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TACK FAT GROUP INTERNATIONAL LIMITED

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)



- (i) CLARIFICATION ON THE FRACTIONAL ENTITLEMENTS TO OFFER SHARES;**
- (ii) UNDERWRITING ARRANGEMENT FOR THE OPEN OFFER ON THE BASIS OF 339 OFFER SHARES FOR EVERY 5 NEW SHARES HELD ON THE RECORD DATE;**
- (iii) NEW PROFIT AGREEMENT;**
- (iv) SPECIAL DEAL;**
- (v) REVISED TIMETABLE; AND**
- (vi) DELAY IN DESPATCH OF CIRCULAR**

Financial Advisor to the Company and Underwriter to the Open Offer



ASIAN CAPITAL

(CORPORATE FINANCE) LIMITED

卓亞(企業融資)有限公司

Reference is made to the announcement of the Company dated 23 July 2010 (the “**Announcement**”) in relation to, among other things, the Open Offer on the basis of 339 Offer Shares for every 5 New Shares held on the Record Date. Terms used herein shall have the same meanings as those defined in the Announcement unless otherwise specified.

CLARIFICATION ON THE FRACTIONAL ENTITLEMENTS TO OFFER SHARES

Referring to the section headed “Fractions of Offer Shares” in the Announcement, the Company would like to clarify that “Fractional entitlements to Offer Shares will not be issued but will be aggregated and taken up by the underwriter of the Open Offer”, which means, if a Qualifying Shareholder holds 13 New Shares as at the Record Date, he/she/it will be entitled to receive 881 Offer Shares on pro-rata basis.

UNDERWRITING AGREEMENT

On 27 July 2010, the Company and Asian Capital (Corporate Finance) Limited (the “**Underwriter**”) entered into the Underwriting Agreement. The Underwriter, which is licensed under the SFO to perform Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) of the regulated activities under the SFO, is also the financial advisor to the Company. Save for that, the Underwriter is an independent third party of the Company or with any of the Directors, chief executive, substantial shareholders of the Company or any of their respective associates. Save for being engaged as the financial advisor to the Company, the Underwriting Agreement and the Sub-underwriting Letter, there is no agreement or arrangement between the Underwriter and the Company or the Investor, its ultimate beneficial owner and parties acting in concert with any of them.

Pursuant to the Underwriting Agreement, the Underwriter has conditionally agreed to fully subscribe or procure subscription for the Offer Shares which have been offered to but have not been accepted by the Qualifying Shareholders and the Offer Shares to which the Excluded Shareholders would have been entitled if they are regarded as the Qualifying Shareholders and any fractional entitlement thereof (the “**Untaken Shares**”). The maximum number of the Untaken Shares underwritten by the Underwriter is 15,001,474,104 Offer Shares. The Underwriter will receive an underwriting commission of 2.75% of the aggregate Subscription Price for the Offer Shares.

Conditions precedent to the Underwriting Agreement

The obligations of the Company and the Underwriter hereto under the Underwriting Agreement are conditional upon:

- a) the approval by the Shareholders in a general meeting of all the transactions contemplated under the Restructuring Agreement and the Underwriting Agreement including but not limited to the allotment and issue of the Offer Shares;
- b) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong, respectively, one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the Listing Rules and the Companies Ordinance not later than the Posting Date;
- c) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus and the Overseas Letter to the Excluded Overseas Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Open Offer on or before the Posting Date; and
- d) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked listing of and permission to deal in the Offer Shares by no later than the first day of their dealings as stated in the Prospectus.

If any of the conditions is not fulfilled by the respective time and/or date specified above (or such later time and/or date as the Underwriter may agree), then either party may by notice to the other party terminate the Underwriting Agreement, in which case, no party to the Underwriting Agreement shall have any claim against any other party to the Underwriting Agreement for costs, damages, compensation or otherwise except that such termination shall be without prejudice to any accrued rights or obligations under the Underwriting Agreement.

Underwriter's obligations under the Underwriting Agreement

If and to the extent that at 4:00 p.m. on the business day after the Last Acceptance Date, there shall be any Untaken Shares, then the Underwriter shall subscribe or shall procure subscriber(s) to subscribe for all such Untaken Shares on the terms as set out in the Prospectus Documents (other than as to the time of acceptance and payment) and shall pay or procure to be paid to the Company the aggregate Subscription Price in respect of the Untaken Shares by not later than 4:00 p.m. on the third business day after the Last Acceptance Date.

The Underwriter shall provide the name(s) and account number(s) of itself or such subscriber(s) to the Company by not later than 4:00 p.m. on the second business days after the Last Acceptance Date. Following payment as aforesaid, all obligations and liabilities of the Underwriter under the Underwriting Agreement shall cease.

In the event that the Underwriter default in complying with its obligations in the Underwriting Agreement, the Company is irrevocably authorised to treat the Underwriting Agreement as an application by the Underwriter for the number of the Untaken Shares and subject to the terms and conditions and on the basis of the information contained in the Prospectus Documents (other than as to the time of acceptance and payment). Pursuant to the terms of the Sub-underwriting Letter as disclosed below, the obligation of the Underwriter in respect of the Untaken Shares is fully sub-underwritten by the Investor. In the case of default by the Underwriter, the Investor will substitute the Underwriter to take up the Untaken Shares in the event that the Underwriter does not exercise its right to procure other subscribers. As such, the Underwriter will not trigger a general offer obligation under the Takeovers Code.

The Underwriter undertakes to the Company that in the event that the Underwriter exercises its right to procure subscribers other than the Investor, it will procure third parties independent of the Company and the Investor, its ultimate beneficial owner and parties acting in concert with any of them to be the subscribers and the subscription of the aggregate Untaken Shares by any subscribers procured by the Underwriter will not result in any general offer obligation upon allotment and issue of the Offer Shares to them.

TERMINATION CLAUSE OF THE UNDERWRITING AGREEMENT

The Underwriting Agreement contains provisions granting the Underwriter, by notice in writing, the right to terminate the Underwriter's obligations thereunder on the occurrence of certain events. The Underwriter may terminate the Underwriting Agreement on or before the Latest Time for Termination if prior to the Latest Time for Termination, any of the following happens:

- (a) in the reasonable opinion of the Underwriter, the success of the Open Offer would be materially and adversely affected by:**
 - (1) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole;**
 - (2) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement), of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole;**
 - (3) any material adverse change; or**
 - (4) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the reasonable opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole.**
- (b) any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, the PRC or other jurisdiction relevant to the business of the Group taken as a whole and a change in currency conditions for the purpose of the Underwriting Agreement includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the reasonable opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Open Offer; or**
- (c) the Company commits any breach of or omits to observe any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement of a material nature which would materially and adversely affect the success of the Open Offer.**

The Company may, by way of giving written notice to the Underwriter, to terminate and rescind the Underwriting Agreement at any time before the Latest Time for Termination if the Restructuring Agreement is terminated pursuant to the terms thereto.

WARNING OF THE RISK OF DEALING IN THE SHARES

The New Shares will be on an ex-entitlement basis commencing from Wednesday, 27 October 2010 based on the revised expected timetable below. The Open Offer is conditional upon, *inter alia*, the fulfilment or waiver of the conditions set out under the paragraph headed “Conditions of the Open Offer” of the Announcement. In particular, it is subject to the Underwriting Agreement not being terminated in accordance with its terms thereof (a summary of which is set out under the paragraph headed “Termination of the Underwriting Agreement” above). The Open Offer may or may not proceed. Any dealing in the Shares from the date of this announcement up to the date on which all the conditions of the Open Offer are fulfilled or waived will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealings in the Shares are recommended to consult their own professional advisors. The Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the shares of the Company.

Sub-underwriting Letter

On 27 July 2010, the Underwriter offered in writing to the Investor and the Investor (in the context herein, the “**Sub-underwriter**”) accepted by a confirmation letter (the “**Sub-underwriting Letter**”) to act as a sub-underwriter to subscribe for up to 15,001,474,104 Offer Shares, i.e. the maximum number of the Untaken Shares.

The Sub-underwriting Letter may be terminated if the Underwriting Agreement is terminated by either the Underwriter or the Company pursuant to the conditions and termination clause in the Underwriting Agreement listed out above.

Save for entering into the Exclusivity and Escrow Agreement, the Restructuring Agreement, the Investor Subscription Agreement and the Sub-underwriting Letter, none of the Investor, its ultimate beneficial owner and parties acting in concert with any of them has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible or exchangeable into the Shares during the period commencing on the date falling six months prior to the date of the 1st Announcement and ending on the date of this announcement.

As at the date of this announcement, the Investor, its ultimate beneficial owner and parties acting in concert with any of them do not hold any Shares, warrants, options or convertible securities of the Company or any derivatives in respect of the securities of the Company.

The Investor, its ultimate beneficial owner and parties acting in concert with any of them are independent third parties of the Underwriter, the Company or with any of the Directors, chief executive, substantial shareholders of the Company or any of their respective associates.

Sub-underwriter's obligations under the Sub-underwriting Letter

Upon the Underwriter's notification about the total number of the Untaken Shares on or before 5:00 p.m. on the business day after the Last Acceptance Date, the Sub-underwriter is required to arrange payment of the aggregate Subscription Price of the Untaken Shares by telegraphic transfer in Hong Kong dollars on or before 4:00 p.m. on the second business day after the Last Acceptance Date to the Company's account.

The Sub-underwriter shall provide with the Underwriter details of the designated custodian for the deposit of the Untaken Shares by not later than 12:00 noon on the third business day after the Last Acceptance Date.

The Sub-underwriter shall bear and arrange the payment of the buyer's ad valorem stamp duty payable to the Government of Hong Kong, buyer's Stock Exchange trading fee, buyer's SFC transaction levy and buyer's CCASS stock settlement fee, if required, arising from the subscription of the Untaken Shares.

In the event that the Sub-underwriter default in complying with its obligations in the Sub-underwriting Letter, the Underwriter shall reserve the right to procure other subscribers to subscribe for the Untaken Shares to treat the Sub-underwriting Letter as an application by the Sub-underwriter for the number of the Untaken Shares and subject to the terms and conditions and on the basis of the information contained in the Prospectus Documents (other than as to the time of acceptance and payment) and the Underwriter will instruct the Company to allot and issue such Untaken Shares to the Sub-underwriter upon such terms and conditions. As such, the Sub-underwriter shall pay to the Company the full amount in respect of the relevant number of Untaken Shares against delivery by the Company to the Sub-underwriter (or as it may direct) of documentary evidence of entitlement to the Untaken Shares. The Open Offer shall be completed upon payment by the Sub-underwriter. The completion of the Open Offer is one of the Resumption Conditions for the resumption of trading in the shares of the Company.

In the event that the Company has allotted and issued the Untaken Shares to the Sub-underwriter and the Sub-underwriter fails to pay to the Company the subscription money in respect of the aggregate Subscription Price of the Untaken Shares issued and allotted to the Sub-underwriter, it would be a claim of unpaid subscription money between the Company, the Underwriter and the Sub-underwriter. If due to the fact that the Company does not receive the payment from the Sub-underwriter, the Listing Committee of the Stock Exchange does not grant or withdraws or revokes listing of and permission to deal in the Offer Shares (the condition (d) to the Underwriting Agreement), the Open Offer will not be completed, the Resumption Conditions cannot be satisfied and trading in the Shares cannot be resumed.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

As the Investor will sub-underwrite for all the Open Offer, the changes in the shareholding structure of the Company in connection with the Open Offer, the Investor Subscription Agreement and Creditors Subscription Agreement remain the same as those disclosed in the Announcement. Asian Capital will not take up any of the Untaken Shares as a result of the Sub-underwriting Letter with the Investor.

TAKEOVERS CODE AND WHITEWASH WAIVER IMPLICATIONS

As the Investor, also being the Sub-underwriter, will fully sub-underwrite the Open Offer, no other party will incur general offer obligation as a result of the arrangements pursuant to the Underwriting Agreement.

Assuming all the Offer Shares are taken up by the Shareholders and the Investor exercises full conversion of the Investor Convertible Bonds, the Investor will hold approximately 10,000 million New Shares, representing (i) approximately 39.6% of the issued share capital of the Company upon completion of the Capital Reorganisation and as enlarged by the issue of the Offer Shares and full conversion of the Investor Convertible Bonds; and (ii) approximately 36.7% of the issued share capital of the Company upon completion of the Capital Reorganisation and as enlarged by the issue of the Offer Shares and full conversion of the Investor Convertible Bonds and Creditors Convertible Bonds.

Assuming none of the Shareholders takes up the Offer Shares and the Investor does not convert any Investor Convertible Bonds, the Investor will hold approximately 15,000 million New Shares, representing (i) approximately 98.5% of the issued share capital of the Company upon completion of the Capital Reorganisation and as enlarged by the issue of the Offer Shares; and (ii) approximately 87.1% of the issued share capital of the Company upon completion of the Capital Reorganisation and as enlarged by the issue of the Offer Shares and full conversion of the Creditors Convertible Bonds.

Assuming none of the Shareholders takes up the Offer Shares and the Investor exercises full conversion of the Investor Convertible Bonds, the Investor will hold approximately 25,000 million New Shares, representing (i) approximately 99.1% of the issued share capital of the Company upon completion of the Capital Reorganisation and as enlarged by the issue of the Offer Shares and full conversion of the Investor Convertible Bonds only; and (ii) approximately 91.8% of the issued share capital of the Company upon completion of the Capital Reorganisation and as enlarged by the issue of the Offer Shares and full conversion of both of the Investor Convertible Bonds and Creditors Convertible Bonds.

Accordingly, the Investor, its ultimate beneficial owner and parties acting in concert with any of them have made an application to the Executive under the Takeovers Code for a Whitewash Waiver waiving their obligations to make a mandatory general offer for Shareholders under Rule 26 of the Takeovers Code. The Whitewash Waiver, if granted, will be subject to, among other things, the approval by the Independent Shareholders in the Restructuring EGM (as defined below), who are not interested or involved in the Investor Subscription Agreement, the Open Offer and the Whitewash Waiver.

The Whitewash Waiver Independent Board Committee comprising all the non-executive Directors, namely, Mr. James D McMullen, Mr. Pau Chin Hung, Andy, Mr. Choong Khuat Leok and Mr. Kooi Tock Chian, has been established to make recommendations to the Independent Shareholders in respect of the Whitewash Waiver.

Access Capital Limited has been appointed by the Whitewash Waiver Independent Board Committee to advise the Whitewash Waiver Independent Board Committee and the Independent Shareholders as to whether the terms of the Investor Subscription Agreement, 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.

NEW PROFIT AGREEMENT

On 30 July 2010, the Company, the Provisional Liquidators, Best Favour Investments Limited (“**Best Favour**”), Key Winner, New Profit, the joint and several liquidator of New Profit, Anway Limited (an indirect wholly-owned subsidiary of the Company), CITIC Bank International Limited (formerly known as CITIC Ka Wah Bank Limited) (“**CITIC Bank**”) and Swimwear entered into the New Profit Agreement.

The principal terms of the New Profit Agreement are:

- (i) on the Closing Date, the Company shall transfer or procure the transfer of two-sevenths of the Cash Consideration (i.e. HK\$14,285,714.00) and issue two-sevenths of the Creditors Convertible Bonds to New Profit or as it directs following consultation with the New Profit Stakeholders;
- (ii) after receipt of the distributions described in (i), New Profit shall distribute to the New Profit Stakeholders in the agreed order of priority;
- (iii) Swimwear acknowledges and agrees that upon receiving its respective entitlement, its claims against New Profit is settled and it shall be deemed to have no further claim against New Profit and to have waived any and all rights of action of any nature against New Profit arising prior to the date of payment of its respective entitlement;
- (iv) CITIC Bank acknowledges and agrees that upon receiving its respective entitlement, it shall be deemed to have no further claims against Anway and to have waived any and all rights of action of any nature against Anway arising prior to the date of payment of its respective entitlement. CITIC Bank will take all steps necessary to release, on the Closing Date, the security over the shares in Best Favour; and
- (v) Noble Group Investment Limited, the 10% shareholder of Best Favour, will receive 10% of any residual amount due to Best Favour upon the distribution by New Profit.

SPECIAL DEAL

As at the date of this announcement and to the best information and knowledge of the Provisional Liquidators, there are two Creditors, namely QVT Fund LP and Quintessence Fund LP (together as the “**Interested Shareholders**”), who are also Shareholders.

Details of the Claims and shareholding interest of the Interested Shareholders:

	Claim (as at 31 March 2010)		Shareholding (as at the date of this announcement)	
	<i>HK\$ millions</i>	<i>%</i>	<i>no. of shares</i>	<i>%</i>
QVT Fund LP	83	7.27%	981,850	0.044%
Quintessence Fund LP	9	0.79%	105,412	0.005%
the Interested Shareholders	92	8.06%	1,087,262	0.05%
Total Claims/Total number of Shares in issue	1,141	100%	2,212,606,800	100%

Save as disclosed above, the Interested Shareholders are independent third parties of the Company and the Investor, its ultimate beneficial owner and parties acting in concert with any of them.

Pursuant to the Restructuring Agreement entered into amongst the Company, the Provisional Liquidators and the Investor on 26 May 2010, the Company proposes to raise HK\$100 million (before expenses) upon the Investor's subscription of the Investor Convertible Bonds. HK\$50 million out of the proceeds will be the Cash Consideration to repay to the Scheme Creditors and the New Profit Stakeholders in a proportion of 5:2. The Company will also issue Creditors Convertible Bonds to the Scheme Creditors and New Profit Stakeholders in a proportion of 5:2, with a total principal amount of HK\$20 million at nil consideration. Therefore, five seventh of the Cash Consideration and Creditors Convertible Bonds (equivalent to a total principal amount of approximately HK\$50 million, as the **"Repayment"**) will be used to settle all the Creditors' Claims against the Company.

These Interested Shareholders, in their capacity of the Creditors and if admitted as Scheme Creditors, would receive their respective portion of the Repayment (in respect of Cash Consideration and Creditors Convertible Bonds) as follows:

	Claim (as at 31 March 2010)		Cash Consideration		Creditors Convertible Bonds		Repayment
	<i>HK\$ millions</i>	<i>%</i>	<i>HK\$ millions</i>	<i>%</i>	<i>HK\$ millions</i>	<i>%</i>	<i>(Note)</i>
QVT Fund LP	83	7.27%	2.60	5.19%	1.04	5.19%	7.27%
Quintessence Fund LP	9	0.79%	0.28	0.56%	0.11	0.56%	0.79%
the Interested Shareholders	92	8.06%	2.88	5.75%	1.15	5.75%	8.06%
Total	1,141	100%	50	100%	20	100%	100%

Note: These figures are indicative only, subject to adjudication and derived without taking into consideration the Claims from the Preferential Creditors amounting to approximately HK\$0.5 million as at 31 March 2010 and any administrative costs to be or having been incurred in relation to the Schemes. Pursuant to the Schemes, the repayment to the Preferential Creditors and payment of the administrative costs being incurred in relation to the Schemes rank before the repayment of the other Creditors (including the Interested Shareholders).

Terms of the distribution of the Repayment among all the Scheme Creditors (other than Preferential Creditors) are the same pursuant to the terms of the Schemes. As part of the Repayment (the cash portion) is contributed by the proceeds from the subscription of the Investor Convertible Bonds by the Investor and the other part of the Repayment is in the form of Creditors Convertible Bonds, the Interested Shareholders are interested in the Investor Subscription Agreement, the Creditors Subscription Agreement and the Whitewash Waiver.

To the best information and knowledge of the Provisional Liquidators, as at the date of this announcement, save for the Interested Shareholders, there is no other Shareholder being Creditors or New Profit Stakeholders.

As the terms of the settlement of the Claims to the Interested Shareholders under the Schemes are not extended to the other Shareholders, it constitutes a special deal for the Company under Rule 25 of the Takeovers Code, and requires the consent of the Executive, which will normally be granted provided that Access Capital Limited, the independent financial advisor to the Whitewash Waiver Independent Board Committee and the independent Shareholders (who are not interested or involved in the transactions contemplated in the Restructuring Agreement (including the Investor Subscription Agreement and Creditors Subscription Agreement), the Whitewash Waiver and the Special Deal), publicly stating that in its opinion the respective terms of the settlement of the Claims to the Interested Shareholders are fair and reasonable; and the respective resolutions in respect of the transactions contemplated in the Restructuring Agreement (including the Investor Subscription Agreement and the Creditors Subscription Agreement), the Whitewash Waiver and the Special Deal are approved by the independent Shareholders by way of poll at the Restructuring EGM.

The Interested Shareholders will abstain from voting on the resolutions in respect of the transactions contemplated in Restructuring Agreement (including the Investor Subscription Agreement and the Creditors Subscription Agreement), the Whitewash Waiver and the Special Deal.

The Provisional Liquidators consider that the terms of the settlement of the Claims to the Interested Shareholders have been determined on an arms length basis and are on normal commercial terms. The Company has made an application to the Executive for their consent on the Special Deal.

REVISED TIMETABLE

As additional time is required to finalise the circular, which will contain details of, among other things, (i) the Whitewash Waiver; (ii) the Special Deal; (iii) the recommendations of the Whitewash Waiver Independent Board Committee; and (iv) a letter of advice from Access Capital Limited, the independent financial advisors, to the Independent Board Committees and the Independent Shareholders in relation to the Open Offer, transactions contemplated under the Restructuring Agreement (including the Investor Subscription Agreement and the Creditors Subscription Agreement), the Whitewash Waiver and the Special Deal (the “**Whitewash Waiver Circular**”), it is now expected that the Whitewash Waiver Circular can only be dispatched on or before 25 August 2010.

However, in order to ensure that the expected date of resumption of trading in the Shares no later than 6 December 2010 remaining the same as previously announced by the Company in the Announcement, the Provisional Liquidators decided to convene a separate extraordinary general meeting on 30 August 2010 (the “**Capital Reorganisation EGM**”) for the Shareholders to approve the Capital Reorganisation first so that the application to Cayman Islands Court can take place as soon as possible while other events for the restructuring of the Company can take place concurrently. There will be another extraordinary general meeting (the “**Restructuring EGM**”) in respect of all the other transactions contemplated in the Restructuring Agreement, the Whitewash Waiver and the Special Deal later.

The revised timetable is as follows:

Expected Timetable	2010
Expected date of despatch of the circular in relation to the Capital Reorganisation and notice of the Capital Reorganisation EGM	Saturday, 7 August
Expected date of despatch of the Whitewash Wavier Circular and notice of the Restructuring EGM	Wednesday, 25 August
Latest time for lodging proxy forms for the Capital Reorganisation EGM	2:30 p.m. on Saturday, 28 August
Expected date of the Capital Reorganisation EGM	2:30 p.m. on Monday, 30 August
Announcement of results of the Capital Reorganisation EGM	Monday, 30 August
Latest time for lodging proxy forms for the Restructuring EGM	11:00 a.m. on Wednesday, 22 September
Expected date of the Restructuring EGM	11:00 a.m. on Friday, 24 September
Announcement of results of the Restructuring EGM	Friday, 24 September

The following events are conditional on the results of the Capital Reorganisation EGM and the relevant Cayman Islands Court hearings. The dates are therefore tentative.

Latest time for lodging transfer of Shares in order to qualify for the posting of new share certificates for the New Shares	4:30 p.m. on Friday, 15 October
Closure of register of members for posting of new share certificates for New Shares (both dates inclusive)	Monday, 18 October to Monday, 25 October
Effective date of the Capital Reorganisation and record date for posting of new share certificates for the New Shares	After 5:00 p.m. on Monday, 25 October
Posting of new share certificate for the New Shares and register of members reopens	Tuesday, 26 October
Last day of cum-entitlements of the New Shares	Tuesday, 26 October
First day of ex-entitlements of the New Shares	Wednesday, 27 October
Latest time for lodging transfer of the New Shares in order to qualify for the Open Offer	4:30 p.m. Thursday, 28 October
Closure of register of members to determine the eligibility of the Open Offer (both dates inclusive)	Friday, 29 October to Friday, 5 November
Record Date and time for the Open Offer	Friday, 5 November
Register of members reopens and despatch of the Prospectus Documents	Monday, 8 November
Latest time for acceptance of and payment for Offer Shares	4:00 p.m. Tuesday, 23 November
Latest time for Termination	4:00 p.m. Friday, 26 November
Announcement of results of the Open Offer	Monday, 29 November
Despatch of certificates for Offer Shares	Wednesday, 1 December
If the Open Offer is terminated, refund checks to be despatched on or before	Wednesday, 1 December

Note: All references to time in this announcement are references to Hong Kong time.

Dates or deadlines specified in this announcement for events in the timetable for (or otherwise in relation to) the Capital Reorganisation and the Open Offer are indicative only and may be extended or varied by agreement between the Company and the Underwriter, and subject to the availability of the Cayman Islands Court for hearings and the approval by the Stock Exchange of such amendments. Any consequential changes to the expected timetable will be published or notified to the Shareholders appropriately.

Effect of bad weather on the latest time for acceptance of and payment for the Open Offer

If there is:

- a tropical cyclone warning signal number 8 or above, or
 - a “black” rainstorm warning
- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 23 November 2010, the latest time of acceptance of and payment for the Offer Shares will not take place at 4:00 p.m. on Tuesday, 23 November 2010, but will be extended to 5:00 p.m. on the same day instead;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 23 November 2010, the latest time of acceptance of and payment for the Offer Shares will not take place on Tuesday, 23 November 2010, but will be rescheduled to 4:00 p.m. on the following business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Offer Shares does not take place on Tuesday, 23 November 2010, the dates mentioned in the section headed “Revised Expected Timetable” in this announcement may be affected. An announcement will be made by the Company in such event.

GENERAL

To the best of the knowledge, information and belief of the Provisional Liquidators and the Board, save for the Interested Shareholders, none of the Shareholders including Mr. Kwok Wing and his associates, has direct or indirect interest (otherwise than solely a Shareholder) nor any involvement in the transactions contemplated in the Restructuring Agreement (including the Investor Subscription Agreement and the Creditors Subscription Agreement), the Whitewash Waiver and the Special Deal and therefore is not permitted to vote in respect of the resolution to approve the transactions contemplated in the Restructuring Agreement (including the Investor Subscription Agreement and the Creditors Subscription Agreement), the Whitewash Waiver and the Special Deal in the Restructuring EGM.

DELAY IN DESPATCH OF CIRCULAR

Referring to the revised timetable above, the Whitewash Waiver Circular, including, among other things, details of (i) the Whitewash Waiver; (ii) the Special Deal; (iii) the recommendations of the Whitewash Waiver Independent Board Committee; and (iv) a letter of advice from Access Capital Limited, the independent financial advisors, to the Independent Board Committees and the Independent Shareholders in relation to the Open Offer, transactions contemplated under the Restructuring Agreement (including the Investor Subscription Agreement and the Creditors Subscription Agreement), the Whitewash Waiver and the Special Deal is expected to be despatched on or before 25 August 2010.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

The transactions contemplated under the Restructuring Agreement, Investor Subscription Agreement, Creditors Subscription Agreement, the Underwriting Agreement and the Sub-underwriting Letter are subject to the fulfillment of a number of conditions precedent and therefore may or may not materialise.

Trading in the Shares has been suspended at the request of the Company since 9:30 a.m. on 30 July 2008 and will remain suspended until further notice. 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 in the Shares will be resumed and that the listing approval for the new Shares, Offer Shares and Conversion Shares will be granted.

For and on behalf of
TACK FAT GROUP INTERNATIONAL LIMITED
(Provisional Liquidators Appointed)
FOK Hei Yu
Roderick John Sutton
Joint and Several Provisional Liquidators
acting as agents without personal liability

Hong Kong, 6 August 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 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.