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TACK FAT GROUP INTERNATIONAL LIMITED

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)



ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEES

APPOINTMENT OF INDEPENDENT FINANCIAL ADVISOR

AND

DELAY IN DESPATCH OF CIRCULAR

RESTRUCTURING OF TACK FAT GROUP INTERNATIONAL LIMITED (PROVISIONAL LIQUIDATORS APPOINTED) INVOLVING, INTER ALIA,

- (1) PROPOSED CAPITAL REORGANISATION;**
- (2) PROPOSED OPEN OFFER ON THE BASIS OF 339 OFFER SHARES FOR EVERY 5 NEW SHARES HELD ON THE RECORD DATE;**
- (3) PROPOSED ISSUE OF CONVERTIBLE BONDS; AND**
- (4) APPLICATION FOR WHITEWASH WAIVER**

Financial Advisor



ASIAN CAPITAL
(CORPORATE FINANCE) LIMITED
卓亞(企業融資)有限公司

INTRODUCTION

Reference is made to the announcement of Tack Fat Group International Limited (Provisional Liquidators Appointed) (the “**Company**”) dated 7 June 2010 (the “**Announcement**”). Terms used herein shall have the same meanings as defined in the Announcement unless otherwise defined.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEES AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISOR

On 22 June 2010, pursuant to Rules 2.1 and 2.8 of the Takeovers Code, the independent board committee (the “**Whitewash Waiver Independent Board Committee**”), consisting of all non-executive Directors, namely Mr. James D. McMullen, Mr. Pau Chin Hung, Andy, Mr. Choong Khuat Leok and Mr. Kooi Tock Chian, was established to make recommendations to the independent Shareholders in respect of voting on the resolutions to approve the issue of the Investor Convertible Bonds, the proposed Open Offer and the Whitewash Waiver by way of a poll at the EGM.

On the same date, pursuant to Rule 13.39(6) of the Listing Rules, the independent board committee (the “**Open Offer Independent Board Committee**”), consisting of all independent non-executive Directors, namely Mr. Pau Chin Hung, Andy, Mr. Choong Khuat Leok, and Mr. Kooi Tock Chian, was formed to make recommendations to the independent Shareholders in respect of voting on the resolution(s) to approve the proposed Open Offer.

In addition, on the same date, the Whitewash Waiver Independent Board Committee and the Open Offer Independent Board Committee (together the “**Independent Board Committees**”) approved the appointment of Access Capital Limited to be the independent financial advisor (the “**IFA**”) to advise them and the independent Shareholders as to whether the terms of the Investor Convertible Bonds, the Open Offer and the Whitewash Waiver are fair and reasonable and advise on how the independent Shareholders should vote in respect of these resolutions.

DELAY IN DESPATCH OF THE CIRCULAR

Pursuant to Rule 8.2 of Takeovers Code, the circular to the Shareholders (the “**Circular**”) in relation to, among other things, (i) the Restructuring Agreement, (ii) the Capital Reorganisation, (iii) the Open Offer, (iv) the issue of the Convertible Bonds, (v) the Whitewash Waiver; and (vi) the proposed appointment and removal of the Directors is required to be despatched within 21 days after the publication of the Announcement, which is on or before 28 June 2010.

As the Independent Board Committees have just been established and the IFA has just been appointed, they need additional time to prepare their letters of advice to be included in the Circular. Moreover, amongst the key components to implement the Restructuring Agreement, the Investor Subscription Agreement, also being a basis for application of the Whitewash Waiver, was entered into between the parties on 24 June 2010 and the Creditors Subscription Agreement is still yet to be executed. The Company is now preparing the relevant announcement and requires additional time to finalise the Creditors Subscription Agreement and the relevant announcement(s) and the Circular.

Therefore, the Company has applied to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code and the Executive has indicated that it is minded to grant consent for an extension of time for the despatch of the Circular to a date on or before 31 August 2010.

The Company will make an announcement as soon as practicable upon the despatch of the Circular.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 9:30 a.m. on 30 July 2008. Until satisfaction of all the Resumption Conditions set by the Listing Division, trading in the Shares will continue to be suspended. The release of this announcement does not indicate that the trading of the Shares will be resumed and that the listing approval for the Offer Shares will be granted.

Further announcements will be made as material developments take place.

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

Hong Kong, 28 June 2010

As at the date of this announcement, the Board comprises one non-executive Director, Mr. James D. McMullen and three independent non-executive Directors, Mr. Pau Chin Hung, Andy, Mr. Choong Khuat Leok, and Mr. Kooi Tock Chian.

The Provisional Liquidators and the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, the opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.