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TACK FAT GROUP INTERNATIONAL LIMITED

德發集團國際有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 928)

ANNOUNCEMENT

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

Mudd (USA) LLC, an associated company of the Company, reached an agreement on 31 March 2006 to dispose of substantially all its assets relating to the business of marketing, licensing and/or managing the MUDD® family of marks and related names for use in wide variety of goods and services everywhere in the world (excluding the rights in the Greater China) for US\$88 million. Mudd (USA) LLC will enter into a licensing agreement for the utilization of the Marks for the design, manufacture and sale of core jean and denim related products for two years with an option to renew for another five years, with guarantee for certain royalty levels.

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Tack Fat Group International Limited (the “**Company**”) was informed on 6 April 2006 (Hong Kong time) that:

- (1) subject to the regulatory approval, Mudd (USA) LLC, an associated company of the Company, reached an agreement on 31 March 2006 (United States time) to dispose (the “**Disposal**”) of substantially all its assets relating to the business of marketing, licensing and/or managing the MUDD® family of marks and related names (the “**Marks**”) for use in wide variety of goods and services everywhere in the world (excluding the rights in the Greater China) to Iconix Brand Group Inc. (the “**Purchaser**”), a Delaware corporation listed on NASDAQ, in cash and stock of the Purchaser for US\$88 million;
- (2) Mudd (USA) LLC will enter into a licensing agreement with a subsidiary of the Purchaser for the utilization of the Marks for the design, manufacture and sale of core jean and denim related products for two years with an option to renew for another five years, with guarantee for certain royalty levels; and

(3) Mudd (USA) LLC and the Purchaser shall negotiate in good faith to enter into commercially reasonable arrangement (i.e. joint venture) to exploit the Marks in Asia (outside the Greater China) and the Middle East providing for an equal sharing of costs and royalties.

A special meeting of the board of managers of Mudd (USA) LLC will be held on 10 April 2006 (United States time) to approve and ratify the above transactions.

Mudd (USA) LLC is beneficially owned as to 72% by Sino Legend Limited which is indirectly owned as to 50% in terms of voting rights by the Company. To the best knowledge of the board of directors of the Company, the business and operation of Mudd (USA) LLC will remain unchanged to be principally engaged in the design, manufacturing and sale of denim jeans and other apparel and accessories products as well as licensing related products through brands. As at the date of this announcement, the Company was not provided with many details of the transactions such as the intended use of the proceeds from the Disposal and the terms of the licensing agreement referred to in paragraph (2) above. In this regard, further announcement will be made by the Company where necessary for giving further details of the above transactions in compliance with the Listing Rules.

By order of the board of directors
Kwok Wing
Chairman

Hong Kong, 6 April 2006

As at the date of this announcement, the executive directors of the Company are Mr. Kwok Wing, Mr. Lee Yuk Man, Mr. Ho Yik Kin, Norman and Mr. Kwok Kam Chuen, and the independent non-executive directors of the Company are Mr. Leung Yiu Wing, Eric, Mr. Ching Kwok Ho, Samuel and Mr. Heng Kwo Seng.

Please also refer to the published version of this announcement in China Daily.