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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tack Fat Group International Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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TACK FAT GROUP INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)

- (1) GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES**
- (2) REFRESHMENT OF THE SCHEME MANDATE LIMIT
OF THE SHARE OPTION SCHEME**
- (3) CHANGE OF COMPANY NAME**
- (4) CHANGE IN BOARD LOT SIZE**
- (5) RE-ELECTION OF DIRECTORS**
- (6) ADOPTION OF NEW ARTICLES OF ASSOCIATION AND**
- (7) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at 9:00 a.m. on Friday, 30 September 2011 at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong is set out at pages 34 to 38 of this circular. A form of proxy for use at the annual general meeting is also enclosed.

Whether or not you intend to attend the annual general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the said meeting or any adjourned meeting thereof should you so wish and in such event, the form of proxy shall deemed to be revoked.

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at 9:00 a.m. on Friday, 30 September 2011 at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong, for the purpose of considering and if thought fit, approving the resolutions proposed in this circular
“Articles of Association”	the articles of association of the Company as amended from time to time
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	Tack Fat Group International Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“General Mandate”	a general and unconditional mandate to be granted to the Directors to allot, issue and otherwise deal with new share and other securities, with an aggregate nominal amount not exceeding the sum of 20% of the issued share capital of the Company as at the date of passing of the relevant resolutions, and the aggregate nominal value of the share capital of the Company repurchased by the Company (if any)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	5 September 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China

DEFINITIONS

“Proposed Refreshment”	the 10% limit under the Share Option Scheme proposed to be refreshed by the Shareholders at the Annual General Meeting pursuant to which the Board may grant share options to eligible participants to subscribe up to 10% of the Shares in issue as at the date of the Annual General Meeting
“Repurchase Mandate”	a general and unconditional mandate to the Directors to exercise the power of the Company to repurchase shares in the capital of the Company up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolutions
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all the share options to be granted under the Share Option Scheme and such other schemes of the Company which initially shall not in aggregate exceed 10% of the Shares in issue as at the date of the approval of the Share Option Scheme by the Shareholders and thereafter, if refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit by the Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option Scheme”	the share option scheme adopted by the Company dated 11 April 2002
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

LETTER FROM THE BOARD



TACK FAT GROUP INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)

Executive Directors:

Mr. Chiu Siu Po (*Chairman*)
Mr. Liu On Bong, Peter (*Vice Chairman*)
Mr. Ho Tak Fun
Mr. Au Wai June
Mr. King Phillip

Registered Office:

Cricket Square,
Hutchins Drive
P.O. Box 2681
Grand Cayman, KY1-1111
Cayman Islands

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

Principal place of business

in Hong Kong:
8th Floor, China United Centre
28 Marble Road
North Point
Hong Kong

7 September 2011

To the Shareholders

Dear Sir or Madam,

- (1) GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES**
(2) REFRESHMENT OF SCHEME MANDATE LIMIT
OF THE SHARE OPTION SCHEME
(3) CHANGE OF COMPANY NAME
(4) CHANGE IN BOARD LOT SIZE
(5) RE-ELECTION OF DIRECTORS
(6) ADOPTION OF NEW ARTICLES OF ASSOCIATION AND
(7) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the Annual General Meeting relating to the granting to the Board of the general mandates to allot, issue and deal with the Shares and to repurchase Shares, the refreshment of the Scheme Mandate Limit, the change of the Company's name, the change in board lot size for the trading of Shares, the re-election of Directors, and the adoption of new Articles of Association.

LETTER FROM THE BOARD

At the Annual General Meeting, resolutions will be proposed, among others, for the Shareholders to approve (i) the granting of the General Mandate and the Repurchase Mandate; (ii) the extension of the General Mandate to include Shares repurchased pursuant to the Repurchase Mandate; (iii) the refreshment of the Scheme Mandate Limit, (iv) the change of the name of the Company, (v) the re-election of Directors, and (vi) the adoption of new Articles of Association.

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

The general mandates to issue and repurchase Shares were last granted by the Shareholders to the then Directors at the extraordinary general meeting of the Company held on 13 July 2011 and will expire at the Annual General Meeting. As at the Latest Practicable Date, such general mandates to issue and repurchase Shares have not been used. In order to provide a flexible mean for the Company to raise funds through the issue of new Shares for its future business developments, the Board proposes to refresh such general mandates and seek from the Shareholders (a) a general mandate to allow the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of the passing of the relevant resolution, and (b) a general mandate to allow the Directors to repurchase Shares in the share capital of the Company of up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the relevant resolution.

At the Annual General Meeting, separate ordinary resolutions will be proposed:

- (a) to grant the General Mandate to the Directors to exercise the powers of the Company to allot and issue Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the issued share capital of the Company as at the date of passing the resolution. Based on the 2,022,273,478 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued prior to the Annual General Meeting, subject to the passing of the relevant ordinary resolution to approve the General Mandate at the Annual General Meeting, the Directors will be authorized to allot and issue up to a limit of 404,454,695 Shares under the General Mandate. The General Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company is required to be held by the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company;
- (b) to grant the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase issued Shares subject to the criteria set out in this circular. Under such Repurchase Mandate, the maximum number of Shares that the Company may repurchase shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution. As at the Latest Practicable Date, the number of Shares in issue is 2,022,273,478 Shares. Subject to the passing of the proposed ordinary resolution approving the granting of the Repurchase Mandate and no further Shares are issued prior to the Annual General Meeting, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 202,227,347 Shares, being 10% of the entire issued share capital of the Company as at the date of passing of the resolution in relation thereof. The Repurchase Mandate will end on the earliest of the date of the next annual general meeting, the date by which the next annual general meeting of the Company

LETTER FROM THE BOARD

is required to be held by the Articles of Association or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company; and

- (c) subject to the passing of the aforesaid ordinary resolutions of the General Mandate and the Repurchase Mandate, to extend the number of Shares to be issued and allotted under the General Mandate by an additional number representing such number of Shares repurchased under the Repurchase Mandate.

In accordance with the Listing Rules, an explanatory statement is set out in Appendix I to this circular to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolution to renew the grant of the Repurchase Mandate at the Annual General Meeting.

PROPOSED REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Share Option Scheme was adopted on 11 April 2002 and as at the Latest Practicable Date, the Company has no outstanding options under the Share Option Scheme. Trading in the Shares were suspended from 30 July 2008 to 9 August 2011, during which period there had been numerous restructuring of the Group. With the resumption of trading in the Shares on 9 August 2011 and the operation of the Company becoming normal, the Directors are of the view that the ability of the Company to grant share options to its employees and other selected grantees is an important factor in motivating such grantees to achieving the objectives of the Company.

The Share Option Scheme was adopted to recognise and acknowledge the contributions of the Group's employees and other selected grantees made or may have made to the Group. The Share Option Scheme will provide the grantees with an opportunity to have a personal stake in the Company with the view to achieving the objectives of motivating the grantees to optimise their performance efficiency for the benefit of the Company, and to attract and retain or otherwise maintain on-going relationships with the grantees whose contributions are or will be beneficial to the long-term growth of the Group. As the scheme mandate limit of the Share Option Scheme was last refreshed on 21 April 2005 and the existing share structure of the Company is different from that before the suspension in trading in the Shares, the Directors consider that it is in the interest of the Company and the Shareholders as a whole to refresh the Scheme Mandate Limit to the 10% limit provided under Chapter 17 of the Listing Rules so as to provide the Company with the flexibility of granting share options under the Share Option Scheme and to provide incentives to, and recognise the contributions of, the Group's employees and other selected grantees. With many companies in Hong Kong offering share options to their employees as part of their total compensation package, the Directors consider that the flexibility of being able to offer share options to qualified employees or recruits an important factor for the Company to retain existing employees and officers and to attract potential recruits.

It is proposed that subject to the approval of the Shareholders at the Annual General Meeting and such other requirements prescribed under the Listing Rules, the Scheme Mandate Limit will be refreshed so that the total number of Shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme shall not exceed 10% of the Shares in issue as at the date of approval of the Proposed Refreshment by the Shareholders at the Annual General Meeting.

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As at the Latest Practicable Date, there were 2,022,273,478 Shares in issue. Assuming that no further Shares will be issued prior to the date of approving the Proposed Refreshment by the Shareholders, the maximum number of Shares which may fall to be issued upon the exercise of all share options that may be granted by the Company under the Proposed Refreshment would be 202,227,347 Shares, representing 10% of the Shares in issue as at the date of approval of the Proposed Refreshment by the Shareholders at the Annual General Meeting.

Conditions

As required by the Share Option Scheme and the Listing Rules, an ordinary resolution will be proposed at the Annual General Meeting to approve the Proposed Refreshment.

The adoption of the Proposed Refreshment is conditional upon:

- (i) the Shareholders passing an ordinary resolution to approve the Proposed Refreshment at the Annual General Meeting; and
- (ii) the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Shares to be issued pursuant to the exercise of any share options that may be granted pursuant to the Share Option Scheme under the Proposed Refreshment not exceeding 10% of the number of Shares in issue as at the date of approval of the Proposed Refreshment by the Shareholders.

Application for Listing

An application will be made to the Stock Exchange for the listing of, and the permission to deal in, the Shares which may fall to be issued upon the exercise of any share options that may be granted pursuant to the Share Option Scheme under the Proposed Refreshment.

CHANGE OF COMPANY NAME

The Board proposes to change the name of the Company from “Tack Fat Group International Limited 德發集團國際有限公司” to “Tack Fiori International Group Limited 野馬國際集團有限公司” (“**Change of Company Name**”). Such proposal is subject to the passing of a special resolution by the Shareholders and the Registrar of Companies in the Cayman Islands granting approval for the use of the new name.

Reasons and conditions for the change of Company name

Upon the successful completion of the restructuring of the Company, trading in the Shares had resumed since 9 August 2011. The Board considers that the Change of Company Name will better reflect a fresh corporate identity and image which is in the interests of the Company and the Shareholders as a whole.

The proposed Change of Company Name is subject to the passing of a special resolution by the Shareholders to approve the Change of Company Name and the Registrar of Companies in the Cayman Islands granting approval for the use of the new English and Chinese names.

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The proposed Change of Company Name shall become effective when the new English and Chinese names of the Company are entered on the register of companies by the Registrar of Companies in the Cayman Islands in place of the Company's existing English and Chinese names. The Company will carry out all necessary filing procedures with the Companies Registry in Hong Kong.

Effects of the Change of Company Name

The proposed Change of Company Name will not affect any rights of the existing Shareholders. All existing share certificates in issue bearing the present name of the Company shall continue to be evidence of title to such shares and valid for trading, settlement and registration purposes. There will not be any arrangement for exchange of the existing share certificates. Once the Change of Company Name becomes effective, new share certificates will be issued under the new name of the Company.

CHANGE IN BOARD LOT SIZE

The Board also announces that the board lot size of the Shares for trading on the Stock Exchange will be changed from 24,000 Shares to 20,000 Shares with effect from Friday, 23 September, 2011. The Company believes that the reduced board lot size shall facilitate the trading and improve the liquidity of the Shares. The change in board lot size will not affect any of the Shareholders' rights.

Expected Timetable

First day for free exchange of existing share certificates in board lot of 24,000 Shares each for new share certificates in board lot of 20,000 Shares each	Thursday, 8 September 2011
Last day for trading of the Shares with old board lot size in the original counter.	Thursday, 22 September 2011
Effective date of the change in board lot size from 24,000 Shares to 20,000 Shares	Friday, 23 September 2011
Original counter for trading in the Shares in board lot of 24,000 Shares each closes and becomes counter for trading in the Shares in board lot of 20,000 Shares each.	9:00 a.m. on Friday, 23 September 2011
Temporary counter for trading in the Shares in board lot of 24,000 Shares each opens.	9:00 a.m. on Friday, 23 September 2011
Parallel trading in Shares commences.	9:00 a.m. on Friday, 23 September 2011
Temporary counter for trading in the Shares in board lot of 24,000 Shares each closes	4:00 p.m. on Friday, 14 October 2011

LETTER FROM THE BOARD

Parallel trading in Shares ends 4:00 p.m. on Friday,
14 October 2011

Last day for free exchange of existing share certificates
in board lot of 24,000 Shares each for new share certificates
in board lot of 20,000 Shares each 4:00 p.m. on Tuesday,
18 October 2011

Shareholders may submit their existing share certificates in board lot of 24,000 Shares each to the Company's share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in exchange for new share certificates in board lot of 20,000 Shares each free of charge during business hours from Thursday, 8 September 2011 to Tuesday, 18 October 2011 (both dates inclusive). Such exchange of share certificates thereafter will be accepted only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate in board lot of 20,000 Shares each issued or each existing share certificate submitted, whichever number of share certificate involved is higher. It is expected that the new share certificates will be available for collection from the Company's share registrar by the Shareholders within 10 business days after delivery of the existing share certificates to the Company's share registrar for exchange purpose.

As from Friday, 23 September 2011, any new share certificates will be issued in board lot of 20,000 Shares each except for odd lots or where the Company's share registrar is otherwise instructed). All existing share certificates in board lot of 24,000 Shares each will continue to be evidence of title to such Shares and be valid for transfer, delivery and settlement purposes.

RE-ELECTION OF DIRECTORS

Pursuant to Article 86(3) of the Articles of Association, any Director appointed either to fill a casual vacancy or as an addition to the Board will only hold office until the next following annual general meeting of the Company and will then be eligible for re-election. As each of the Directors on the Board was appointed either to fill a casual vacancy or as an addition to the Board, all the Directors will only hold office until the Annual General Meeting. Each of the Directors, being eligible, has offered himself/herself for re-election as Directors at the Annual General Meeting.

The biographical details of such re-electing Directors as required to be disclosed under the Listing Rules are set out in Appendix II to this circular.

ADOPTION OF THE NEW ARTICLES OF ASSOCIATION

The existing Articles of Association have not been amended since 2006. The Board proposed certain amendments be made to the existing Articles of Association for the purpose of conforming with certain amendments to the Listing Rules, which became effective on 1 January 2009 and the applicable rules under Companies Law. The major amendments to the existing Articles of Association are as follows:

- (i) to allow the Company to use the Company's website and other electronic means to send or make available notices or documents to the Shareholders, subject to compliance with the Listing Rules and applicable laws of the Cayman Islands;

LETTER FROM THE BOARD

- (ii) to re-define the basis for determining the number of directors to retire at each annual general meeting;
- (iii) to specify that an annual general meeting and a meeting called for the passing of a special resolution shall be called by written notice of not less than 21 clear days and not less than 10 clear business days and a meeting called for the passing of an ordinary resolution shall be called by written notice of not less than 14 clear days and not less than 10 clear business days;
- (iv) to specify that all resolutions at general meetings of the Company shall be decided by poll;
- (v) to align with the requirements of the Listing Rules that every Director shall be subject to retirement by rotation at least once every three years;
- (vi) to align with the requirements of the Listing Rules that Directors appointed by the Board should be rotated in the next following general meeting (in the case of filling a causal vacancy) or until the next following annual general meeting (in the case of an addition to their number); and
- (vii) to align with the requirements of the Listing Rules that Shareholders may by ordinary resolution remove a Director instead of by special resolution.

As the amendments will be substantial, the Board would like to take this opportunity to propose that a new set of Articles of Association be adopted to replace the existing Articles of Association. A summary of the principal provisions of the new Articles of Association as set out in Appendix III to this circular.

Pursuant to Article 168 of the existing Articles of Association, the proposed adoption of the new Articles of Association will be subject to the approval by the Shareholders in the form of a special resolution.

ANNUAL GENERAL MEETING

The Company will convene the Annual General Meeting at 9:00 a.m. on Friday, 30 September 2011 at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong at which resolutions will be proposed for the purpose of considering and if thought fit, approving the resolutions proposed in the notice of the Annual General Meeting as set out on pages 34 to 38 of this circular.

A form of proxy for use in connection with the Annual General Meeting is enclosed herewith. Whether or not you intend to be present and vote at the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish. If you attend and vote at the Annual General Meeting, the authority of your proxy will be revoked. Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the Annual General Meeting will be by poll.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

RECOMMENDATION

The Directors consider that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company as well as its Shareholders. Accordingly, the Directors recommend that the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully
For and on behalf of
TACK FAT GROUP INTERNATIONAL LIMITED
CHIU SIU PO
Chairman

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the Annual General Meeting for approving the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

1. SHARE CAPITAL

As at the Latest Practicable Date, there was a total of 2,022,273,478 Shares in issue. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued during the period from the Latest Practicable Date to the Annual General Meeting, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 202,227,347 Shares, being 10% of the issued share capital of the Company as at the date of the passing of the relevant resolution at the Annual General Meeting.

2. REASONS FOR SHARE REPURCHASE

The Directors have no present intention to repurchase any Shares but consider that the ability to do so would give the Company additional flexibility that would be beneficial to the Company and the Shareholders as such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value of the Company and/or its earning per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

3. FUNDING OF REPURCHASE

The Company is empowered by its memorandum and articles of association to repurchase its Shares. In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and laws of the Cayman Islands. The laws of the Cayman Islands and the Articles of Association provide that payment for a share repurchase may only be made out of profits or the proceeds of a new issue of shares made for such purpose or subject to the Companies Law, out of capital of the Company. The amount of premium payable on repurchase of shares may only be paid out of either the profits or out of the share premium of the Company or subject to the Companies Law, out of capital of the Company.

In addition, under the laws of the Cayman Islands, payment out of capital by a company for the purchase by a company of its own shares is unlawful unless immediately following the date on which the payment is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business. In accordance with the laws of the Cayman Islands, the shares so repurchased would be treated as cancelled but the aggregate amount of authorised share capital would not be reduced.

As compared with the financial position of the Company as at 31 March 2011 (as disclosed in its latest audited financial statements for the year ended 31 March 2011), the Directors consider that in the event that the proposed repurchase were to be carried out in full during the proposed repurchase period, there would be material adverse impact on the working capital and on the gearing position of the Company. The Directors have no present intention to exercise the Repurchase Mandate to such an extent as would have a material adverse impact on the working capital or gearing ratio of the Company.

4. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their associates, has any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

No connected person of the Company (as defined in the Listing Rules) has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Repurchase Mandate is granted by the Shareholders.

5. UNDERTAKING OF THE DIRECTORS

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

6. EFFECT OF TAKEOVERS CODE

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

As at the Latest Practicable Date, Fidelitycorp Limited and its associates were interested in approximately 43.27% of the issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the aggregate percentage shareholdings of Fidelitycorp Limited and his associates would increase to approximately 48.10%. Accordingly, such increases would trigger a mandatory offer obligation under Rules 26 of the Takeovers Code.

The Directors do not intend to repurchase Shares to the extent that Fidelitycorp Limited and its associates would need to make a mandatory general offer pursuant to Rule 26 of the Takeovers Code or the Company cannot satisfy its minimum requirement for public float.

7. SHARE REPURCHASES BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

8. SHARE PRICES

During each of the previous 12 months up to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2010		
September	N/A	N/A
October	N/A	N/A
November	N/A	N/A
December	N/A	N/A
2011		
January	N/A	N/A
February	N/A	N/A
March	N/A	N/A
April	N/A	N/A
May	N/A	N/A
June	N/A	N/A
July	N/A	N/A
August	0.58	0.18
September (up to the Latest Practicable Date)	0.20	0.19

The biographical details of the Directors proposed to be re-elected at the Annual General Meeting are set out as follows:

Executive Directors

Mr. CHIU Siu Po (“**Mr. Chiu**”), aged 62, was appointed as the Chairman and an executive Director of the Company on 5 August 2011. Mr. Chiu is also the managing director and chief executive officer of More Fortune Company Limited, a company principally engaged in import and export of textile business. Mr. Chiu has over 20 years of experience in textile industry for the manufacturing, sales and distribution. Mr. Chiu was an independent non-executive director of Freeman Corporation Limited (presently known as Freeman Financial Corporation Limited), a company listed on the Main Board of the Stock Exchange (Stock Code: 279) and resigned on 22 September 2010. In addition to his valuable expertise in textile industry, Mr. Chiu also has extensive corporate and investment experience in both Hong Kong and the PRC markets. The remuneration of Mr. Chiu as the Chairman and an executive Director of the Company is HK\$50,000 per month, which was determined by the Board with reference to the prevailing market conditions.

Mr. LIU On Bong, Peter (“**Mr. Liu**”), aged 61, was appointed as the Vice-Chairman and an executive Director of the Company on 11 August 2011. Mr. Liu was the group strategy adviser of AMG Financial Group. Mr. Liu obtained a Bachelor of Social Science from University of Hong Kong, and is a member of International Registered Financial Practitioner and a certified Management Consultant. Mr. Liu has a wealth of knowledge on corporate and strategic planning and is also well-versed in management, transformation and marketing of consumer products and services. He has over 25 years of working experience in various multinational corporations, some of them were in the Fortune 500 list. In public services, he has been the founding chairman of the Hong Kong Auxiliary Police Association and is also an honorary superintendent of the Hong Kong Auxiliary Police Force. Mr. Liu was an executive director of Radford Capital Investment Limited (stock code: 901), a company listed on the Main Board of the Stock Exchange from June 2008 to June 2011. The remuneration of Mr. Liu as the Vice Chairman and an executive Director of the Company is HK\$50,000 per month, which was determined by the Board with reference to the prevailing market conditions.

Mr. HO Tak Fun (“**Mr. Ho**”), aged 57, was appointed as an executive Director of the Company on 5 August 2011. He received a Bachelor degree in Business Administration, Marketing from The Chinese University of Hong Kong and a Master degree in Science, Information Systems from the Hong Kong Polytechnic University. He was the general manager of Jumbo Grade Co., Limited, which runs a leading retail chain stores in books, magazines, stationery and specialty items and he has held the position as General Manager for 20 years with good exposure to international business. Mr. Ho is a seasoned retail practitioner with profound experience in launching, strategic planning, business development and operations in both the PRC and Hong Kong. Mr. Ho also has extensive knowledge in marketing, merchandising, distribution and promotion of consumer products and mass merchandise. Mr. Ho was also appointed as an authorised representative of the Company with effect from 5 August 2011. The remuneration of Mr. Ho as an executive Director of the Company is HK\$50,000 per month, which was determined by the Board with reference to the prevailing market conditions.

Mr. AU Wai June (“**Mr. Au**”), aged 47, was appointed as an executive Director and a member of the Remuneration Committee of the Company on 15 August 2011. Mr. Au obtained a Bachelor degree in Arts from the University of Windsor, Canada. He was the managing director of a telecommunication

equipment manufacturing and trading company with more than 16 years of experience and extensive knowledge in product development, purchasing, production, business administration and merchandising in both the PRC and overseas markets. The Board proposed to revise the remuneration of Mr. Au as an executive Director of the Company from 1 September 2011 from HK\$50,000 to HK\$65,000 per month, which was determined by the Board with reference to the responsibilities of Mr. Au and prevailing market conditions. As at the Latest Practicable Date, Mr. Au is interested in 1,104,000 Shares of the Company.

Mr. KING Phillip (“**Mr. King**”), aged 40, was appointed as an executive Director of the Company on 5 August 2011. Mr. King obtained a Master’s degree in Business Administration from the University of San Francisco in the United States of America. He has over 20 years of experience in real estate investment, management and development. Since 2005, Mr. King has been appointed executive director and the managing director of Willie International Holdings Limited (stock code: 273), a company listed on the Main Board of the Stock Exchange. Mr. King was also an independent non-executive director of Glory Future Group Limited (presently known as China Metal Resources Holdings Limited) (stock code: 8071), a company listed on the Growth Enterprise Market of the Stock Exchange, which he subsequently resigned on 20 November 2007. Mr. King is experienced in administration, strategic development and investor relations for listed companies in Hong Kong. As agreed between the Company and Mr. King, Mr. King will not be receiving any remuneration as an executive Director of the Company.

Independent non-executive Directors

Dr. LEUNG Shiu Ki, Albert (“**Dr. Leung**”), aged 61, was appointed as an independent non-executive Director of the Company on 11 August 2011. Dr. Leung is currently the Financial and Business Development Consultant of Beauchamp International Development Limited, which is a private company incorporated in Hong Kong and is responsible for providing financial and business development service to various companies. Dr. Leung has 10 years of experience in accounting and auditing in accounting firms in England from 1977 to 1987. From 1987 to 1992, he joined Citicorp International Limited as Assistant Vice President with major responsibility in corporate finance matters in Hong Kong. He obtained a Doctor degree of Philosophy in Economics from the Shanghai University of Finance and Economics, the People’s Republic of China, a Master degree of Business Administration from Brunel University, England and a Diploma in Management Studies from The Polytechnic of Central London, England. Dr. Leung has also passed the final qualifying examinations of the Association of Chartered Certified Accountants, the Chartered Institute of Management Accountants and the Institute of Chartered Secretaries and Administrators, all in the United Kingdom. Dr. Leung has been appointed as an independent non-executive director of Universe International Holdings Limited (stock code: 1046), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, since November 2008. The remuneration of Dr. Leung Shiu Ki, Albert as independent non-executive Director is HK\$20,000 per month, which was determined by the Board with reference to the prevailing market conditions.

Mr. Robert James IAIA II (“**Mr. Iaia**”), aged 42, was appointed as an independent non-executive Director and a member of Audit Committee and Remuneration Committee of the Company on 15 August 2011. Mr. Iaia is currently an independent non-executive director of Mascotte Holdings Limited (stock code: 136), a company listed on the Main Board of the Stock Exchange. Mr. Iaia obtained a Bachelor of Arts degree from the Central Connecticut State University in the United States

and also obtained a Master degree in Real Estate from the University of Hong Kong. Mr. Iaia has over 11 years' experience in the real estate and equities market and lived and worked in Asia for over 20 years, primarily in Seoul and Hong Kong. In addition to extensive experience in private equity real estate, he also traded Asian equities at Samsung Securities in Seoul and Societe Generale in New York. The remuneration of Mr. Robert James Iaia II as an independent non-executive Director of the Company is HK\$20,000 per month, which was determined by the Board with reference to the prevailing market conditions.

Ms. LAM Yan Fong, Flora (“**Ms. Lam**”), aged 36, was appointed as an independent non-executive Director of the Company on 15 August 2011. Ms. Lam is a practicing lawyer in Hong Kong. Ms. Lam obtained a Bachelor degree in Law from the University of Hong Kong and further obtained a Postgraduate Certificate in Laws in 2001. Ms. Lam joined Messrs. Lam & Co in 2007 and is now a partner of such firm. Ms Lam is an independent non-executive director of Forefront Group Limited (stock code: 885), a company listed on the Main Board of the Stock Exchange. The remuneration of Ms. Lam as an independent non-executive Director of the Company is HK\$20,000 per month, which was determined by the Board with reference to the prevailing market conditions.

Mr. YAU Yan Ming, Raymond (“**Mr. Yau**”), aged 43, was appointed as an independent non-executive Director, a member of Remuneration Committee and the Chairman of the Audit Committee of the Company on 15 August 2011. Mr. Yau has over 15 years of work experience in auditing, accounting, taxation, company secretarial, corporate finance and financial management, in both private and listed companies. Mr. Yau is an associate member of both the Hong Kong Institute of Certified Public Accountants and American Institute of Certified Public Accountants. Mr. Yau is also a fellow member of the Taxation Institute of Hong Kong. He is currently an independent non-executive director of Willie International Holdings Limited (stock code: 273) and Birmingham International Holdings Limited (stock code: 2309), both of which are companies listed on the Main Board of the Stock Exchange, and the chairman and executive director of iMerchants Limited (stock code: 8009), a company listed on the GEM of the Stock Exchange. Mr. Yau obtained a master degree in Science majoring in Japanese business studies and a bachelor degree in Business Administration majoring in accounting in the United States of America. The remuneration of Mr. Yau as an independent non-executive Director of the Company is HK\$20,000 per month, which was determined by the Board with reference to the prevailing market conditions.

Mr. MIU H., Frank (“**Mr. Miu**”), aged 62, was appointed as an independent non-executive Director of the Company on 15 August 2011. Mr. Miu obtained a Juris Doctor degree from Harvard Law School and a Bachelor of Arts degree in Economics and Accounting from St. John's University of Minnesota. He is a member of the American Bar Association and the American Institute of Certified Public Accountants. He is also a Fellow of Hong Kong Institute of Directors. Apart from professional experience in law and accounting, he has extensive exposure to various industries including financial services. Mr. Miu is a former executive director of Radford Capital Investment Limited (stock code: 901), a company listed on the Main Board of the Stock Exchange during the period from March 2009 to December 2009 and also during the period from June 2011 to July 2011. Mr. Miu is also a former executive director of Dragonite International Limited (“Dragonite”) (stock code: 329), a company listed on the Main Board of the Stock Exchange, during the period from April 2010 to May 2010 and a former non-executive director of Dragonite during the period from May 2010 to July 2011. Mr. Miu is currently an independent non-executive director of Mascotte Holdings Limited (stock code: 136), and an independent non-executive director of Willie International Holdings Limited (stock code: 273), both are

companies listed on the Main Board of the Stock Exchange. Aside from directorships in the aforesaid public companies listed on the Hong Kong Stock Exchange, he is also an independent non-executive director of Duoyuan Global Water Inc., a public company listed on New York Stock Exchange. The remuneration of Mr. Miu as an independent non-executive Director of the Company is HK\$20,000 per month, which was determined by the Board with reference to the prevailing market conditions.

Save as disclosed above, as at the Latest Practicable Date, each of the Directors:

- (a) did not hold any directorships in other listed company in the last three years;
- (b) has not entered into any written service contract with the Company but will hold office until the next annual general meeting of the Company and will be subject to retirement by rotation and re-election pursuant to the Memorandum and Articles of Association;
- (c) was not interested in and did not hold any short position in any shares or underlying shares in or any debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO;
- (d) was not connected with any Directors, senior management or substantial Shareholders or controlling Shareholders; and
- (e) save for disclosed herein, there was no information to be disclosed pursuant to the requirements of Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules.

Set out below is a summary of certain provisions of the articles of association (the “Articles”) to be adopted by the Company:

(a) Directors

(i) Power to allot and issue shares and warrants

Subject to the provisions of the Companies Law, the memorandum of association of the Company (the “**Memorandum**” and collectively with the Association, the “**Memorandum and Articles**”) and the Articles and to any special rights conferred on the holders of any shares or class of shares, any share may be issued with or have attached thereto such rights, or such restrictions, whether with regard to dividend, voting, return of capital, or otherwise, as the Company may by ordinary resolution determine (or, in the absence of any such determination or so far as the same may not make specific provision, as the board may determine). Subject to the Companies Law, the rules of any Designated Stock Exchange (as defined in the Articles) and the Memorandum and Articles, any share may be issued on terms that, at the option of the Company or the holder thereof, they are liable to be redeemed.

The board may issue warrants conferring the right upon the holders thereof to subscribe for any class of shares or securities in the capital of the Company on such terms as it may from time to time determine.

Subject to the provisions of the Companies Law and the Articles and, where applicable, the rules of any Designated Stock Exchange (as defined in the Articles) and without prejudice to any special rights or restrictions for the time being attached to any shares or any class of shares, all unissued shares in the Company shall be at the disposal of the board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as it in its absolute discretion thinks fit, but so that no shares shall be issued at a discount.

Neither the Company nor the board shall be obliged, when making or granting any allotment of, offer of, option over or disposal of shares, to make, or make available, any such allotment, offer, option or shares to members or others with registered addresses in any particular territory or territories being a territory or territories where, in the absence of a registration statement or other special formalities, this would or might, in the opinion of the board, be unlawful or impracticable. Members affected as a result of the foregoing sentence shall not be, or be deemed to be, a separate class of members for any purpose whatsoever.

(ii) Power to dispose of the assets of the Company or any subsidiary

There are no specific provisions in the Articles relating to the disposal of the assets of the Company or any of its subsidiaries. The Directors may, however, exercise all powers and do all acts and things which may be exercised or done or approved by the Company and which are not required by the Articles or the Companies Law to be exercised or done by the Company in general meeting.

(iii) Compensation or payments for loss of office

Pursuant to the Articles, payments to any Director or past Director of any sum by way of compensation for loss of office or as consideration for or in connection with his retirement from office (not being a payment to which the Director is contractually entitled) must be approved by the Company in general meeting.

(iv) Loans and provision of security for loans to Directors

There are provisions in the Articles prohibiting the making of loans to Directors.

(v) Disclosure of interests in contracts with the Company or any of its subsidiaries

A Director may hold any other office or place of profit with the Company (except that of the auditor of the Company) in conjunction with his office of Director for such period and, subject to the Articles, upon such terms as the board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) in addition to any remuneration provided for by or pursuant to any other Articles. A Director may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or any other company in which the Company may be interested, and shall not be liable to account to the Company or the members for any remuneration, profits or other benefits received by him as a director, officer or member of, or from his interest in, such other company. Subject as otherwise provided by the Articles, the board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such other company.

Subject to the Companies Law and the Articles, no Director or proposed or intended Director shall be disqualified by his office from contracting with the Company, either with regard to his tenure of any office or place of profit or as vendor, purchaser or in any other manner whatsoever, nor shall any such contract or any other contract or arrangement in which any Director is in any way interested be liable to be avoided, nor shall any Director so contracting or being so interested be liable to account to the Company or the members for any remuneration, profit or other benefits realised by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established. A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract or arrangement or proposed contract or arrangement with the Company shall declare the nature of his interest at the meeting of the board at which the question of entering into the contract or arrangement is first taken into consideration, if he knows his interest then exists, or in any other case, at the first meeting of the board after he knows that he is or has become so interested.

A Director shall not vote (nor be counted in the quorum) on any resolution of the board approving any contract or arrangement or other proposal in which he or any of his associates is materially interested, but this prohibition shall not apply to any of the following matters, namely:

- (aa) any contract or arrangement for giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;
- (bb) any contract or arrangement for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
- (cc) any contract or arrangement concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase, where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
- (dd) any contract or arrangement in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company by virtue only of his/their interest in shares or debentures or other securities of the Company;
- (ee) any contract or arrangement concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder or in which the Director and any of his associates are not in aggregate beneficially interested in 5 percent. or more of the issued shares or of the voting rights of any class of shares of such company (or of any third company through which his interest or that of any of his associates is derived); or
- (ff) any proposal or arrangement concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death, or disability benefits scheme or other arrangement which relates both to Directors, his associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not accorded generally to the class of persons to which such scheme or fund relates.

(vi) *Remuneration*

The ordinary remuneration of the Directors shall from time to time be determined by the Company in general meeting, such sum (unless otherwise directed by the resolution by which it is voted) to be divided amongst the Directors in such proportions and in such manner as the board may agree or, failing agreement, equally, except that any Director holding office for part only of the period in respect of which the remuneration is payable shall only rank in such division in

proportion to the time during such period for which he held office. The Directors shall also be entitled to be prepaid or repaid all travelling, hotel and incidental expenses reasonably expected to be incurred or incurred by them in attending any board meetings, committee meetings or general meetings or separate meetings of any class of shares or of debentures of the Company or otherwise in connection with the discharge of their duties as Directors.

Any Director who, by request, goes or resides abroad for any purpose of the Company or who performs services which in the opinion of the board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the board may determine and such extra remuneration shall be in addition to or in substitution for any ordinary remuneration as a Director. An executive Director appointed to be a managing director, joint managing director, deputy managing director or other executive officer shall receive such remuneration (whether by way of salary, commission or participation in profits or otherwise or by all or any of those modes) and such other benefits (including pension and/or gratuity and/or other benefits on retirement) and allowances as the board may from time to time decide. Such remuneration may be either in addition to or in lieu of his remuneration as a Director.

The board may establish or concur or join with other companies (being subsidiary companies of the Company or companies with which it is associated in business) in establishing and making contributions out of the Company's monies to any schemes or funds for providing pensions, sickness or compassionate allowances, life assurance or other benefits for employees (which expression as used in this and the following paragraph shall include any Director or ex-Director who may hold or have held any executive office or any office of profit with the Company or any of its subsidiaries) and ex-employees of the Company and their dependents or any class or classes of such persons.

The board may pay, enter into agreements to pay or make grants of revocable or irrevocable, and either subject or not subject to any terms or conditions, pensions or other benefits to employees and ex-employees and their dependents, or to any of such persons, including pensions or benefits additional to those, if any, to which such employees or ex-employees or their dependents are or may become entitled under any such scheme or fund as is mentioned in the previous paragraph. Any such pension or benefit may, as the board considers desirable, be granted to an employee either before and in anticipation of, or upon or at any time after, his actual retirement.

(vii) Retirement, appointment and removal

At each annual general meeting, one third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one third) will retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors to retire in every year will be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot. There are no provisions relating to retirement of Directors upon reaching any age limit.

The Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the board or as an addition to the existing board. Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Neither a Director nor an alternate Director is required to hold any shares in the Company by way of qualification.

A Director may be removed by an ordinary resolution of the Company before the expiration of his period of office (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company) and may by ordinary resolution appoint another in his place. Unless otherwise determined by the Company in general meeting, the number of Directors shall not be less than two. There is no maximum number of Directors.

The office of director shall be vacated:

- (aa) if he resigns his office by notice in writing delivered to the Company at the registered office of the Company for the time being or tendered at a meeting of the Board;
- (bb) becomes of unsound mind or dies;
- (cc) if, without special leave, he is absent from meetings of the board (unless an alternate director appointed by him attends) for six (6) consecutive months, and the board resolves that his office is vacated;
- (dd) if he becomes bankrupt or has a receiving order made against him or suspends payment or compounds with his creditors;
- (ee) if he is prohibited from being a director by law;
- (ff) if he ceases to be a director by virtue of any provision of law or is removed from office pursuant to the Articles.

The board may from time to time appoint one or more of its body to be managing director, joint managing director, or deputy managing director or to hold any other employment or executive office with the Company for such period and upon such terms as the board may determine and the board may revoke or terminate any of such appointments. The board may delegate any of its powers, authorities and discretions to committees consisting of such Director or Directors and other persons as the board thinks fit, and it may from time to time revoke such delegation or revoke the appointment of and discharge any such committees either wholly or in part, and either as to persons or purposes, but every committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, conform to any regulations that may from time to time be imposed upon it by the board.

(viii) Borrowing powers

The board may exercise all the powers of the Company to raise or borrow money, to mortgage or charge all or any part of the undertaking, property and assets (present and future) and uncalled capital of the Company and, subject to the Companies Law, to issue debentures, bonds and other securities of the Company, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

Note: These provisions, in common with the Articles in general, can be varied with the sanction of a special resolution of the Company.

(ix) Proceedings of the Board

The board may meet for the despatch of business, adjourn and otherwise regulate their meetings as they think fit. Questions arising at any meeting shall be determined by a majority of votes. In the case of an equality of votes, the chairman of the meeting shall have an additional or casting vote.

(x) Register of Directors and Officers

The Companies Law and the Articles provide that the Company is required to maintain at its registered office a register of directors and officers which is not available for inspection by the public. A copy of such register must be filed with the Registrar of Companies in the Cayman Islands and any change must be notified to the Registrar within thirty (30) days of any change in such directors or officers.

(b) Alterations to constitutional documents

The Articles may be rescinded, altered or amended by the Company in general meeting by special resolution. The Articles state that a special resolution shall be required to alter the provisions of the Memorandum, to amend the Articles or to change the name of the Company.

(c) Alteration of capital

The Company may from time to time by ordinary resolution in accordance with the relevant provisions of the Companies Law:

- (i) increase its capital by such sum, to be divided into shares of such amounts as the resolution shall prescribe;
- (ii) consolidate and divide all or any of its capital into shares of larger amount than its existing shares;
- (iii) divide its shares into several classes and without prejudice to any special rights previously conferred on the holders of existing shares attach thereto respectively any preferential, deferred, qualified or special rights, privileges, conditions or restrictions as the Company in general meeting or as the directors may determine;

- (iv) sub-divide its shares or any of them into shares of smaller amount than is fixed by the Memorandum, subject nevertheless to the provisions of the Companies Law, and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may have any such preferred or other special rights, over, or may have such deferred rights or be subject to any such restrictions as compared with the others as the Company has power to attach to unissued or new shares; or
- (v) cancel any shares which, at the date of passing of the resolution, have not been taken, or agreed to be taken, by any person, and diminish the amount of its capital by the amount of the shares so cancelled.

The Company may subject to the provisions of the Companies Law reduce its share capital or any capital redemption reserve or other undistributable reserve in any way by special resolution.

(d) Variation of rights of existing shares or classes of shares

Subject to the Companies Law, all or any of the special rights attached to the shares or any class of shares may (unless otherwise provided for by the terms of issue of that class) be varied, modified or abrogated either with the consent in writing of the holders of not less than three-fourths in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class. To every such separate general meeting the provisions of the Articles relating to general meetings will *mutatis mutandis* apply, but so that the necessary quorum (other than at an adjourned meeting) shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting two holders present in person or by proxy whatever the number of shares held by them shall be a quorum. Every holder of shares of the class shall be entitled to one vote for every such share held by him.

The special rights conferred upon the holders of any shares or class of shares shall not, unless otherwise expressly provided in the rights attaching to the terms of issue of such shares, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

(e) Special resolution — majority required

Pursuant to the Articles, a special resolution of the Company must be passed by a majority of not less than three-fourths of the votes cast by such members as, being entitled so to do, vote in person or, in the case of such members as are corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days specifying the intention to propose the resolution as a special resolution, has been duly given. Provided that if permitted by the Designated Stock Exchange (as defined in the Articles), except in the case of an annual general meeting, if it is so agreed by a majority in number of the members having a right to attend and vote at such meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the shares giving that right and, in the case of an annual general meeting, if so agreed by all Members entitled to

attend and vote thereat, a resolution may be proposed and passed as a special resolution at a meeting of which notice of less than twenty-one (21) clear days and less than ten (10) clear business days has been given.

A copy of any special resolution must be forwarded to the Registrar of Companies in the Cayman Islands within fifteen (15) days of being passed.

An ordinary resolution is defined in the Articles to mean a resolution passed by a simple majority of the votes of such members of the Company as, being entitled to do so, vote in person or, in the case of corporations, by their duly authorised representatives or, where proxies are allowed, by proxy at a general meeting held in accordance with the Articles.

(f) Voting rights

Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with the Articles, at any general meeting on a poll every member present in person or by proxy or, in the case of a member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or installments is treated for the foregoing purposes as paid up on the share. A member entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

At any general meeting a resolution put to the vote of the meeting is to be decided by way of a poll.

If a recognised clearing house (or its nominee(s)) is a member of the Company it may authorise such person or persons as it thinks fit to act as its representative(s) at any meeting of the Company or at any meeting of any class of members of the Company provided that, if more than one person is so authorised, the authorisation shall specify the number and class of shares in respect of which each such person is so authorised. A person authorised pursuant to this provision shall be deemed to have been duly authorised without further evidence of the facts and be entitled to exercise the same powers on behalf of the recognised clearing house (or its nominee(s)) as if such person was the registered holder of the shares of the Company held by that clearing house (or its nominee(s)).

Where the Company has any knowledge that any shareholder is, under the rules of the Designated Stock Exchange (as defined in the Articles), required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such shareholder in contravention of such requirement or restriction shall not be counted.

(g) Requirements for annual general meetings

An annual general meeting of the Company must be held in each year, other than the year of adoption of the Articles (within a period of not more than fifteen (15) months after the holding of the last preceding annual general meeting or a period of eighteen (18) months from the date of adoption of the Articles, unless a longer period would not infringe the rules of any Designated Stock Exchange (as defined in the Articles)) at such time and place as may be determined by the board.

(h) Accounts and audit

The board shall cause true accounts to be kept of the sums of money received and expended by the Company, and the matters in respect of which such receipt and expenditure take place, and of the property, assets, credits and liabilities of the Company and of all other matters required by the Companies Law or necessary to give a true and fair view of the Company's affairs and to explain its transactions.

The accounting records shall be kept at the registered office or at such other place or places as the board decides and shall always be open to inspection by any Director. No member (other than a Director) shall have any right to inspect any accounting record or book or document of the Company except as conferred by law or authorised by the board or the Company in general meeting.

A copy of every balance sheet and profit and loss account (including every document required by law to be annexed thereto) which is to be laid before the Company at its general meeting, together with a printed copy of the Directors' report and a copy of the auditors' report, shall not less than twenty-one (21) days before the date of the meeting and at the same time as the notice of annual general meeting be sent to every person entitled to receive notices of general meetings of the Company under the provisions the Articles; however, subject to compliance with all applicable laws, including the rules of the Designated Stock Exchange (as defined in the Articles), the Company may send to such persons summarised financial statements derived from the Company's annual accounts and the directors' report instead provided that any such person may by notice in writing served on the Company, demand that the Company sends to him, in addition to summarised financial statements, a complete printed copy of the Company's annual financial statement and the directors' report thereon.

Auditors shall be appointed and the terms and tenure of such appointment and their duties at all times regulated in accordance with the provisions of the Articles. The remuneration of the auditors shall be fixed by the Company in general meeting or in such manner as the members may determine.

The financial statements of the Company shall be audited by the auditor in accordance with generally accepted auditing standards. The auditor shall make a written report thereon in accordance with generally accepted auditing standards and the report of the auditor shall be submitted to the members in general meeting. The generally accepted auditing standards referred to herein may be those of a country or jurisdiction other than the Cayman Islands. If so, the financial statements and the report of the auditor should disclose this fact and name such country or jurisdiction.

(i) Notices of meetings and business to be conducted thereat

An annual general meeting shall be called by notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and any extraordinary general meeting at which it is proposed to pass a special resolution shall (save as set out in sub-paragraph (e) above) be called by notice of at least twenty-one (21) clear days and not less than ten (10) clear business days. All other extraordinary general meetings shall be called by notice of at least fourteen (14) clear days and not less than ten (10) clear business days. The notice must specify the time and place of the meeting and, in the case of special business, the general nature of that business. In addition notice of every general meeting

shall be given to all members of the Company other than such as, under the provisions of the Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, and also to the auditors for the time being of the Company.

Notwithstanding that a meeting of the Company is called by shorter notice than that mentioned above if permitted by the rules of the Designated Stock Exchange, it shall be deemed to have been duly called if it is so agreed:

- (i) in the case of a meeting called as an annual general meeting, by all members of the Company entitled to attend and vote thereat; and
- (ii) in the case of any other meeting, by a majority in number of the members having a right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent (95%) in nominal value of the issued shares giving that right.

All business shall be deemed special that is transacted at an extraordinary general meeting and also all business shall be deemed special that is transacted at an annual general meeting with the exception of the following, which shall be deemed ordinary business:

- (aa) the declaration and sanctioning of dividends;
 - (bb) the consideration and adoption of the accounts and balance sheet and the reports of the directors and the auditors;
 - (cc) the election of directors in place of those retiring;
 - (dd) the appointment of auditors and other officers;
 - (ee) the fixing of the remuneration of the directors and of the auditors;
 - (ff) the granting of any mandate or authority to the directors to offer, allot, grant options over or otherwise dispose of the unissued shares of the Company representing not more than twenty per cent. (20%) in nominal value of its existing issued share capital; and
 - (gg) the granting of any mandate or authority to the directors to repurchase securities of the Company.
- (j) Transfer of shares**

All transfers of shares may be effected by an instrument of transfer in the usual or common form or in a form prescribed by the Designated Stock Exchange (as defined in the Articles) or in such other form as the board may approve and which may be under hand or, if the transferor or transferee is a clearing house or its nominee(s), by hand or by machine imprinted signature or by such other manner of execution as the board may approve from time to time. The instrument of transfer shall be executed by or on behalf of the transferor and the transferee provided that the board may dispense with the execution of the instrument of transfer by the transferee in any case in which it thinks fit, in its discretion, to do so and the transferor shall be deemed to remain the holder of the share until the name of the transferee is

entered in the register of members in respect thereof. The board may also resolve either generally or in any particular case, upon request by either the transferor or the transferee, to accept mechanically executed transfers.

The board in so far as permitted by any applicable law may, in its absolute discretion, at any time and from time to time transfer any share upon the principal register to any branch register or any share on any branch register to the principal register or any other branch register.

Unless the board otherwise agrees, no shares on the principal register shall be transferred to any branch register nor may shares on any branch register be transferred to the principal register or any other branch register. All transfers and other documents of title shall be lodged for registration and registered, in the case of shares on a branch register, at the relevant registration office and, in the case of shares on the principal register, at the registered office in the Cayman Islands or such other place at which the principal register is kept in accordance with the Companies Law.

The board may, in its absolute discretion, and without assigning any reason, refuse to register a transfer of any share (not being a fully paid up share) to a person of whom it does not approve or any share issued under any share incentive scheme for employees upon which a restriction on transfer imposed thereby still subsists, and it may also refuse to register any transfer of any share to more than four joint holders or any transfer of any share (not being a fully paid up share) on which the Company has a lien.

The board may decline to recognise any instrument of transfer unless a fee of such maximum sum as any Designated Stock Exchange (as defined in the Articles) may determine to be payable or such lesser sum as the Directors may from time to time require is paid to the Company in respect thereof, the instrument of transfer, if applicable, is properly stamped, is in respect of only one class of share and is lodged at the relevant registration office or registered office or such other place at which the principal register is kept accompanied by the relevant share certificate(s) and such other evidence as the board may reasonably require to show the right of the transferor to make the transfer (and if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do).

The registration of transfers may be suspended and the register closed on giving notice by advertisement in a relevant newspaper and, where applicable, any other newspapers in accordance with the requirements of any Designated Stock Exchange (as defined in the Articles), at such times and for such periods as the board may determine and either generally or in respect of any class of shares. The register of members shall not be closed for periods exceeding in the whole thirty (30) days in any year.

(k) Power for the Company to purchase its own shares

The Company is empowered by the Companies Law and the Articles to purchase its own Shares subject to certain restrictions and the Board may only exercise this power on behalf of the Company subject to any applicable requirements imposed from time to time by any Designated Stock Exchange (as defined in the Articles).

(l) Power for any subsidiary of the Company to own shares in the Company and financial assistance to purchase shares of the Company

There are no provisions in the Articles relating to ownership of shares in the Company by a subsidiary.

Subject to compliance with the rules and regulations of the Designated Stock Exchange (as defined in the Articles) and any other relevant regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any shares in the Company.

(m) Dividends and other methods of distribution

Subject to the Companies Law, the Company in general meeting may declare dividends in any currency to be paid to the members but no dividend shall be declared in excess of the amount recommended by the board.

The Articles provide dividends may be declared and paid out of the profits of the Company, realised or unrealised, or from any reserve set aside from profits which the directors determine is no longer needed. With the sanction of an ordinary resolution dividends may also be declared and paid out of share premium account or any other fund or account which can be authorised for this purpose in accordance with the Companies Law.

Except in so far as the rights attaching to, or the terms of issue of, any share may otherwise provide, (i) all dividends shall be declared and paid according to the amounts paid up on the shares in respect whereof the dividend is paid but no amount paid up on a share in advance of calls shall for this purpose be treated as paid up on the share and (ii) all dividends shall be apportioned and paid pro rata according to the amount paid up on the shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any member or in respect of any shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared on the share capital of the Company, the board may further resolve either (a) that such dividend be satisfied wholly or in part in the form of an allotment of shares credited as fully paid up, provided that the shareholders entitled thereto will be entitled to elect to receive such dividend (or part thereof) in cash in lieu of such allotment, or (b) that shareholders entitled to such dividend will be entitled to elect to receive an allotment of shares credited as fully paid up in lieu of the whole or such part of the dividend as the board may think fit. The Company may also upon the recommendation of the board by an ordinary resolution resolve in respect of any one particular dividend of the Company that it may be satisfied wholly in the form of an allotment of shares credited as fully paid up without offering any right to shareholders to elect to receive such dividend in cash in lieu of such allotment.

Any dividend, interest or other sum payable in cash to the holder of shares may be paid by cheque or warrant sent through the post addressed to the holder at his registered address, or in the case of joint holders, addressed to the holder whose name stands first in the register of the Company in respect of the shares at his address as appearing in the register or addressed to such person and at such addresses as

the holder or joint holders may in writing direct. Every such cheque or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first on the register in respect of such shares, and shall be sent at his or their risk and payment of the cheque or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends or other moneys payable or property distributable in respect of the shares held by such joint holders.

Whenever the board or the Company in general meeting has resolved that a dividend be paid or declared the board may further resolve that such dividend be satisfied wholly or in part by the distribution of specific assets of any kind.

All dividends or bonuses unclaimed for one year after having been declared may be invested or otherwise made use of by the board for the benefit of the Company until claimed and the Company shall not be constituted a trustee in respect thereof. All dividends or bonuses unclaimed for six years after having been declared may be forfeited by the board and shall revert to the Company.

No dividend or other monies payable by the Company on or in respect of any share shall bear interest against the Company.

(n) Proxies

Any member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member of the Company and shall be entitled to exercise the same powers on behalf of a member who is an individual and for whom he acts as proxy as such member could exercise. In addition, a proxy shall be entitled to exercise the same powers on behalf of a member which is a corporation and for which he acts as proxy as such member could exercise if it were an individual member. Votes may be given either personally (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy.

(o) Call on shares and forfeiture of shares

Subject to the Articles and to the terms of allotment, the board may from time to time make such calls upon the members in respect of any monies unpaid on the shares held by them respectively (whether on account of the nominal value of the shares or by way of premium). A call may be made payable either in one lump sum or by installments. If the sum payable in respect of any call or instalment is not paid on or before the day appointed for payment thereof, the person or persons from whom the sum is due shall pay interest on the same at such rate not exceeding twenty per cent. (20%) per annum as the board may agree to accept from the day appointed for the payment thereof to the time of actual payment, but the board may waive payment of such interest wholly or in part. The board may, if it thinks fit, receive from any member willing to advance the same, either in money or money's worth, all or any part of the monies uncalled and unpaid or installments payable upon any shares held by him, and upon all or any of the monies so advanced the Company may pay interest at such rate (if any) as the board may decide.

If a member fails to pay any call on the day appointed for payment thereof, the board may serve not less than fourteen (14) clear days' notice on him requiring payment of so much of the call as is unpaid, together with any interest which may have accrued and which may still accrue up to the date of actual payment and stating that, in the event of non-payment at or before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

If the requirements of any such notice are not complied with, any share in respect of which the notice has been given may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the board to that effect. Such forfeiture will include all dividends and bonuses declared in respect of the forfeited share and not actually paid before the forfeiture.

A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares but shall, notwithstanding, remain liable to pay to the Company all monies which, at the date of forfeiture, were payable by him to the Company in respect of the shares, together with (if the board shall in its discretion so require) interest thereon from the date of forfeiture until the date of actual payment at such rate not exceeding twenty per cent. (20%) per annum as the board determines.

(p) Inspection of register of members

Pursuant to the Articles the register and branch register of members shall be open to inspection for at least two (2) hours on every business day by members without charge, or by any other person upon a maximum payment of HK\$2.50 or such lesser sum specified by the board, at the registered office or such other place at which the register is kept in accordance with the Companies Law or, upon a maximum payment of HK\$1.00 or such lesser sum specified by the board, at the Registration Office (as defined in the Articles), unless the register is closed in accordance with the Articles.

(q) Quorum for meetings and separate class meetings

No business shall be transacted at any general meeting unless a quorum is present when the meeting proceeds to business, but the absence of a quorum shall not preclude the appointment of a chairman.

Save as otherwise provided by the Articles the quorum for a general meeting shall be two members present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy and entitled to vote. In respect of a separate class meeting (other than an adjourned meeting) convened to sanction the modification of class rights the necessary quorum shall be two persons holding or representing by proxy not less than one-third in nominal value of the issued shares of that class.

A corporation being a member shall be deemed for the purpose of the Articles to be present in person if represented by its duly authorised representative being the person appointed by resolution of the directors or other governing body of such corporation to act as its representative at the relevant general meeting of the Company or at any relevant general meeting of any class of members of the Company.

(r) Rights of the minorities in relation to fraud or oppression

There are no provisions in the Articles relating to rights of minority shareholders in relation to fraud or oppression. However, certain remedies are available to shareholders of the Company under Cayman law, as summarised in paragraph 3(f) of this Appendix.

(s) Procedures on liquidation

A resolution that the Company be wound up by the court or be wound up voluntarily shall be a special resolution.

Subject to any special rights, privileges or restrictions as to the distribution of available surplus assets on liquidation for the time being attached to any class or classes of shares (i) if the Company shall be wound up and the assets available for distribution amongst the members of the Company shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed *pari passu* amongst such members in proportion to the amount paid up on the shares held by them respectively and (ii) if the Company shall be wound up and the assets available for distribution amongst the members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up on the shares held by them respectively.

If the Company shall be wound up (whether the liquidation is voluntary or by the court) the liquidator may, with the authority of a special resolution and any other sanction required by the Companies Law divide among the members in specie or kind the whole or any part of the assets of the Company whether the assets shall consist of property of one kind or shall consist of properties of different kinds and the liquidator may, for such purpose, set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the liquidator, with the like authority, shall think fit, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.

(t) Untraceable members

Pursuant to the Articles, the Company may sell any of the shares of a member who is untraceable if (i) all cheques or warrants in respect of dividends of the shares in question (being not less than three in total number) for any sum payable in cash to the holder of such shares have remained uncashed for a period of 12 years; (ii) upon the expiry of the 12 year period, the Company has not during that time received any indication of the existence of the member; and (iii) the Company has caused an advertisement to be published in accordance with the rules of the Designated Stock Exchange (as defined in the Articles) giving notice of its intention to sell such shares and a period of three (3) months, or such shorter period as may be permitted by the Designated Stock Exchange (as defined in the Articles), has elapsed since the date of such advertisement and the Designated Stock Exchange (as defined in the Articles) has been notified of such intention. The net proceeds of any such sale shall belong to the Company and upon receipt by the Company of such net proceeds, it shall become indebted to the former member of the Company for an amount equal to such net proceeds.

(u) Subscription rights reserve

The Articles provide that to the extent that it is not prohibited by and is in compliance with the Companies Law, if warrants to subscribe for shares have been issued by the Company and the Company does any act or engages in any transaction which would result in the subscription price of such warrants being reduced below the par value of a share, a subscription rights reserve shall be established and applied in paying up the difference between the subscription price and the par value of a share on any exercise of the warrants.

NOTICE OF ANNUAL GENERAL MEETING



TACK FAT GROUP INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Tack Fat Group International Limited (the “**Company**”) will be held at 9:00 a.m. on Friday, 30 September 2011 at 30/F, China United Centre, 28 Marble Road, North Point, Hong Kong for the following purposes:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the auditors of the Company (the “**Auditors**”) for the year ended 31 March 2011;
2. To re-appoint Hopkins CPA Limited as the auditors of the Company and authorise the board of Directors to fix their remuneration;
3. To re-elect the following Directors:
 - (a) Mr. Chiu Siu Po as executive Director;
 - (b) Mr. Liu On Bong, Peter as executive Director;
 - (c) Mr. Ho Tak Fun as executive Director;
 - (d) Mr. Au Wai June as executive Director;
 - (e) Mr. King Phillip as executive Director;
 - (f) Dr. Leung Shiu Ki, Albert as independent non-executive Director;
 - (g) Mr. Robert James Iaia II as independent non-executive Director;
 - (h) Ms. Lam Yan Fong, Flora as independent non-executive Director;
 - (i) Mr. Yau Yan Ming, Raymond as independent non-executive Director; and
 - (j) Mr. Miu H., Frank as independent non-executive Director.
4. To authorise the board of Directors to fix the Directors’ remuneration;

NOTICE OF ANNUAL GENERAL MEETING

SPECIAL BUSINESS

5. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”); or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional

NOTICE OF ANNUAL GENERAL MEETING

entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory outside Hong Kong).”;

6. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase issued shares in the capital of the Company, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its shares at a price determined by the Directors;
- (c) the aggregate nominal amount of shares of the Company which are authorised to be purchased by the Directors pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and
- (d) for the purposes of this resolution:

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

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable laws to be held; and
- (iii) the date on which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting.”; and

7. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolutions nos. 5 and 6 above, the general mandate to the Directors pursuant to resolution no. 5 be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of share capital of the

NOTICE OF ANNUAL GENERAL MEETING

Company purchased by the Company under the authority granted pursuant to the resolution no. 6, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing this resolution.”

8. To consider and, if thought fit, pass the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the shares in the share capital of the Company to be issued pursuant to the exercise of share options which may be granted under the Scheme Mandate Limit (as defined below), the refreshment of the limit in respect of the granting of share options under the Share Option Scheme of the Company adopted on 11 April 2002 up to 10% of the number of shares of the Company in issue at the date of the passing of this resolution (the “**Scheme Mandate Limit**”) be and is hereby approved; and
- (b) any director of the Company be and is hereby authorised to do all such acts and execute all such documents to effect the Scheme Mandate Limit.”

9. To consider and, if thought fit, pass the following resolution as a special resolution of the Company:

“**THAT:**

- (a) subject to and conditional upon approval of the Registrar of Companies in the Cayman Islands, the change of the name of the Company from “Tack Fat Group International Limited 德發集團國際有限公司” to “Tack Fiori International Group Limited 野馬國際集團有限公司” be and is hereby approved; and
- (b) any director of the Company be and is hereby authorised to do all such acts and execute all such documents to give effect to the change of Company name.”

10. To consider and, if thought fit, pass the following resolution as a special resolution of the Company:

“**THAT:**

- (i) the new articles of association of the Company, a copy of which has been produced to the meeting and marked “X” and has been signed by the Chairman of the meeting for the purpose of identification, be and are hereby approved and adopted as the new articles of association of the Company in substitution for and to the exclusion of all of the existing articles of association of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

- (ii) any director or the company secretary of the Company be authorized to do all such acts as he deems fit to effect the adoption of the new articles of association of the Company and to make relevant registrations and filings in accordance with the relevant requirements of the applicable laws and regulations in the Cayman Islands, Hong Kong and the Listing Rules.”

By Order of the Board
TACK FAT GROUP INTERNATIONAL LIMITED
Chiu Siu Po
Chairman

Hong Kong, 7 September 2011

Notes:

1. A member entitled to attend and vote at the above meeting may appoint one or, if he holds two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
2. Where there are joint holders of any Share, any one of such joint holder may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders be present at the Meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
3. In order to be valid, a form of proxy together with the power of attorney (if any) or other authority (if any) under which it is signed or a certified copy thereof shall be deposited at the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. The proxy form will be published on the website of the Stock Exchange.
4. The register of members of the Company will be closed from 29 September 2011 to 30 September 2011 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the entitlement to attend and vote at the forthcoming Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 28 September 2011.

As at the date of this notice, the board of Directors comprises ten members, of which Mr. Chiu Siu Po, Mr. Liu On Bong, Peter, Mr. Ho Tak Fun, Mr. Au Wai June, Mr. King Phillip are the executive Directors; and Dr. Leung Shiu Ki, Albert, Mr. Robert James Iaia II, Ms. Lam Yam Fong, Flora, Mr. Yau Yan Ming, Raymond and Mr. Miu H., Frank are the independent non-executive Directors.