TACK FAT GROUP INTERNATIONAL LIMITED

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)

FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2010

The joint and several provisional liquidators (the "Provisional Liquidators") of Tack Fat Group International Limited (Provisional Liquidators Appointed) (the "Company") announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2010 together with comparative figures for the year ended 31 March 2009 as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2010
(Amounts expressed in Hong Kong dollars)

	Notes	2010 $'000	2009 $'000
Turnover	4	**55,648**	107,684
Cost of sales		**(37,846)**	(71,909)
Gross profit		**17,802**	35,775
Other revenue	5	**47,101**	249,546
Distribution costs		**(43,368)**	(77,235)
Administrative and other operating expenses		**(15,367)**	(231,880)
Profit/(Loss) from operations		**6,168**	(23,794)
Finance costs	7	**(63,135)**	(13,521)
Loss before tax	7	**(56,967)**	(37,315)
Tax	8	**(1,954)**	(49,815)
Loss for the year		**(58,921)**	(87,130)
Other comprehensive income:			
Exchange differences on translating foreign operations		**13,090**	–
Total comprehensive income for the year		**(45,831)**	(87,130)
Loss for the year attributable to:			
– Owners of the Company		**(59,239)**	(97,162)
– Non-controlling interests		**318**	10,032
		(58,921)	(87,130)
Total comprehensive income for the year attributable to:			
– Owners of the Company		**(46,149)**	(97,162)
– Non-controlling interests		**318**	10,032
		(45,831)	(87,130)
Basic loss per share	10	**(2.68 cents)**	(4.41 cents)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2010

(Amounts expressed in Hong Kong dollars)

	Notes	**2010** **$'000**	2009 $'000
Non-current assets			
Property, plant and equipment		**3,282**	6,503
Current assets			
Inventories		**7,830**	15,210
Trade and other receivables	*11*	**28,273**	36,264
Escrow money		**352**	6,332
Cash and cash equivalents		**12,687**	1,878
		49,142	59,684
Current liabilities			
Trade and other payables	*12*	**80,692**	111,025
Provision for bank loan guarantees for subsidiaries	*13*	**846,121**	822,523
Other borrowings	*13*	**52,390**	90,500
Convertible bonds		**121,557**	119,396
Loans from the Investor	*14*	**36,400**	16,400
Amount due to deconsolidated subsidiaries		**209,956**	157,157
Tax payable		**1,954**	–
		1,349,070	1,317,001
Net current liabilities		**(1,299,928)**	(1,257,317)
NET LIABILITIES		**(1,296,646)**	(1,250,814)
EQUITY			
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY			
Share capital		**221,261**	221,261
Deficiency		**(1,563,065)**	(1,516,915)
		(1,341,804)	(1,295,654)
Non-controlling interests		**45,158**	44,840
		(1,296,646)	(1,250,814)

NOTES TO FINANCIAL STATEMENTS

For the year ended 31 March 2010

1 ORGANISATION AND OPERATIONS

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

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

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

These financial statements are presented in Hong Kong dollars and all values are rounded to nearest thousand ($'000) except otherwise indicated.

2 BASIS OF PRESENTATION

Going concern

As at 31 March 2010, the Group had consolidated net current liabilities of approximately HK$1,299.93 million (2009: approximately HK$1,257.32 million) and consolidated net liabilities of approximately HK$1,296.65 million (2009: approximately HK$1,250.81 million). The Group had a net loss for the year ended 31 March 2010 of approximately HK$58.92 million (2009: approximately HK$87.13 million).

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

The Company was in the first stage of the delisting procedures in accordance with Practice Note 17 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") as at 31 March 2010, the date of the financial statements.

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

The Provisional Liquidators have appointed Asian Capital (Corporate Finance) Limited ("Asian Capital") as financial adviser to the Company with a view to restructuring the Company and submitting a viable resumption proposal to the Stock Exchange. The Company on 20 July 2009 submitted a resumption proposal (the "Resumption Proposal") to the Stock Exchange.

On 9 April 2010, the Company was informed by the Stock Exchange in a letter that trading in the Shares will be resumed subject to the satisfaction of the following conditions by 8 October 2010:

1. complete the open offer, subscription of convertible bonds and all other transactions in the Resumption Proposal;

2. publish a circular containing (i) detailed disclosure of the Resumption Proposal comparable to prospectus standard; (ii) profit forecast for each of the two years ending 31 March 2012 which should be prepared by the Directors (including proposed Directors) after due and careful enquiry; and (iii) pro forma statement of financial position upon completion of the Resumption Proposal;

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

4. undertake to (i) appoint an independent professional advisor to conduct follow-up reviews on the internal control procedures within 6 months from resumption date; and (ii) disclose the review results in subsequent financial reports.

The Stock Exchange may modify the resumption conditions if the Company's situation changes.

The Company, the Provisional Liquidators and the Investor are now taking appropriate steps to implement the transactions contemplated in the Resumption Proposal and fulfill the above conditions as set out by the Stock Exchange.

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

In the opinion of the Provisional Liquidators, the financial statements for the year ended 31 March 2010, which have been prepared on the going concern basis, present fairly the results and state of affairs of the Group.

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

On 7 June 2010, the Company announced that a formal agreement for the proposed restructuring of the Group, involving capital reorganization, debt restructuring, subscription of convertible bonds and offer of new shares, was entered into on 26 May 2010 among the Company, the Provisional Liquidators, the Investor and Ferrier Hodgson Limited (the "Escrow Agent") (the said agreement as the "Restructuring Agreement"). The principal elements of the restructuring proposal are as follows:

a) *Capital Restructuring*

The Company will undergo capital restructuring, involving share consolidation, capital reduction and authorised share capital change.

b) *Subscription*

Pursuant to the Restructuring Agreement upon the capital restructuring, the Investor will subscribe the convertible bond issued by the Company with principal amount of HK$100 million and tenure of three years bearing no interest and convertible into new shares at the option of the bondholders at a conversion price of HK$0.01 per share (the "Investor Convertible Bonds").

c) *Open offer of new shares*

Pursuant to the Restructuring Agreement, the Company will take necessary steps to implement the offer of a total of 15,001,474,104 new shares on the basis of 339 offer shares for every 5 new shares upon the capital restructuring held on the record date by the qualifying shareholders in order to raise approximately HK$150 million.

d) *Debt Restructuring*

Pursuant to the Restructuring Agreement, the Company will apply to the High Court of Hong Kong and the Grand Court of the Cayman Islands for orders convening the creditors' meetings to consider the Hong Kong and the Cayman scheme of arrangement (collectively as the "Schemes") between the Company and the creditors in order to effect the debt restructuring pursuant to which (a) the Company's indebtedness (including but not limited to any guarantee or indemnity given by the Company) will be compromised, discharged and settled; (b) the creditors of the Company (the "Scheme Creditors"), other than creditors which held a preferential claim against the Company, will receive a pro rata distribution of five sevenths of the convertible bonds to be issued by the Company with principal amount of HK$20 million and tenure of one year bearing an interest rate of 2% per annum and convertible into new shares of the Company at the option of the bondholders at a conversion price of HK$0.01 per share; and (c) the Company will transfer or procure the transfer to the scheme administrators of the Schemes for distribution to the Scheme Creditors of the follows:

(i) five sevenths of the cash consideration of HK$50 million, which is funded by the Company out of the gross proceeds from the subscription of the Investor Convertible Bonds;

(ii) any cash held by or for the account of the Company at completion of the restructuring; and

(iii) all rights, title and interest in the companies transferred to Key Winner Holdings Limited ("Key Winner") by Ever Century Holdings Limited ("Ever Century") on or about 29 May 2009, and any other assets in the Group other than the assets which will be remained for continue operation of the Group.

Loss of books and records and effect on the corresponding figures for the financial year ended 31 March 2009

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

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

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

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

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

Deconsolidation of subsidiaries and subsequent impairment of respective book values

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

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

- On 9 September 2009, Borrelli Walsh Limited resigned, citing that it was unable to obtain sufficient information to properly discharge its engagement, and raised concern that the board of directors was unable to control the assets of the Group after 23 June 2008;

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

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

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

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

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

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

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

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

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

Any adjustment as a result of the abovementioned action may have a significant effect to the Group's financial statements for the year ended 31 March 2009 and the relevant disclosures.

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

In the current year, the Group has applied the following new amendments and interpretations ("new HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which are or have become effective.

HKAS 1 (Revised)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKAS 32 & 1 (Amendments)	Puttable Financial Instruments and Obligations Arising on Liquidation
HKFRS 1 & HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Vesting Conditions and Cancellations
HKFRS 7 (Amendment)	Improving Disclosures about Financial Instruments
HKFRS 8	Operating Segments
HK(IFRIC) – Int 9 & HKAS 39 (Amendments)	Embedded Derivatives
HK (IFRIC) – Int 13	Customer Loyalty Programmes
HK (IFRIC) – Int 15	Agreements for the Construction of Real Estate
HK (IFRIC) – Int 16	Hedges of a Net Investment in a Foreign Operation
HK (IFRIC) – Int 18	Transfers of Assets from Customers
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that is effective for annual periods beginning or after 1 July 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

The principal effects of adopting these new and revised HKFRSs are as follows:

(a) HKAS 1 (Revised) *Presentation of Financial Statements*

HKAS 1 (Revised) introduces changes in the presentation and disclosures of financial statements. The revised standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, this standard introduces the statement of comprehensive income, with all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense recognised directly in equity, either in one single statement, or in two linked statements. The Group has elected to present one single statement.

(b) HKFRS 1 and HKAS 27 (Amendments) *Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate*

The HKAS 27 (Amendment) requires all dividends from subsidiaries, associates or jointly-controlled entities to be recognised in the income statement in the separate financial statements. The amendment is applied prospectively only. The HKFRS 1 Amendment allows a first-time adopter of HKFRSs to measure its investment in subsidiaries, associates or jointly-controlled entities using a deemed cost of either fair value or the carrying amount under the previous accounting practice in the separate financial statements. The adoption of this amendment has no impact on the consolidated financial statements. As the Group is not a first-time adopter of HKFRSs, the HKFRS 1 Amendment is not applicable to the Group.

(c) HKFRS 2 (Amendment) *Vesting Conditions and Cancellations*

The HKFRS 2 (Amendment) clarify that vesting conditions are service conditions and performance conditions only. Any other conditions are non-vesting conditions. Where an award does not vest as a result of a failure to meet a non-vesting condition that is within the control of either the entity or the counterparty, this is accounted for as a cancellation. The Group has not entered into share-based payment schemes with non-vesting conditions attached and, therefore, the adoption of the amendments has no significant implication on its accounting for share-based payments.

(d) HKFRS 7 (Amendment) *Improving Disclosures about Financial Instruments*

HKFRS 7 (Amendment) requires additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosured by source of inputs using a three level hierarchy for each class of financial instrument. In addition, a reconciliation between the beginning and ending balance for Level 3 fair value measurement is now required, as well as significant transfer between level 1 and level 2 fair value measurements. The amendments also clarify the requirement for liquidity risk disclosures.

(e) HKFRS 8 *Operating Segments*

This standard requires disclosure of information about the Group's operating segments and replaces the requirement to determine primary (business) and secondary (geographical) reporting segments of the Group.

The Amendment to HKFRS 8 issued in Improvements to HKFRSs 2009 which clarifies that segment assets need only to be reported when those assets are included in measures that are used by the chief operating decision maker.

The adoption of these new HKFRSs had no material effect on the results or financial position of the Group for the current or prior accounting periods. Accordingly, no prior period adjustment has been recognised.

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

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008[1]
HKFRSs (Amendments)	Improvements to HKFRSs 2009[2]
HKAS 24 (Revised)	Related Party Disclosures[3]
HKAS 27 (Revised)	Consolidated and Separate Financial Statements[1]
HKAS 32 (Amendment)	Classification of Rights Issues[4]
HKAS 39 (Amendment)	Eligible Hedged Items[1]
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters[5]
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters[6]
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions[5]
HKFRS3 (Revised)	Business Combinations[1]
HKFRS 9	Financial Instruments[7]
HK(IFRIC) – Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement[3]
HK (IFRIC) – Int 17	Distribution of Non-cash Assets to Owners[1]
HK (IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments[6]

1 Effective for annual periods beginning on or after 1 July 2009
2 Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate
3 Effective for annual periods beginning on or after 1 January 2011
4 Effective for annual periods beginning on or after 1 February 2010
5 Effective for annual periods beginning on or after 1 January 2010
6 Effective for annual periods beginning on or after 1 July 2010
7 Effective for annual periods beginning on or after 1 January 2013

The adoption of HKFRS 3 (Revised) may affect the Group's accounting for business combinations for which the acquisition dates are on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (Revised) will affect the accounting treatment for changes in the Group's ownership interest in a subsidiary that do not result in loss of control of the subsidiary. Changes in the Group's ownership interest that do not result in loss of control of the subsidiary will be account for as equity transactions. The Provisional Liquidators anticipate that the application of other new and revised standards, amendments or interpretations will have no material impact on the results and the financial position of the Group.

4 TURNOVER

The principal activity of the Group is the retail and concessionaire sales of garments. Turnover represents the aggregate of the invoiced value of goods sold and is stated after deducting goods returned, trade discounts and sales tax.

5 OTHER REVENUE

	2010	2009
	$'000	*$'000*
Interest income	**4**	15
Reversal of excess impairment and written off	**–**	245,511
Exchange gain	**154**	–
Reversal of excess provision in current tax payable	**44,737**	–
Rental income	**1,688**	3,059
Others	**518**	961
	47,101	249,546

6 SEGMENT INFORMATION

For the year ended 31 March 2010 and 2009, the Group has been predominately operating in one geographical segment, i.e. the PRC, and principally engaged in the retail and concessionaire sales of garments with the results set out in the financial statements.

For the year ended 31 March 2010, there was no transaction with a single external customer that amount to 10% or more of the Group's revenue (2009: Nil).

7 LOSS BEFORE TAX

Results before taxation is arrived at after charging the following:

(a) Finance Costs

	2010	2009
	$'000	*$'000*
Interest on bank advances and other borrowings wholly repayable within five years	**57,259**	12,037
Interest on convertible bonds	**4,592**	–
Bank charges	**4**	7
Other borrowing costs	**1,280**	1,477
	63,135	13,521

(b) Other Items

	2010	2009
	$'000	*$'000*
Cost of inventories sold *(Note)*	**37,846**	71,909
Depreciation	**1,734**	2,779
Auditor's remuneration	**755**	485
Bad debts written off	**–**	1,348
Allowance for doubtful debts		
– Trade receivables	**4,545**	–
– Deconsolidated subsidiary	**–**	7,025
Disposal of property, plant and equipment	**1,548**	–
Deposit written off	**506**	–
Operating lease rental on premises	**15,762**	28,793
Retirement benefit scheme contributions	**1,014**	1,669
Staff costs, excluding directors' remuneration	**11,342**	20,616

Note: Included in cost of sales is a write down of inventories amounting to HK$8.61 million (2009: HK$35.62 million).

8 TAX

	2010	2009
	$'000	*$'000*
PRC Enterprise Income Tax		
– Current year	**1,954**	–
PRC Value-added tax		
– Under-provision in previous years (Note)	**–**	49,815
	1,954	49,815

Note: The tax provision for the year ended 31 March 2009 represented full provision of value-added tax incurred in periods prior to the appointment of the Provisional Liquidators.

No Hong Kong Profits Tax was provided as there was no assessable profit for both years.

The Group's subsidiaries in the PRC are subject to PRC Enterprise Income Tax at the rate of 25% (2009: 25%) on taxable income determined in accordance with the relevant laws and regulations in the PRC.

No provision for deferred taxation has been made as, in the opinion of the Provisional Liquidators, the effect of all the temporary differences would not be significant or the temporary differences are not expected to crystallise in the foreseeable future.

The tax charge for the year can be reconciled to the loss per the consolidated statement of comprehensive income as follows:

	2010	2009
	$'000	*$'000*
Loss before tax	**(56,967)**	(37,315)
Tax at the Hong Kong Profits Tax rate of 16.5% (2009: 16.5%)	**(9,400)**	(6,157)
Tax effect of expenses not deductible for tax purpose	**22,819**	70,533
Tax effect of income not taxable for tax purpose	**(12,121)**	(64,376)
Effect of different tax rates of subsidiaries operated in other jurisdiction	**656**	–
Income tax charge for the year	**1,954**	–

9. DIVIDENDS

The Board does not recommend the payment of dividend for the year ended 31 March 2010 (2009: Nil).

10 LOSS PER SHARE

(a) Basic Loss Per Share

The calculation of basic loss per share is based on the loss attributable to ordinary equity shareholders of the Company of approximately HK$59.24 million (2009: approximately HK$97.16 million) and the weighted average of 2,212,606,800 (2009: 2,205,175,106) ordinary shares in issue during the year, calculated as follows:

	2010 Number of shares *'000*	2009 Number of shares *'000*
Issued ordinary shares at 1 April	**2,212,606**	2,172,607
Effect of share options exercised	**–**	32,568
Weighted average number of ordinary shares at 31 March	**2,212,606**	2,205,175

(b) Diluted Earnings Per Share

Diluted loss per share for the year ended 31 March 2010 is the same as the basic loss per share as the Company did not have any dilutive potential ordinary shares during the year.

As the exercise of the Group's outstanding convertible bonds and the impact of the exercise of the share options for the year ended 31 March 2009 would be anti-dilutive, diluted loss per share was the same as the basic loss per share for the year ended 31 March 2009.

11 TRADE AND OTHER RECEIVABLES

	2010 *$'000*	2009 *$'000*
Trade receivables	**22,387**	22,486
Less: Allowance for doubtful debts	**(4,545)**	–
	17,842	22,486
Other receivables and prepayments	**10,431**	13,778
	28,273	36,264

Aging analysis

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

	2010	2009
	$'000	*$'000*
0 – 90 days	**15,888**	10,670
91 – 180 days	**298**	2,000
181 – 365 days	**1,656**	7,186
Over 365 days	**–**	2,630
	17,842	22,486

The Group's concessionaire sales through department stores are generally collectible within 30 days to 60 days from the invoice date.

12 TRADE AND OTHER PAYABLES

	2010	2009
	$'000	*$'000*
Trade payables	**38,482**	40,532
Other payables and accruals	**42,210**	70,493
	80,692	111,025

The credit periods granted by suppliers are generally ranged from 60 days to 90 days. At 31 March 2010, the aged analysis of the trade payables is as follows:

	2010	2009
	$'000	*$'000*
0 – 90 days	**3,014**	24,191
91 – 180 days	**1,119**	–
181 – 365 days	**4,524**	10,682
Over 365 days	**29,825**	5,659
	38,482	40,532

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

13 PROVISION FOR BANK LOAN GUARANTEES FOR SUBSIDIARIES AND OTHER BORROWINGS

The banking facilities of the Group were secured by corporate guarantees issued by the Company. The banking facilities granted to the subsidiaries of the Company were secured by the Company's interest in some of its subsidiaries and guaranteed by the Company. Details of the abovementioned items are set out as follows:

(i) Provision for bank loan guarantees for subsidiaries

	2010	2009
	$'000	*$'000*
Secured	**141,947**	133,018
Unsecured	**704,174**	689,505
	846,121	822,523

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

(ii) Other borrowings

	2010	2009
	$'000	*$'000*
Secured	**10,718**	45,000
Unsecured	**41,672**	45,500
	52,390	90,500

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

The effective interest rate for the year ended 31 March 2010 for other borrowings were 4% per month and 8%-11% per annum (2009: 2% per month and 6% per annum).

14. LOANS FROM THE INVESTOR

	2010	2009
	$'000	*$'000*
At 1 April	**16,400**	–
Addition	**20,000**	16,400
At 31 March	**36,400**	16,400

On 11 August 2009, the Investor and the Provisional Liquidators entered into a revolving loan facility agreement, pursuant to which, the Investor consented to provide additional working capital loan for the Group's retail business operating entity in the PRC of an aggregate amount equal to HK$15 million till 30 December 2009 or any date to be extended by written agreement between the Investor and the Provisional Liquidators. A further sum of HK$5 million is provided by the Investor to meet the funding requirement of the PRC business.

15 CONTINGENT LIABILITIES

The Provisional Liquidators are not aware of any significant contingent liabilities of the Group and the Company as at 31 March 2010 and 31 March 2009.

16 EVENTS AFTER THE REPORTING PERIOD

On 9 April 2010, the Company was informed by the Stock Exchange in a letter that trading in the Shares will be resumed subject to the satisfaction of the following conditions by 8 October 2010:

1. complete the open offer, subscription of convertible bonds and all other transactions in the Resumption Proposal;

2. publish a circular containing (i) detailed disclosure of the Resumption Proposal comparable to prospectus standard; (ii) profit forecast for each of the two years ending 31 March 2012 which should be prepared by the Directors (including proposed Directors) after due and careful enquiry; and (iii) pro forma statement of financial position upon completion of the Resumption Proposal;

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

4. undertake to (i) appoint an independent professional advisor to conduct follow-up reviews on the internal control procedures within 6 months from resumption date; and (ii) disclose the review results in subsequent financial reports.

The Stock Exchange may modify the resumption conditions if the Company's situation changes.

The Company, the Provisional Liquidators and the Investor are now taking appropriate steps to implement the transactions contemplated in the Resumption Proposal and fulfill the above conditions as set out by the Stock Exchange.

On 9 April 2010, the Company, the Provisional Liquidators, Forefront Finance Company Limited ("Forefront"), Merrier Limited ("Merrier"), Hansom Finance Limited ("Hansom") and the Investor entered into the supplemental deed to the Settlement Deed (the "Supplemental Deed") pursuant to which Forefront and Hansom agreed to extend the period of not exercising their respective share charge over the Ever Century Shares from 12 months to 24 months from the date of the Settlement Deed.

By an order of the High Court dated 13 April 2010, the hearing for the winding up of the Company was further adjourned to 14 July 2010.

On 28 April 2010, the Company settled the obligations under the Working Capital Facility and the Additional Funding.

On 26 May 2010, The Company, the Provisional Liquidators, the Investor and Ferrier Hodgson Limited entered into a restructuring agreement (the "Restructuring Agreement") which provided for, inter alia, a proposed capital reorganisation, a proposed open offer, a proposed subscription of convertible bonds by the Investor, a proposed debt restructuring and Schemes.

On 28 May 2010, New Profit Holdings Limited, an indirect 90% owned subsidiary of the Company, was placed into creditors' voluntary liquidation pursuant to the Companies Ordinance.

AN EXTRACT OF AUDITOR'S REPORT

BASIS FOR QUALIFIED OPINION

1. Comparative information of the consolidated statement of cash flows

The Group has not disclosed the comparative information of the consolidated statement of cash flows in accordance with the requirements of the Hong Kong Accounting Standard 1 (Revised) "Presentation of Financial Statements". Due to a lack of information, it is not practicable to quantify the effects of the departure from this requirement.

2. Deconsolidation of the subsidiaries

As explained in note 2 to the financial statements, Provisional Liquidators were appointed to Tack Fat Swimwear Manufacturing Limited on 6 October 2008 and Tack Fat Manufacturing Factory Limited was wound up by court order on 18 February 2009. Due to the absence of accounting information that is considered reliable by the Provisional Liquidators (from 1 April 2008 to the respective dates when the two companies ceased to be the subsidiaries of the Group), the results and financial positions of the above-mentioned subsidiaries have been excluded from consolidated financial statements of the Group as of 31 March 2009. However, under HKAS 27 "Consolidated and Separate Financial Statements" issued by HKICPA, these two subsidiaries should have been consolidated. Had these two subsidiaries been consolidated, many elements in the financial statements would have been materially affected. Our auditor's report on the financial statements for the year ended 31 March 2009 was modified accordingly.

OPINION

In our opinion, except for the effects on the financial statements of matters referred to in the preceding paragraphs, the consolidated financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 March 2010 and of the Group's results and cash flows for the year then ended in accordance with HKFRSs and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATING TO THE GOING CONCERN BASIS

We draw attention to note 2 to the financial statements which explains that a proposal for the resumption of trading in the Company's shares and the restructuring of the Group (the "Resumption Proposal") was submitted to the Stock Exchange on 20 July 2009. On 9 April 2010, the Company was informed by the Stock Exchange in a letter that trading in the shares will be resumed subject to the satisfaction of conditions mentioned in note 2 to the financial statements by 8 October 2010. The financial statements have been prepared on a going concern basis on the assumptions that the Resumption Proposal will be successfully completed in the foreseeable future and following that the Group will continue to meet in full its financial obligations as they fall due. The financial statements do not include any adjustments that would result from a failure to complete the Resumption Proposal. We consider that appropriate disclosures have been made.

FINANCIAL REVIEW

For the year ended 31 March 2010, the Group's turnover was approximately HK$55.65 million (2009: HK$107.68 million), representing a decrease of approximately 48.32% from the last financial year.

The consolidated loss attributable to shareholders of the Company amounted to approximately HK$59.24 million (2009: HK$97.16 million) for the year. Loss per share was approximately HK2.68 cents as compared with loss per share of approximately HK4.41 cents for the preceding year.

BUSINESS REVIEW

The main business activity of the Group is the retail of garment in the PRC.

For the year ended 31 March 2010, the Group's turnover was approximately HK$55.65 million (2009: HK$107.68 million), representing a decrease of approximately 48.32% as compared to last year. The decrease was due to the limited working capital and a reduction of the Group's sales points in the PRC.

The Group's gross margin for the year ended 31 March 2010 was 32.00% (2009: 33.22%), representing a modest decrease of approximately 1.22% as compared to the corresponding period of last year which is below the management's expectation.

As the conditional approval of resumption of trading from the Stock Exchange (the "Conditional Approval") has not been obtained during the financial period, the Group's plan to expand its sales network in the PRC has been delayed and hindered the Group's ability to negotiate for a favourable payment terms with the suppliers. Accordingly, the turnover and gross margin have collectively been suffered.

Closing inventories at 31 March 2010 were approximately HK$7.83 million (2009: HK$15.21 million). Inventory turnover on sales for the year ended 31 March 2010 was 111 days (2009: 156 days). The improvement in inventory turnover is attributable by an improvement in the purchase and inventory management system which result in timelier stock ordering and delivery.

RESTRUCTURING OF THE GROUP FROM 2009

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

On 3 April 2009, the Company, the Provisional Liquidators, Forefront, Merrier, Hansom and the Investor entered into the Settlement Deed pursuant to which Merrier agreed to transfer the interest in Ever Century (a wholly-owned subsidiary of the Company the entire equity interest of which was charged and transferred to Forefront by the Company in June 2008 and August 2008 respectively) back to the Company from the date of the Settlement Deed in order to facilitate the restructuring of the Company and not to exercise their respective charges for a period of 12 months. Forefront and Hansom acknowledged, confirmed and agreed that there was no intention to change the beneficial ownership of interest in Ever Century or the Company's control over Ever Century.

On 23 April 2009, Tack Fat International and Chiu Wing, both indirect wholly-owned subsidiaries of the Company, were placed into creditors' voluntary liquidation pursuant to section 228A of the Companies Ordinance (Chapter 32) of the Laws of Hong Kong (the "Companies Ordinance").

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

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

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

On 11 August 2009, the Investor and the Provisional Liquidators entered into a revolving loan facility agreement, pursuant to which, the Investor consented to provide additional working capital loan for the Group's retail business operating entity in the PRC of an aggregate amount equal to HK$15 million till 31 December 2009 or any date to be extended by written agreement between the Investor and the Provisional Liquidators (the "Working Capital Facility"). On 20 January 2010, a further sum of HK$5 million was provided by the investor to meet the funding requirement of the PRC business (the "Additional Funding").

On 10 June 2009 and 9 December 2009, the Company set up Real Victor Limited ("Real Victor") and Shenzhen XXEZZ Clothing Company Limited respectively to facilitate the restructuring of the Group.

On 8 January 2010, the Provisional Liquidators and the Investor by way of another side letter, agreed to extend the exclusivity period by a further 6-month period until 11 July 2010.

On 9 April 2010, the Company was informed by the Stock Exchange in a letter that trading in the Shares will be resumed subject to the satisfaction of the following conditions by 8 October 2010:

1. complete the open offer, subscription of convertible bonds and all other transactions in the Resumption Proposal;

2. publish a circular containing (i) detailed disclosure of the Resumption Proposal comparable to prospectus standard; (ii) profit forecast for each of the two years ending 31 March 2012 which should be prepared by the Directors (including proposed Directors) after due and careful enquiry; and (iii) pro forma statement of financial position upon completion of the Resumption Proposal;

3. provide comfort letter from the auditor or the financial advisor relating to working capital sufficiency for the next 12 months from the latest practicable date before expected resumption date; and

4. undertake to (i) appoint an independent professional advisor to conduct follow-up reviews on the internal control procedures within 6 months from resumption date; and (ii) disclose the review results in subsequent financial reports.

The Stock Exchange may modify the resumption conditions if the Company's situation changes.

On 9 April 2010, the Company, the Provisional Liquidators, Forefront, Merrier, Hansom and the Investor entered into the supplemental deed to the Settlement Deed (the "Supplemental Deed") pursuant to which Forefront and Hansom agreed to extend the period of not exercising their respective share charge over the Ever Century Shares from 12 months to 24 months from the date of the Settlement Deed.

By an order of the High Court dated 13 April 2010, the hearing for the winding up of the Company was further adjourned to 14 July 2010.

On 28 April 2010, the Company settled the obligations under the Working Capital Facility and the Additional Funding.

On 26 May 2010, The Company, the Provisional Liquidators, the Investor and Ferrier Hodgson Limited entered into the Restructuring Agreement which provided for, inter alia, a proposed capital reorganisation, a proposed open offer, a proposed subscription of convertible bonds by the Investor, a proposed debt restructuring and schemes of arrangement in both Hong Kong and the Cayman Islands (the "Schemes").

On 28 May 2010, New Profit Holdings Limited, an indirect 90% owned subsidiary of the Company, was placed into creditors' voluntary liquidation pursuant to the Companies Ordinance.

The Company, the Provisional Liquidators and the Investor are now taking appropriate steps to implement the transactions contemplated in the Resumption Proposal and Restructuring Agreement and fulfill the above resumption conditions as set by the Stock Exchange.

PROSPECTS

It is anticipated that the financial position of the Group will be substantially improved upon (i) the successful implementation of the Restructuring Agreement; and (ii) resumption of trading in the shares on the Stock Exchange. The Investor and the Provisional Liquidators anticipate all existing liabilities owed to the creditors of the Company and creditors of its subsidiaries holding guarantees given by the Company will be compromised and discharged through the Schemes.

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

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

Trading in the Company's shares on Stock Exchange has been suspended since 30 July 2008.

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

Based on the books and records made available to them, the Provisional Liquidators are responsible for the accuracy and completeness of the contents of this report and the audited financial statements for the year ended 31 March 2010 in relation to (i) the affairs of the Group after the appointment of the Provisional Liquidators; and (ii) the preparation of the contents of these audited financial statements for the year ended 31 March 2010.

AUDIT COMMITTEE

On 24 November 2009, the audit committee of the Company was reconstituted. Mr. Pau Chin Hung, Andy, Mr. Choong Khuat Leok and Mr. Kooi Tock Chian were appointed as members of the audit committee, with Mr. Choong being appointed as chairman. Accordingly, the audit committee considered and accepted its terms of reference to:

- make recommendations to the Company regarding external auditor;
- to review and monitor external auditor independence and objectivity and effectiveness of audit process in accordance with applicable standard;
- to develop and implement policy on engagement of external auditor to provide non-audit services;
- to review the financial information of the Company prior to publication; and
- oversight of Company's financial reporting system and internal control procedures.

The annual results have been reviewed by the audit committee and the external auditor.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 March 2010.

CORPORATE GOVERNANCE

The Company's code on corporate governance practices was adopted by reference to the provisions of the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 14 to the Listing Rules. However, due to the severe financial difficulties of the Group and the appointment of the Provisional Liquidators, the Directors are unable to comment as to whether the Company has complied with the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules throughout the year ended 31 March 2010.

ADOPTED CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

To the best knowledge of the Provisional Liquidators, after making reasonable enquiries, all the existing Directors have complied with the required standard set out in the Model Code during the year ended 31 March 2010.

PUBLICATION OF INFORMATION ON WEBSITES

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

By Order of the Board
TACK FAT GROUP INTERNATIONAL LIMITED
(Provisional Liquidators Appointed)
CHOONG Khuat Leok
Independent Non-Executive Director

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

Hong Kong, 22 June 2010

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