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TACK FAT GROUP INTERNATIONAL LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)

PROPOSED GRANT OF SHARE OPTIONS

The Board is pleased to announce that the Company has entered into an Option Deed on 6 October 2011 with each of the Grantees in respect of the grant of Share Options by the Company. Under the Options Deeds, the Company conditionally agreed to grant Share Options for up to 300,000,000 Shares in aggregate.

The Company will convene an EGM for the Shareholders to consider and, if thought fit, approve the grant of the Share Option. A Specific Mandate to allot and issue up to 300,000,000 new Shares will also be sought in connection with the Share Options.

A circular containing further information on the Option Deeds and the Specific Mandate, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders, the recommendation from the Independent Board Committee, together a notice of the EGM, will be dispatched to the Shareholders as soon as possible.

OPTION DEEDS

The Board is pleased to announce that the Company has entered into an Option Deed on 6 October 2011 with the grantees (each a “**Grantee**”), the key terms of which are set out as follows:

(a) Grantees and the number of Share Options granted

Grantee	Position	Such number of Share Options representing
Chiu Siu Po	Executive Director and Chairman	10,000,000 Shares
Liu On Bong, Peter	Executive Director and Vice Chairman	10,000,000 Shares
Chan Chak Kai, Kenneth	Executive Director	50,000,000 Shares
Chan Ying Kei	Chief Operating Officer	10,000,000 Shares
Cheng Pui Yee	Financial Controller and Joint Company Secretary	10,000,000 Shares
Yu Man Fung, Alice	Consultant	100,000,000 Shares
Ko Po Yee	Consultant	100,000,000 Shares
Wong Wan Men Margaret	Consultant	10,000,000 Shares

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as Mr. Chiu Siu Po, Mr. Liu On Bong, Peter and Mr. Chan Chak Kai, Kenneth, are executive directors of the Company, they are considered as connected persons of the Company under Rule 14A.11 of the Listing Rules.

(b) Consideration

The consideration payable by each of the Grantees for the grant of the Share Options is HK\$1.00.

(c) Conditions

The grant of the Share Options in each Option Deed is conditional on:

- the approval by the Stock Exchange of the grant of the Share Options, if required;
- the approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, the Option Shares upon the exercise of the Share Options granted under the Option Deeds;
- the approval by the Independent Shareholders of the grant of the Share Options, together with the issue of the Option Shares upon exercise of the Share Options pursuant to the Option Deeds, if required.

Each of the Option Deeds shall automatically terminate and be of no effect and neither party shall have any claim against the other in the event that the above conditions are not fulfilled by 31 December 2011, or such later date as the Company and each of the Grantees may agree.

The Share Options to be granted pursuant to the Option Deeds will also be subject to the requirements under Chapter 15 of the Listing Rules.

(d) Vesting

The Share Options shall vest no later than 18 months from the date of issue, unless otherwise agreed between the Company and the Grantee.

The Share Options which have been vested shall be exercisable until the expiry of the Option Period.

Full Vesting of the Share Options

Notwithstanding the above vesting schedule, the Share Options held by each of the Grantees shall fully automatically vest and become exercisable immediately upon the occurrence of any of the following events:

- an agreement for the full vesting of the Options between the Company and the Grantee; or
- if at any time after the Grant Date, a person or entity acquires the legal and beneficial ownership of 30% or more of the issued and outstanding ordinary Shares of the Company;

subject to the vesting of the Option Shares not resulting in the aggregate shareholdings of the Grantees in the Company (assuming full exercise of the Option Shares) exceeding 20% of the Company's entire issued share capital at the time of the vesting.

(e) Exercise Period

Upon vesting as described above, the Share Options may be exercised over a period of up to 18 months until the expiry of the Option Period.

(f) Exercise of the Share Options

Subject to the above conditions, the Share Options may be exercised during the Exercise Period by serving a Share Option exercise notice to the Company together with the Exercise Price payable.

(g) The Exercise Price

The Exercise Price is HK\$0.10 per Share. The Exercise Price was arrived at after arm's length negotiations with each of the Grantees. The Exercise Price was determined after consideration of a number of factors, including the consideration of the subscription price of the most recent open offer conducted by the Company, the recent trading price of the Shares, the appropriate reward to be awarded to the Grantees to incentivise them

to maintain their performance with or for the Group, and the potential enhancement in Shareholders' value and benefits to Shareholders of their continued employment or services provided to the Group given the expertise and experience each of them have.

In view of the factors stated above, the Directors are of the view that the grant of the Share Options to the Grantees at the Exercise Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole. (Those Directors who are also Grantees not having participated in any discussion relating to the grant of the Share Options to themselves)

(h) Option Shares

The Option Shares, when issued and allotted, shall rank *pari passu* in all respects among themselves and with all other Shares in issue on the date of the issue and allotment of the Option Shares and will accordingly entitle each of the Grantees to participate in full in all dividends or other distributions paid or made on the Shares on or after the relevant day on which the Share Options are duly exercised other than any dividend or other distribution previously declared, or recommended or resolved to be paid or made if the record date therefor shall be before the relevant exercise date and notice of the amount and record date for which shall have been given to the Stock Exchange prior to the relevant exercise date. The Option Shares will be issued under the Specific Mandate.

(i) Completion

Subject to the fulfilment of the conditions as detailed above and the vesting and exercise of the Share Options by any of the Grantees within the Exercise Period, completion shall take place at the principal office of the Company in Hong Kong (or such other place as agreed between the Company and the relevant Grantee) on the date specified for completion in the exercise notice.

(j) Lapse of Share Options

A Share Option shall lapse automatically (to the extent not already vested, or if vested but not exercised) on the earlier of:

- the expiry of the Option Period; or
- the date on which:
 - Grantees employed by the Group resigns or terminates his employment with the Group other than for good reason; or
 - The Group terminates the employment of the Grantees employed by the Group for cause.

(k) Rights to participate in distributions and/or offers of further securities

None of the Grantees has any right under their respective Option Deed to participate in any distributions and/or offers of further securities made by the Company before the exercise of the Share Options.

(l) Transfer or transmission of the Share Options

The benefit of the Option Deeds (including but not limited to the Share Options) shall not be assignable in whole or in part.

(m) Winding up of the Company

If an effective resolution is passed during the Option Period for the voluntary winding-up of the Company, then:

- if such winding-up be for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement to which the relevant Grantee as holder of the Share Options shall be a party or in conjunction with which a proposal is made to such Grantee, the terms of such scheme of arrangement or proposal (as the case may be) shall be binding on each of them if the scheme of arrangement or proposal is approved by the requisite majority of the relevant securities holders of the Company in accordance with any applicable laws, rules and/or regulations; and
- in any other case, the relevant Grantee shall be entitled at any time within six weeks after the passing of such resolution for the voluntary winding-up of the Company by service of an exercise notice, together with payment of the exercise price, to elect to be treated as if it had immediately prior to the commencement of such winding-up exercised the Share Options to the extent specified in the exercise notice and had on such date been the holder of Shares to which he would have become entitled pursuant to such exercise and the Company and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the relevant Grantee of the passing of any such resolution within seven days after the passing thereof and such notice shall contain a reminder to the relevant Grantee with respect to its rights under this paragraph.

Subject to the foregoing, if the Company is voluntarily wound up, the Share Options, in so far as not exercised, shall lapse.

In the case of a non-voluntary winding-up of the Company, the Share Options, in so far as not exercised, shall lapse on an order having been made by the court for winding-up of the Company.

(n) Reorganisation of Capital Structure

If and whenever the Shares by reason of any consolidation or sub-division become of a different nominal amount whilst any Share Option is able to be vested or remains exercisable, (i) the Exercise Price in force immediately prior thereto shall be adjusted by multiplying it by the revised nominal amount and dividing the result by the former nominal amount and (ii) the number of Option Shares (subject to the Share Options so far as unexercised) in force immediately prior thereto shall be adjusted by multiplying it by the former nominal amount and dividing the result by the revised nominal amount provided that no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value. Each such adjustment shall be effective from the close of business in Hong Kong on the day immediately preceding the date on which the consolidation or sub-division becomes effective.

Save as provided above, there are no other adjustments which can be made to the Exercise Price or the number of Option Shares in the event of alteration in the capital structure of the Company.

Reasons for entering into the Option Deeds

As trading of the Shares commenced on 9 August 2011, the Board believes that the continuing contribution of these Grantees are crucial to the expansion future growth and the success of the Group as a whole. The Board is of the view that the grant of the Share Options is an appropriate means to incentivise and reward these individuals and align their interests with those of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Option Deeds, which were arrived at after arm's length negotiations between the Company and each of the Grantees, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. (Those Directors who are also Grantees not having participated in any discussion relating to the grant of the Share Options to themselves)

Specific Mandate

Upon the exercise of the Share Options a total of up to 300,000,000 new Shares will be issued by the Company. At the EGM, the Independent Shareholders will be asked to consider and, if thought fit, approve, among other things, the grant of the Specific Mandate to allot and issue up to 300,000,000 new Shares for the purpose of the Share Options.

The Independent Shareholders will also be asked to consider, and if thought fit, authorise the Board to, on behalf of the Company, determine and deal with, at its discretion and with full authority, matters relating to the Share Options.

Details of the proposed Specific Mandate will be set out in the circular to the Shareholders for the EGM.

Listing Rules Implications

The entering into of the Option Deeds with Mr. Chiu Siu Po, Mr. Liu On Bong, Peter and Mr. Chan Chak Kai, Kenneth who are executive directors of the Company, will constitute connected transaction of the Company for the purpose of Chapter 14A of the Listing Rules. The grant of the Share Options to the Grantees pursuant to the Option Deeds must comply with the requirements under Chapter 15 of the Listing Rules. Accordingly, the terms of the Option Deeds and the grant of the Share Options must be approved by the Stock Exchange and by Independent Shareholders in a general meeting, subject to the requirements under Chapter 15 of the Listing Rules.

EXTRAORDINARY GENERAL MEETING

The EGM will be convened for the Independent Shareholders to consider and, if thought fit, approve the grant of the Share Options and the Specific Mandate. The Independent Board Committee comprising all the independent non-executive Directors will be formed to advise

the Independent Shareholders on, among other things, the grant of the Share Options and the Specific Mandate and an independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders on those transactions.

GENERAL

A circular containing, among other things, further details of the grant of the Share Options and the Specific Mandate and other disclosures as required by the Listing Rules, the letter from the independent financial adviser to the Independent Board Committee and the Independent Shareholders and the recommendation from the Independent Board Committee together with the notice of the EGM will be dispatched to the Shareholders in due course.

DEFINITIONS

“Board”	the board of directors of the Company
“Company”	Tack Fat Group International Limited, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Main Board of the Stock Exchange
“Director”	a director of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among other things, the grant of the Share Options under the Option Deeds and the Specific Mandate
“Exercise Period”	the period during which the Share Options shall remain exercisable after being vested as described in the section headed “Option Deeds — (e) Exercise Period” in this announcement
“Exercise Price”	the exercise price of the Share Options at HK\$0.10 per Share
“Grant Date”	means the date of the grant of the Options
“Grantees”	as defined under the paragraph headed “Option Deed” in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Shareholders”	All Shareholders except persons required to abstain from voting on the Share Options and Specific Mandate, when used in the context of the grant of Share Options and the Specific Mandate
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option Deeds”	the option deeds dated 6 October 2011 entered into between the Company and each of the Grantees, each an “Option Deed”
“Option Period”	means the period between the Grant Date and the date which is three years from the Grant Date
“Option Shares”	an aggregate of 300,000,000 Shares to be issued to the Grantees when exercised in accordance with the terms and conditions set out in the Options Deeds at the Exercise Price
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholders”	the holders of Shares
“Share Options”	such number of share options to be granted by the Company to each of the Grantees in accordance with the terms and conditions set out in their respective Option Deeds
“Specific Mandate”	the authority to issue and allot up to 300,000,000 Option Shares pursuant to the Shareholders’ resolutions to be proposed at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules

By Order of the Board
TACK FAT GROUP INTERNATIONAL LIMITED
Ho Tak Fun
Executive Director

Hong Kong, 6 October 2011

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

Executive Directors:

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

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