TACKFIORI
INTERNATIONAL GROUP LIMITED

TACK FIORI INTERNATIONAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)

FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2012

The board (the "**Board**") of directors (the "**Directors**") of Tack Fiori International Group Limited (the "**Company**") are pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2012 together with comparative figures for the year ended 31 March 2011 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2012
(Amounts expressed in Hong Kong dollars)

	Notes	**2012** **$'000**	2011 $'000
Turnover	3	**56,516**	53,694
Cost of sales		**(39,682)**	(23,462)
Gross profit		**16,834**	30,232
Other revenue	4	**902**	19,965
Gain on debt restructuring	6	**1,321,849**	—
Gain on bargain purchase	7	**21,563**	—
Gain on deconsolidation of subsidiaries	8	**56,376**	11,713
Provision for bank loan guarantees for deconsolidated subsidiaries		**—**	(59,691)
Distribution costs		**(44,971)**	(35,535)
Administrative and other operating expenses		**(65,520)**	(24,649)
Finance costs	9	**(13,428)**	(34,780)
Profit (loss) before tax	10	**1,293,605**	(92,745)
Tax	11	**—**	1,564
Profit (loss) for the year		**1,293,605**	(91,181)
Other comprehensive income:			
Exchange differences on translating foreign operations		**264**	202
Total comprehensive income (expense) for the year		**1,293,869**	(90,979)
Profit (loss) for the year attributable to:			
— Owners of the Company		**1,293,771**	(93,138)
— Non-controlling interests		**(166)**	1,957
		1,293,605	(91,181)
Total comprehensive income (expense) for the year attributable to:			
— Owners of the Company		**1,294,035**	(92,936)
— Non-controlling interests		**(166)**	1,957
		1,293,869	(90,979)
			(restated)
Earnings (loss) per share	12		
— Basic		**76.61 cents**	(420.9) cents
— Diluted		**68.94 cents**	(420.9) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2012

(Amounts expressed in Hong Kong dollars)

	Notes	**2012** **$'000**	2011 $'000
Non-current assets			
Property, plant and equipment		**13,965**	2,111
Trademark		**2,438**	—
		16,403	2,111
Current assets			
Inventories		**35,404**	18,762
Trade and other receivables	*14*	**22,695**	31,448
Escrow money		**72**	2,504
Loans receivable		**3,270**	—
Amounts due from deconsolidated subsidiaries		**—**	642
Bank balances and cash		**121,183**	3,378
		182,624	56,734
Current liabilities			
Trade and other payables	*15*	**16,377**	78,129
Provision for bank loan guarantees for deconsolidated subsidiaries		**—**	928,627
Other borrowings		**—**	52,390
Convertible bonds	*16*	**—**	121,557
Loans from an investor		**—**	31,200
Amounts due to deconsolidated subsidiaries		**18,267**	234,567
		34,644	1,446,470
Net current assets (liabilities)		**147,980**	(1,389,736)
NET ASSETS (LIABILITIES)		**164,383**	(1,387,625)
CAPITAL AND RESERVES			
Share capital	*17*	**318,201**	2,213
Deficiency		**(153,818)**	(1,436,953)
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**164,383**	(1,434,740)
Non-controlling interests		**—**	47,115
TOTAL EQUITY		**164,383**	(1,387,625)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 31 March 2012

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 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. 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 audited consolidated financial statements for the year ended 31 March 2012 are presented in Hong Kong dollars, as in the opinion of the directors, it will be more useful for the users as the Company is listed in Hong Kong. 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 year 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 follow up reviews on the internal control procedures within 6 months from the resumption date; and (b) disclose the review results in subsequent financial reports.

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.

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

In the current year, the Group has applied the following new and revised HKFRs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Amendments to HKFRSs	Improvements to HKFRSs issued in 2010
HKAS 24 (Revised 2009)	Related party disclosures
Amendments to HK(IFRIC)-INT 14	Prepayments of a minimum funding requirement
HK(IFRIC)-INT 19	Extinguishing financial liabilities with equity instruments

The application of the new and revised HKFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior years and/or disclosures set out in these consolidated financial statements.

The Group has not early applied the following new and revised HKFRs that have been issued but are not yet effective:

Amendments to HKFRSs	Annual improvements to HKFRSs 2009–2011 cycle[2]
Amendments to HKFRS 1	Severe hyperinflation and removal of fixed dates for first-time adopters[1]
Amendments to HKFRS 1	Government loans[2]
Amendments to HKFRS 7	Disclosures — Transfers of financial assets[1]
Amendments to HKFRS 7	Disclosures — Offsetting financial assets and financial liabilities[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
HKFRS 9	Financial instruments[3]
HKFRS 10	Consolidated financial statements[2]
HKFRS 11	Joint arrangements[2]
HKFRS 12	Disclosure of interests in other entities[2]
HKFRS 13	Fair value measurement[2]
Amendments to HKAS 1	Presentation of items of other comprehensive income[5]
Amendments to HKAS 12	Deferred tax — Recovery of underlying assets[4]
HKAS 19 (Revised 2011)	Employee benefits[2]
HKAS 27 (Revised 2011)	Separate financial statements[2]
HKAS 28 (Revised 2011)	Investments in associates and joint ventures[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[6]
HK(IFRIC)-INT 20	Stripping costs in the production phase of a surface mine[2]

1 Effective for accounting periods beginning on or after 1 July 2011.
2 Effective for accounting periods beginning on or after 1 January 2013.
3 Effective for accounting periods beginning on or after 1 January 2015.
4 Effective for accounting periods beginning on or after 1 January 2012.
5 Effective for accounting periods beginning on or after 1 July 2012.
6 Effective for accounting periods beginning on or after 1 January 2014.

New and revised standards on consolidation, joint arrangements, associates and disclosures

In June 2011, a package of five standards on consolidation, joint arrangements, associates and disclosures was issued, including HKFRS 10, HKFRS 11, HKFRS 12, HKAS 27 (as revised in 2011) and HKAS 28 (as revised in 2011).

Key requirements of these five standards are described below.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements and HK(SIC) — INT 12 "Consolidation — Special purpose entities". HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios.

HKFRS 11 replaces HKAS 31 "Interests in joint ventures" and HK(SIC) — INT 13 "Jointly controlled entities — Non-monetary contributions by venturers". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, joint arrangements are classified as joint operations or joint ventures, depending on the rights and obligations of the parties to the arrangements.

In contrast, under HKAS 31, there are three types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting.

HKFRS 12 is a disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the disclosure requirements in HKFRS 12 are more extensive than those in the current standards.

These five standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted provided that all of these five standards are applied early at the same time.

The directors anticipate that these standards will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and are in the process of performing a detailed analysis of the impact of the application of this standard and hence have not yet quantified the extent of this impact.

HKFRS 13 Fair value measurement

HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of HKFRS 13 is broad and it applies to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in HKFRS 13 are more extensive than those in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under HKFRS 7 "Financial instruments: Disclosures" will be extended by HKFRS 13 to cover all assets and liabilities within its scope.

HKFRS 13 is effective for annual periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 13 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013 and are in the process of performing a detailed analysis of the impact of the application of this standard and hence have not yet quantified the extent of this impact.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012. The directors anticipate that the amendments to HKAS 1 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2013. Upon adoption, the presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

Amendments to HKAS 12 Deferred tax — Recovery of underlying assets

The amendments to HKAS 12 provide an exception to the general principles in HKAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. Specifically, under the amendments, investment properties that are measured using the fair value model in accordance with HKAS 40 "Investment property" are presumed to be recovered through sale for the purposes of measuring deferred taxes, unless the presumption is rebutted in certain circumstances.

The amendments to HKAS 12 are effective for annual periods beginning on or after 1 January 2012. The directors anticipate that the amendments to HKAS 12 will be adopted in the Group's consolidated financial statements for the annual period beginning 1 April 2012 and are in the process of performing a detailed analysis of the impact of the application of this standard and hence have not yet quantified the extent of this impact.

Other than as described above, the directors anticipate that the application of other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

3 TURNOVER

Turnover represents the aggregate of the invoiced value of goods sold and is stated after deducting trade discounts and sales taxes. Details of the turnover are set out below:

	2012	2011
	HK$'000	*HK$'000*
Apparel retailing business	**51,386**	53,694
Luxury goods and accessories retailing business	**5,130**	—
	56,516	53,694

4 OTHER REVENUE

	2012	2011
	$'000	*$'000*
Interest income	**539**	4
Written back of trade payables	**—**	18,607
Others	**363**	1,354
	902	19,965

5 SEGMENT INFORMATION

Operating Segments

The Group operates and manages the business units as strategic organisational units for internal financial reporting purposes and determined that business segments by products are its primary reporting segments. During the year, 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 segment to the Group. As a result, the Group's operations was organised into two operating and reportable segments comprising (i) apparel retailing business and (ii) luxury goods and accessories retailing business. Segment information about these businesses is presented below:

For the year ended 31 March 2012

	Apparel retailing business *$'000*	Luxury goods and accessories retailing business *$'000*	Consolidated *$'000*
Segment revenue	**53,267**	**5,130**	**58,397**
Intra-segment revenue	**(1,881)**	**—**	**(1,881)**
	51,386	**5,130**	**56,516**
Segment result	**(38,972)**	**(12,697)**	**(51,669)**
Unallocated corporate expenses			**(41,988)**
Other revenue			**902**
Gain on debt restructuring			**1,321,849**
Gain on bargain purchase			**21,563**
Gain on deconsolidation of subsidiaries			**56,376**
Finance costs			**(13,428)**
Profit before taxation			**1,293,605**

For the year ended 31 March 2011

	Apparel retailing business $'000	Luxury goods and accessories retailing business $'000	Consolidated $'000
Segment revenue	62,220	—	62,220
Intra-segment revenue	(8,526)	—	(8,526)
	53,694	—	53,694
Segment result	(29,952)	—	(29,952)
Other revenue			19,965
Gain on deconsolidation of subsidiaries			11,713
Provision for bank loan guarantees for deconsolidated subsidiaries			(59,691)
Finance costs			(34,780)
Loss before taxation			(92,745)

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

6 GAIN ON DEBT RESTRUCTURING

During the year ended 31 March 2012, as explained in note 1 and pursuant to the Schemes which defined in the circular issued by the Company dated 28 June 2011, 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 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	46,332
Amounts due to deconsolidated subsidiaries	234,667
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
Net cash outflow from debt restructuring	(50,000)

7 GAIN ON BARGAIN PURCHASE

On 30 August 2011, the Group acquired 100% equity interest of Z & Z International Limited at cash consideration of HK$16 million. This acquisition has been accounted for using the acquisition method. Z & Z International Limited and its subsidiaries ("Z & Z Group") are engaged in 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. Z & Z Group was acquired so as to diversify the Group's retails business while certain products from Z & Z Group offer synergy to the Group's existing business which are in the interests of the Company and its shareholders as a whole. 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 fair value of the assets and liabilities of the acquiree.

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

	Fair value
	$'000
Property, plant and equipment	3,009
Inventories	23,828
Loan receivables	3,058
Other receivables	4,158
Bank balances and cash	4,178
Trade payables	(410)
Other payables	(258)
	37,563

(b) Gain on bargain purchase

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

(c) Net cash outflow on acquisition

	$'000
Cash consideration paid	(16,000)
Less: Bank balances and cash acquired	4,178
	(11,822)

(d) Acquisition related cost of approximately HK$5,000 had been excluded from the consideration transferred and have been recognised as an expense in the consolidated statement of comprehensive income during the year. Turnover and profit for the year includes approximately HK$5,130,000 and a loss of HK$12,707,000 were generated by Z & Z Group from the acquisition date (30 August 2011) to 31 March 2012 respectively. Management are of the view that it is impracticable to disclose the revenue and the results of Z & Z Group for the period from 1 April 2011 to 31 March 2012 as if the acquisition had been effected on 1 April 2011 since such financial information was not provided by the vendor.

8 GAIN ON DECONSOLIDATION OF SUBSIDIARIES

During the year ended 31 March 2012, as explained in note 1 and pursuant to the Schemes which defined in the circular issued by the Company dated 28 June 2011, deconsolidation of certain subsidiaries were effected. The assets including its bank balance and cash and liabilities of these subsidiaries were deconsolidated from the consolidated financial statements of the Group and were as follows:

	$'000
Bank balances and cash	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

Bank balances and cash deconsolidated

	$'000
Bank balances and cash	(1,856)

9 FINANCE COSTS

	2012	2011
	$'000	*$'000*
Interest on bank advances and other borrowings wholly repayable within five years	**11,135**	33,737
Interest on convertible bonds	**2,143**	966
Bank charges	**150**	77
	13,428	34,780

10 PROFIT (LOSS) BEFORE TAX

The profit (loss) before tax is stated after charging:

	2012	2011
	$'000	*$'000*
Directors' remuneration	**3,391**	590
Retirement benefit scheme contributions (excluding directors' retirement benefit scheme contributions)	**235**	2,238
Staff costs, excluding directors' remuneration	**18,400**	10,310
Share-based payment (excluding those related to directors)	**1,330**	—
	23,356	13,138
Cost of inventories sold	**39,682**	23,462
Depreciation for property, plant and equipment	**3,671**	2,522
Amortisation for trademark	**62**	—
Auditor's remuneration	**1,259**	685
Bad debts written off	**—**	1,951
Loss on disposal of property, plant and equipment	**692**	601
Deposit written off	**—**	908
Operating lease rental on premises	**23,789**	16,185
Restructuring costs and charges (included in administrative and other operating expenses)	**9,447**	—

11 TAX

	2012	2011
	$'000	*$'000*
Hong Kong Profits Tax	**—**	—
PRC Enterprise Income Tax		
— Current year	**—**	—
— Over-provision in previous years	**—**	(1,564)
	—	(1,564)

The provision for Hong Kong Profits Tax for the year ended 31 March 2012 is calculated at 16.5% (year ended 31 March 2011: 16.5%) of the estimated assessable profits for the year. No Hong Kong Profits Tax was provided as there was no assessable profits for both years.

The Group's subsidiaries in the PRC is subject to PRC Enterprise Income Tax at the rate of 25% (year ended 31 March 2011: 25%) of its taxable income.

No PRC Enterprise Income Tax was provided as there was no assessable profits for both years.

12 EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share attributable to owners of the Company is based on the following data:

Earnings	Year ended 31 March **2012**	2011
Earnings for the purpose of basic earnings (loss) per share *(HK$'000)*:		
Profit (loss) attributable to owners of the Company	**1,293,771**	(93,138)
Add: Interest on convertible bonds issued during the year	**1,529**	N/A
Earnings (loss) for the purpose of diluted earnings (loss) per share	**1,295,300**	(93,138)

Number of shares	Year ended 31 March **2012**	2011 (restated)
Weighted average number of ordinary shares for the purposes of basic earnings per share	**1,688,865,739**	22,126,068
Effect of dilutive potential ordinary shares: convertible bonds	**190,133,803**	N/A
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**1,878,999,542**	22,126,068

The calculation of basic loss per share for the year ended 31 March 2011 was restated as a result of the effect of capital reorganisation as set out in note 17.

No diluted loss per share for the year ended 31 March 2011 is presented as the Company did not have any dilutive potential ordinary shares during the year ended 31 March 2011.

13 DIVIDEND

No dividend were paid or proposed during the year, nor has any dividend been proposed since the end of the reporting period (2011: Nil).

14 TRADE AND OTHER RECEIVABLES

	2012	2011
	$'000	*$'000*
Trade receivables	**8,621**	23,734
Less: Allowance for doubtful debts	**—**	(1,881)
	8,621	21,853
Other receivables and prepayments	**14,074**	9,595
	22,695	31,448

The Group allows an average credit period of 30 – 90 days to its trade customers. 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:

	2012	2011
	$'000	*$'000*
0–90 days	**6,794**	10,058
91–180 days	**1,826**	1,062
181–365 days	**1**	2,249
Over 365 days	**—**	8,484
	8,621	21,853

The Group did not have significant concentration of credit risk as the trade receivables consist of a large number of customers.

15 TRADE AND OTHER PAYABLES

	2012	2011
	$'000	*$'000*
Trade payables	**8,760**	19,655
Other payables and accruals	**7,617**	58,474
	16,377	78,129

The credit periods granted by suppliers ranged from 60 days to 90 days. The following is an ageing analysis of trade payable presented based on the invoice date at the end of the reporting period.

	2012	2011
	$'000	*$'000*
0–90 days	**3,900**	1,587
91–180 days	**3,033**	633
181–365 days	**—**	2,595
Over 365 days	**1,827**	14,840
	8,760	19,655

16 CONVERTIBLE BONDS

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

Investor convertible bonds with principal amount of HK$100 million and creditor convertible bonds with principal amount of HK$20 million were issued on 5 August 2011 as part of the group restructuring as discribed in note 1. 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).

Unless previously converted into shares, the outstanding investor convertible bonds will be redeemed at 100% of their outstanding principal amount on the maturity date.

Investor convertible bond contains two components, liability and equity elements. The equity element amounted to HK$27,139,000 at date of issue was presented in equity heading "convertible bond equity reserve". 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. All investor convertible bonds were converted during the year ended 31 March 2012.

The movement of the liability component of the investor convertible bond for the year is set out below:

	HK$'000
Recognised on date of issue	72,861
Interest charge	1,287
Converted into shares	(74,148)
Carrying amount at 31 March 2012	—

(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).

Unless previously converted into shares, the outstanding creditor convertible bonds will be redeemed at 100% of their outstanding principal amount on the maturity date.

Creditor convertible bond contains two components, liability and equity elements. The equity element amounted to HK$1,575,000 at date of issue was presented in equity heading "convertible bond equity reserve". 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. All creditor convertible bond were converted during the year ended 31 March 2012.

The movement of the liability component of the creditor convertible bonds for the year is set out below:

	HK$'000
Recognised on date of issue	18,425
Interest charge	242
Reclassified to interest payable	(52)
Converted into shares	(18,615)
Carrying amount at 31 March 2012	—

17 SHARE CAPITAL

Authorised and Issued Share Capital

	Notes	**Number of shares** '000	**Share capital** *HK$'000*
Authorised:			
Ordinary shares of HK$0.01 each at 31 March 2011		50,000,000	500,000
Capital reorganisation:			
Share consolidation	*(b)*	(45,000,000)	—
Ordinary shares of HK$0.10 each at 31 March 2012		5,000,000	500,000
Issued and fully paid:			
Ordinary shares of HK$0.01 each at 31 March 2011		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)*	1,200,000	120,000
Placement of shares	*(d)*	459,739	45,974
Ordinary shares of HK$0.10 each at 31 March 2012		3,182,013	318,201

During the year ended 31 March 2012, 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) 1,200,000,000 ordinary shares of HK$0.10 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.

(d) 459,738,927 ordinary shares of HK$0.10 each were issued at HK$0.10 per share through a placing agent.

All new shares rank pari passu with the then existing shares in all respects.

18 PLEDGE OF ASSETS AND CONTINGENT LIABILITIES

The Group and the Company have no pledge of assets and contingent liabilities as at 31 March 2012.

19 EVENTS AFTER THE REPORTING PERIOD

On 11 April 2012, the Company announced that the Directors propose to put forward to the shareholders the proposal for the capital reorganisation which will involve:

(i) the share consolidation, whereby every five (5) issued and unissued Shares of HK$0.10 each in the existing share capital of the Company will be consolidated into one (1) consolidated share of HK$0.50 each;

(ii) the capital reduction, whereby the paid-up capital of the consolidated shares will be cancelled to the extent of HK$0.49 per consolidated share so as to form a new share of HK$0.01;

(iii) the transfer, whereby the entire amount of the credit arising from the capital reduction will be transferred to a distributable reserve account of the Company which may be utilised by the Directors in accordance with the articles of association of the Company or any applicable laws; and

(iv) the share subdivision, whereby the authorised but unissued consolidated shares of HK$0.50 each will be subdivided into fifty (50) new shares of HK$0.01 each.

The capital reorganization have not yet been effected as of the date of this report.

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the year ended 31 March 2012 (2011: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For year ended 31 March 2012, the Group recorded a turnover of approximately HK$56.5 million (year ended 31 March 2011: HK$53.7 million), representing an increase of approximately 5.2% as compared to the last year. The consolidated profit attributable to owners of the Company for the year ended 31 March 2012 amounted to approximately HK$1,293.8 million (loss attributable to owners of the Company for the year ended 31 March 2011: HK$93.1 million). Earnings per share was approximately 76.61 cents as compared with loss per share of approximately 420.9 cents for the last year. The Group's overall gross profit margin was 29.8% (year ended 31 March 2011: 56.3%), such decrease was mainly due to the increase of luxury goods and accessories sales with relatively lower gross profit margin and the write off of aged inventories. Excluding the gain on debt restructuring of approximately HK$1,321.9 million, the gain on bargain purchase arising from business combination of approximately HK$21.6 million and gain on deconsolidation of subsidiaries of approximately HK$56.4 million, the operating loss of the Group was approximately HK$106.3 million (year ended 31 March 2011: approximately HK$102.9 million, representing an increase of HK$3.4 million as compared with the previous year.

BUSINESS REVIEW

Apparel retailing business

Turnover of the apparel retailing business amounted to HK$51.4 million (year ended 31 March 2011: HK$53.7 million), representing a decrease of 4.3% as compared with the last year and accounting for 91.0% of the Group's total turnover. As for segment results, that of the apparel retailing business recorded a loss of HK$39.0 million, representing an increase of 30.1% as compared with HK$30.0 million of last year. The increase of loss in the segment result was mainly due to the write off of aged inventories during the year.

Luxury accessories retailing business

Included in the amount of turnover was HK$5.1 million (year ended 31 March 2011: Nil) generated by the luxury goods and accessories retailing business, the new business acquired during the year. This segment recorded a loss in segement result of HK$12.7 million during the period since acquired by the Group.

PROSPECTS

Apparel retailing business

During the period under review and since resumption of trading of the Company's shares, the Group had placed additional effort to restructure its merchandising and design, upgrading of the store layouts, establishing flagshops in prime cities, and providing appropriate training to the marketing and sales team, so as to rebuilding the brand image of the Group's apparel products. As of 31 March 2012, the Group had established 29 fashion outlets. Those outlets are located in 11 provinces in the PRC covering 13 cities such as Beijing, Guangzhou, Tianjin, Xian and Haerbin in PRC. Management is continuing to work on rebuilding of the Group's brand image, 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. 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. Throughout the continuing effort and development made by the Group, as of 31 May 2012, the Group had established 57 fashion outlets located in 17 provinces in the PRC covering 24 cities.

Luxury goods and accessories retailing business

On 30 August 2011, the Company acquired 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.

With the additional of sales network and channel through the acquisition of Z & Z, 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.

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**").

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The management and control of the Group's financial and capital management are centralized at its headquarters in Hong Kong. The Group adheres to the principle of prudent financial management to minimise financial and operational risks. The Group mainly relies upon internally generated funds to finance its operations and expansion.

As at 31 March 2012, the Group have no bank and other borrowings. As at 31 March 2012, the Group's current assets and current liabilities were HK$182.6 million and HK$34.6 million respectively. The Group's current ratio increased to 5.27 times (31 March 2011: net current liabilities of HK$1,389.7 million).

In January 2012, the Company completed the placing of 459,738,927 new shares at the placing price of HK$0.10 per share to raise net proceeds of approximately HK$44 million for general working capital. The majority of the funds raised by the placing have been applied as initially intended and "general working capital" purpose.

CAPITAL COMMITMENT

As of 31 March 2012, the Group had no material capital commitment.

PLEDGE OF ASSETS

As of 31 March 2012, the Group had no pledge of assets.

CONTINGENT LIABILITIES

As of 31 March 2012, the Group had no significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2012, the Group had 415 full-time employees excluding directors (2011: 306 full-time employees).

The Group offers an attractive remuneration policy and provides training programmes which are complementary to certain job functions. Total staff cost for employees (including the directors' remuneration) was HK$23.3 million for the year (2011: HK$13.1 million). The increase in total remuneration of the employees was mainly due to the increase in the number of staff and an increase in the average salaries of employees.

AUDIT COMMITTEE

The Audit Committee comprises of all three independent non-executive directors, namely Mr. Yau Yan Ming, Raymond (Chairman of the Audit Committee), Dr. Leung Shiu Ki, Albert and Mr. Robert James IAIA, with the chairman possessing the appropriate professional qualifications and accounting expertise.

The Company's annual results for the year ended 31 March 2012 have been reviewed by the Audit Committee.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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 2012.

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 year, the Directors are unable to comment as to whether the Company has complied with the CG Code throughout the year ended 31 March 2012. 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.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct for securities transactions by directors and employees (the "**Securities Code**") with standards no less exacting than that of the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules. Having made specific enquiries, all directors and relevant employees (as defined in the Listing Rules) of the Company confirmed that they have complied with the Securities Code and Model Code throughout the year.

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 Annual Report 2012 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
Chan Chak Kai, Kenneth
Executive Director

Hong Kong, 29 June 2012

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
Mr. Ng Jackson

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