26,691
Inter-segment revenue	(3,903)	—	(3,903)
	22,788	—	22,788
Segment result	(82,761)	—	(82,761)
Other revenue			1,386
Finance costs			(17,759)
Loss before taxation			(99,134)

No geographical segments information was presented as over 90% of the Group's turnover for both periods was derived in the PRC.

5 OTHER REVENUE

	Unaudited Six months ended 30 September **2011** *$'000*	2010 *$'000*
Interest income	**13**	2
Exchange difference	**—**	334
Others	**50**	1,050
	63	1,386

6 GAIN ON DEBT RESTRUCTURING

During the period ended 30 September 2011, as explained in note 1 and pursuant to the Schemes, all the liabilities of the companies under the Schemes were discharged by the cash consideration of HK$50 million and the issuance of creditors convertible bonds with a principal amount of HK$20 million with a tenure of 1 year and an interest rate of 2% per annum. The gain on debt restructuring, representing the excess of liabilities discharged over the cash consideration of HK$50 million and the creditors convertible bonds of HK$20 million, was recognised in the unaudited condensed consolidated statement of comprehensive income and as follows:

	$'000
Convertible bonds	122,172
Provision for bank loans guarantees for deconsolidated subsidiaries	935,991
Other borrowings	52,687
Accruals and other payables	280,999
Liabilities discharged under the Schemes	1,391,849
Less: Cash consideration	50,000
Issuance of creditors convertible bonds	20,000
	70,000
Gain on debt restructuring	1,321,849

7 GAIN ON BARGAIN PURCHASE

During the period ended 30 September 2011, the Group acquired 100% equity interest of Z & Z International Limited at cash consideration of HK$16 million. The amount of gain on bargain purchase was arised from such acquisition and was calculated based on the difference between the consideration transferred and the net assets value of the acquiree.

(a) Provisional fair value of recognised amounts of identifiable assets acquired and liabilities recognised at the date of acquisition are as follows:

	Provisional fair value (Unaudited) *$'000*
Property, plant and equipment	3,009
Inventories	23,828
Loan receivables	3,058
Other receivables	4,158
Cash and cash equivalents	4,178
Trade payables	(410)
Other payables	(258)
	37,563

(b) Gain on bargain purchase

	(Unaudited) *$'000*
Consideration transferred	(16,000)
Less: recognised amount of identifiable net assets acquired	37,563
	21,563

(c) Net cash outflow on acquisition

	(Unaudited) *$'000*
Cash consideration paid	(16,000)
Less: cash and cash equivalents acquired	4,178
	(11,822)

8 GAIN ON DECONSOLIDATION OF SUBSIDIARIES

As part of the Group's restructuring took place during the period ended 30 September 2011, certain subsidiaries were deconsolidated and the assets and liabilities of the subsidiaries deconsolidated were as follows:

	(Unaudited)
	$'000
Cash and cash equivalents	1,856
Trade receivables	23,699
Other receivables and prepayments	3,585
Trade payables	(13,695)
Accruals and other payables	(11,909)
Amount due to a holding company	(29,826)
Net liabilities of the deconsolidated subsidiaries	(26,290)
Non-controlling interests	(46,949)
Released from exchange reserve	(12,963)
	86,202
Impairment loss on amount due from a deconsolidated subsidiary	(29,826)
Gain on deconsolidation of subsidiaries	56,376

Cash and cash equivalents deconsolidated

	(Unaudited)
	$'000
Cash and cash equivalents	(1,856)

9 FINANCE COSTS

	Unaudited Six months ended 30 September	
	2011	2010
	$'000	*$'000*
Interest on bank advances, other borrowings and convertible bonds wholly repayable within five years	**12,663**	17,719
Bank charges	**48**	40
	12,711	17,759

10 PROFIT (LOSS) BEFORE TAX

Profit (loss) before tax is arrived at after charging the following:

	Unaudited Six months ended 30 September 2011 $'000	2010 $'000
Restructuring costs and charges	**6,542**	4,915
Provision for bank loan guarantees for subsidiaries	**—**	59,691
Cost of inventories sold	**12,522**	12,782
Depreciation of property, plant and equipment	**1,452**	1,765

11 INCOME TAX

The provision for Hong Kong Profits Tax for the six months ended 30 September 2011 is calculated at 16.5% (six months ended 30 September 2010: 16.5%) of the estimated assessable profits for the period.

The Group's subsidiary in the PRC is subject to PRC Enterprise Income Tax at the rate of 25% (six months ended 30 September 2010: 25%) of its taxable income.

No Hong Kong Profits Tax and PRC Enterprise Income Tax was provided as there was no assessable profits and taxable income for both periods.

12 EARNINGS (LOSS) PER SHARE

(a) Basic Earnings (Loss) Per Share

The calculation of basic earnings (loss) per share is based on the profit (loss) attributable to ordinary equity shareholders of the Company for the six months ended 30 September 2011 of approximately HK$1,362.03 million (six months ended 30 September 2010: Loss of approximately HK$98.65 million) and the weighted average number of 860,398,487 ordinary shares in issue during the period (six months ended 30 September 2010: 221,261,680 ordinary shares after the adjustment of the effect of capital reorganisation as set out in note 16.

	Unaudited Six months ended 30 September 2011	2010
Profit (loss) attributable to shareholders *(HK$'000)*	**1,362,032**	(98,652)
Weighted average number of ordinary shares in issue *(per thousand)*	**860,398**	221,261
Basic earnings (loss) per share *(HK cents per share)*	**158.30 cents**	(44.59 cents)

The calculation of basic loss per share for the six months ended 30 September 2010 was restated as a result of the adjusting of the effect of capital reorganisation as set out in note 16.

(b) Diluted Earnings (Loss) Per Share

The calculation of diluted earnings per share for the six months ended 30 September 2011 is based on the adjusted profit attributable to equity holders of the Company of approximately HK$1,362.95 million and the weighted average number of ordinary shares of 1,089,349,296 shares after adjusting for the effects of all dilutive potential ordinary shares.

12 EARNINGS (LOSS) PER SHARE (Continued)

(b) Diluted Earnings (Loss) Per Share (Continued)

No diluted loss per share has been presented for the six months ended 30 September 2010 as the Company had no potential dilutive ordinary shares in issue during the period ended 30 September 2010.

	Unaudited Six months ended 30 September **2011**	2010
Profit attributable to shareholders *(HK$'000)*	**1,362,032**	N/A
Interest on convertible bonds *(HK$'000)*	**918**	N/A
Profit attributable to shareholders for diluted earnings per share *(HK$'000)*	**1,362,950**	N/A
Weighted average number of ordinary shares in issue *(per thousand)*	**860,398**	N/A
Effect of conversion of convertible bonds *(per thousand)*	**228,951**	N/A
Weighted average number of ordinary shares for diluted earnings per share *(per thousand)*	**1,089,349**	N/A
Diluted earnings (loss) per share *(HK cent per share)*	**125.12 cents**	N/A

13 TRADE AND OTHER RECEIVABLES

	Unaudited As at 30 September 2011 *$'000*	Audited As at 31 March 2011 *$'000*
Trade receivables	**3,486**	23,734
Less: Allowance for doubtful debts	**—**	(1,881)
	3,486	21,853
Other receivables and prepayments	**12,062**	9,595
	15,548	31,448

13 TRADE AND OTHER RECEIVABLES (Continued)

Ageing analysis

The following is an ageing analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

	Unaudited As at 30 September 2011 *$'000*	Audited As at 31 March 2011 *$'000*
0 – 90 days	**2,880**	10,058
91 – 180 days	**606**	1,062
181 – 365 days	**—**	2,249
Over 365 days	**—**	8,484
	3,486	21,853

14 TRADE AND OTHER PAYABLES

	Unaudited As at 30 September 2011 *$'000*	Audited As at 31 March 2011 *$'000*
Trade payables	**2,981**	19,655
Accruals and other payables	**5,812**	58,474
	8,793	78,129

The credit periods granted by suppliers ranged from 60 days to 90 days. The aged analysis of the trade payables is as follows:

	Unaudited As at 30 September 2011 *$'000*	Audited As at 31 March 2011 *$'000*
0 – 90 days	**2,629**	1,587
91 – 180 days	**—**	633
181 – 365 days	**—**	2,595
Over 365 days	**352**	14,840
	2,981	19,655

15 CONVERTIBLE BONDS

The convertible bonds as at 31 March 2011 was discharged under the Schemes which became effective on 5 August 2011.

15 CONVERTIBLE BONDS (Continued)

Investor Convertible Bonds and Creditor Convertible Bonds were issued on 5 August 2011 and details are as follows:

(a) Investor Convertible Bonds

On 5 August 2011, the Company issued the investor convertible bonds in the aggregate principal amount of HK$100 million, with zero coupon and 3-year tenure, convertible into shares at the conversion price of HK$0.10 per share (subject to anti-dilutive adjustment).

The investor convertible bonds may be converted into shares of the Company by the holder after the date of the issuance of the investor convertible bonds and before seven days before the maturity date at the conversion price of HK$0.10 per share (subject to anti-dilutive adjustment).

The investor convertible bonds may be redeemed by the Company after the date of the issuance of the investor convertible bonds (in whole or in part) at the principal amount.

Interest expense on the investor convertible bonds is calculated using the effective interest method by applying the effective interest rate of 11.12% to the adjusted liability component. As at 30 September 2011, the carrying amount of investor convertible bonds is approximately HK$27,768,000 which is classified as non-current liability.

(b) Creditor Convertible Bonds

On 5 August 2011, the Company issued the creditor convertible bonds in the aggregate principal amount of HK$20 million, with 2% coupon and 1-year tenure, convertible into shares at the conversion price of HK$0.10 per share (subject to anti-dilutive adjustment).

The creditor convertible bonds may be converted into shares of the Company by the holder after the date of the issuance of the creditor convertible bonds and before seven days before the maturity date at the conversion price of HK$0.10 per share (subject to anti-dilutive adjustment).

The creditor convertible bonds may be redeemed by the Company after the date of the issuance of the creditor convertible bonds (in whole or in part) at the principal amount.

Interest expense on the creditor convertible bonds is calculated using the effective interest method by applying the effective interest rate of 10.69% to the adjusted liability component. As at 30 September 2011, the carrying amount of the creditor convertible bonds is approximately HK$4,530,000 which is classified as current liability.

16 SHARE CAPITAL

	Notes	**Number of shares** *'000*	**Share capital** *HK$'000*
Authorised:			
Ordinary shares of HK$0.01 each at 31 March 2011 (audited)		**50,000,000**	**500,000**
Capital reorganisation:			
Share consolidation	*(b)*	**(45,000,000)**	**—**
Ordinary shares of HK$0.10 each at 30 September 2011 (unaudited)		**5,000,000**	**500,000**
Issued and fully paid:			
Ordinary shares of HK$0.01 each at 31 March 2011 (audited)		**221,261**	**2,213**
Shares issued upon Open Offer	*(a)*	**15,001,474**	**150,014**
Capital reorganisation — share consolidation	*(b)*	**(13,700,461)**	**—**
Conversion of convertible bonds	*(c)*	**776,421**	**77,642**
Ordinary shares of HK$0.10 each at 30 September 2011 (unaudited)		**2,298,695**	**229,869**

16 SHARE CAPITAL (Continued)

During the six months ended 30 September 2011, the movements in share capital were as follows:

(a) The Company issued 15,001,474,104 new shares on the basis of 339 offer shares for every 5 shares of HK$0.01 each (the "Open Offer").

(b) After completion of the Open Offer, the Company implemented the share consolidation on the basis that every 10 issued and unissued shares of HK$0.01 each was consolidated into one share of HK$0.10 each.

(c) 776,421,160 ordinary shares of HK$0.1 each were issued pursuant to the exercise of the conversion rights attaching to the Company's convertible bonds at a conversion price of HK$0.10 per share.

17 CONTINGENT LIABILITIES

The Group has no significant contingent liabilities at the balance sheet dates.

18 SIGNIFICANT SUBSEQUENT EVENTS

The Company entered into an option deed on 6 October 2011 with each of grantees in respect of the grant of share options by the Company. Under the option deed, the Company unconditionally agreed to grant share options for up to 300,000,000 shares in aggregate. The Company will convene an extraordinary general meeting for the shareholders to consider and, if thought fit, approve the grant of the share option.

FINANCIAL RESULTS

For the six months ended 30 September 2011, the Group's turnover was approximately HK$29.58 million (six months ended 30 September 2010: HK$22.79 million), representing an increase of approximately 30% from the corresponding period of last year.

The consolidated profit attributable to shareholders of the Company for the six months ended 30 September 2011 amounted to approximately HK$1,362.03 million (loss attributable to shareholders for six months ended 30 September 2010: HK$98.65 million). Earnings per share was approximately HK158.30 cents as compared with loss per share of approximately HK44.59 cents for the corresponding period of last year.

BUSINESS REVIEW

During the period, the Group acquired 100% in Z & Z International Limited, a group of companies offering a variety of products and services including high-end audio systems, luxury watches, fashion accessories, children's wear, custom designed antique-style furniture, as well as professional nail polishing services, which resulted in a new business segment to the Group. The business activities of the Group are (i) apparel retailing business in the People's Republic of China (the "PRC") and (ii) luxury goods and accessories retailing business in Hong Kong and PRC.

For the six months ended 30 September 2011, the Group recorded a turnover of approximately HK$29.58 million (six months ended 30 September 2010: HK$22.79 million), representing an increase of approximately 30% as compared to the corresponding period of last year. Included in the amount of turnover was HK$1.31 million (six months ended 30 September 2010: Nil) generated by the luxury goods and accessories retailing business, the new business acquired during the period. Turnover of the apparel retailing business amounted to HK$28.27 million (six months ended 30 September 2010: HK$22.79 million), representing an increase of 24% as compared with the same period in the previous year. The Group's overall gross profit margin was 58% (six months ended 30 September 2010: 44%), such increase was mainly due to the effective cost control over the operation after the group restructuring and a slight increase in products selling price.

Excluding the gain on debt restructuring of approximately HK$1,321.85 million, the gain on bargain purchase arising from business combination of approximately HK$21.56 million and gain on deconsolidation of subsidiaries of approximately HK$56.38 million, the operating loss of the Group was approximately HK$25.21 million (six months ended 30 September 2010: approximately HK$81.38 million, representing a decrease of 69% as compared with the same period in the previous year.

RESUMPTION OF TRADING AND COMPLETION OF GROUP RESTRUCTURING

Capitalised term used herein shall have the same meaning as these defined in the circular of the Company dated 28 June 2011, and the announcements of the Company dated 13 July 2011, 26 July 2011, 2 August 2011, 3 August 2011 and 8 August 2011.

All the Resumption Conditions as set out in letter from the Stock Exchange dated 26 May 2011 have been satisfied and fulfilled on 5 August 2011. Furthermore, the Cayman Scheme and the Hong Kong Scheme (the "Schemes") became effective on 5 August 2011 and the Provisional Liquidators were discharged on the same date. All the transactions contemplated in the Restructuring Agreement have been completed as at 5 August 2011.

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

PROSPECTS

Apparel retailing business

Due to the insolvency and winding up of all the subsidiaries engaged in manufacturing, ever since the Suspension, the Group has only been able to rescue and maintain its apparel retailing business under a brand name "*XXEZZ*" in the People's Republic of China ("PRC").

XXEZZ has specialised in women's and men's casual wear in the PRC since its establishment in 2002. *XXEZZ* positions itself in the mid-range and mainstream market targeting young adults aged from 18 to 35. The product line of *XXEZZ* includes T-shirt, pullover, knit wear, sweater, skirt, jacket, cargo pants, jeans, skirt, etc.

As at 30 September 2011, the Company's *XXEZZ* products are sold through its 59 self-operating stores and 4 authorized retailers, amongst which 46 self-operating stores and 4 authorized retailers are established after Suspension and 2 self-operating stores are established after Resumption. Those stores are located in 9 provinces in the PRC covering 12 cities such as Beijing, Shenzhen, Tianjin, Xian and Haerbin in PRC.

Luxury goods and accessories retailing business

On 30 August 2011, the Company entered into an Agreement to acquire the entire issued share capital in Z & Z International Limited ("Z & Z") (the "Acquisition").

Z & Z is a retail group offering a variety of products and services including high-end audio systems, luxury watches, fashion accessories, children's wear, custom designed antique-style furniture, as well as professional nail polishing services. Z & Z's retail outlets are positioned in the prime locations in Hong Kong and the PRC with target customers being middle to high income individuals.

The Board considers the Acquisition reflects a good opportunity for the Group to diversify its retail business while certain products offer synergy to the Group's existing business which are in the interests of the Company and its shareholders as a whole.

Business strategies

Although *XXEZZ* was long-established in PRC market and the Group has placed additional effort to restructure its merchandising and design team, upgrade of store layout and providing appropriate training to the sales staff. However, the delay in Resumption has caused negative impact on the image of the Group as well as the brand of *XXEZZ*. In addition, the competition remains fierce given the significant number of existing and new players in the market.

The management is continuing to work on rebuilding of brand image of *XXEZZ*, stabilizing the supplier source, adoption of more effective cost control scheme to lower the product cost, expanding the product lines and strengthening the internal staff training program. The management will focus on establishing and expansion of more sales network and developing more franchisees through (i) locating of suitable location for setting up of more self-operating stores; (ii) seeking regional agents for assisting the development of new authorised retailers; (iii) seeking for opportunities of co-operation and acquisition of existing retail network and channel; and (iv) putting more effort on marketing and promotion, which includes organizing of more trade fairs.

With the additional of sales network and channel through the acquisition of Z&Z, the management consider there will be synergy effect on both operating and marketing aspects in retailing business. And the growth of the retail business of the Group could be further enhanced and boosted through further acquisition of existing sales network if opportunities arisen.

AUDIT COMMITTEE

The condensed consolidated financial statements of the Company for the six months ended 30 September 2011 have not been audited, but have been reviewed by the Company's Audit Committee and the Company's auditor. The Audit Committee comprises the three independent non-executive directors of the Company. The primary duties of the Audit Committee are, amongst other matters, to communicate with the management of the Company; and to review the accounting principles and practices, internal control, interim and annual results of the Group.

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

For the six months ended 30 September 2011, neither the Company nor any of it subsidiaries purchased, redeemed or sold any of the Company's listed securities.

INTERIM DIVIDEND

There will not be a payment of an interim dividend for the six months ended 30 September 2011 (six months ended 30 September 2010: Nil).

CODE ON CORPORATE GOVERNANCE PRACTICES

The Company's code on corporate governance practices was adopted by reference to the provisions of the Code on Corporate Governance Practices contained in Appendix 14 to the Listing Rules (the "CG Code"). However, due to the severe financial difficulties of the Group before the Resumption and the appointment of the Provisional Liquidators who was discharged during the period, the Directors are unable to comment as to whether the Company has complied with the CG Code throughout the six months ended 30 September 2011.

But after adoption of reviewing and rectifying procedures on the compliance of CG Code since Resumption, none of the directors of the Company is aware of information that would reasonably indicate that the Company was not in compliance with the CG Code as of the date of the reporting, except that the Independent Non-executive Directors were not appointed for specific term. In accordance with the Provision 84 of the Articles of Association of the Company, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall be retired from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

INTERNAL CONTROL

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

The Company engaged Graham H.Y. Chan & Co ("Graham"), an independent professional accountants firm to perform follow up review of the internal control systems of the Company and its major subsidiaries (the "Systems") on 4 October 2011. "Internal Control and Risk Management — a Basic Framework" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") was applied as criteria for evaluation of the effectiveness of the Systems. In accordance with the Report of Factual Findings issued by Graham, appropriate remedial actions had been taken by the Group for all control deficiencies found in previous internal review report issued by Graham dated 16 June 2009, except that Independent Non-executive Directors were not appointed for specific terms. No new control deficiency was found. Such non-compliance with the Code of Corporate Governance Practices under the Listing Rules had been disclosed in separate heading under "Code on Corporate Governance Practices".

ADOPTED CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 of the Listing Rules (the "Model Code") as the code of conduct regarding securities transactions by the Directors.

To the best knowledge of the Directors, after making reasonable enquiries, all the existing Directors have complied with the required standard set out in the Model Code during the six months ended 30 September 2011.

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is published on the web sites of the Stock Exchange (www.hkex.com.hk) and the Company (www.tackfiori.com). The Group's Interim Financial Report for 2011 will be despatched to the shareholders of the Company and available on the above web sites in due course.

By order of the Board
TACK FIORI INTERNATIONAL GROUP LIMITED
(previously known as Tack Fat Group International Limited)
Liu On Bong, Peter
Vice Chairman

Hong Kong, 30 November 2011

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

Executive Directors:

Mr. Chiu Siu Po *(Chairman)*
Mr. Liu On Bong, Peter *(Vice Chairman)*
Mr. Chan Chak Kai, Kenneth
Mr. Wan Wai Hei, Wesley
Mr. Au Wai June

Independent Non-Executive Directors:

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