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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in doubt** as to any aspect of this circular or as to the action you should take, you should consult a licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisor.

**If you have sold or transferred** all your shares in Tack Fat Group International Limited (Provisional Liquidators Appointed), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, the licensed securities dealer or registered institution or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**TACK FAT GROUP INTERNATIONAL LIMITED**

**(Provisional Liquidators Appointed)**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 00928)

**PROPOSED CAPITAL REORGANISATION  
AND  
NOTICE OF EGM**

**Financial Advisor to the Company**



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

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A notice convening the EGM to be held at Plaza 1-2, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong at 2:30 p.m. on Monday, 30 August 2010 is set out on pages 13 to 15. Whether or not you intend to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at 26/F, 28 Queen's Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time fixed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person in the EGM or any adjourned meeting should you so wish. In such event, the instrument appointing a proxy shall be deemed revoked.

7 August 2010

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings, unless the context otherwise requires:*

“1st Announcement”	the announcement of the Company dated 7 June 2010 in relation to the entering into the Restructuring Agreement and the proposed application of the Whitewash Waiver
“2nd Announcement”	the announcement of the Company dated 23 July 2010 in relation to (i) the Capital Reorganisation; (ii) the Open Offer; (iii) the subscription of Investor Convertible Bonds; (iv) the subscription of Creditors Convertible Bonds; and (v) the proposed application of the Whitewash Waiver
“Authorised Share Capital Increase”	the increase of the authorised share capital of the Company from HK\$2,212,606.80 to HK\$500,000,000 by the creation of additional 49,778,739,320 New Shares at par value of HK\$0.01 each following the completion of the Capital Reduction, Capital Cancellation and Share Consolidation
“Board”	the board of Directors
“Capital Cancellation”	the proposed cancellation of the unissued share capital of the Company in its entirety upon the Capital Reduction becoming effective, resulting in the authorised and issued share capital of the Company becoming HK\$2,212,606.80
“Capital Reduction”	the proposed reduction of the nominal value of each Share from HK\$0.10 to HK\$0.001
“Capital Reorganisation”	the proposed reorganisation of the capital of the Company including Capital Reduction, Capital Cancellation, Share Consolidation and Authorised Share Capital Increase
“Cayman Companies Law”	the Companies Law (2010 Revision) of the Cayman Islands as amended from time to time
“Cayman Islands Court”	the Grand Court of the Cayman Islands
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Closing”	the completion of all the transactions under the Restructuring Agreement

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## DEFINITIONS

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“Company”	Tack Fat Group International Limited (Provisional Liquidators Appointed), a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (Stock Code: 00928), the registered office of which is situated at Century Yard, Cricket Square, Hutchins Drive, George Town, Grand Cayman, Cayman Islands
“Convertible Bonds”	collectively, the Creditors Convertible Bonds and Investor Convertible Bonds
“Creditors Convertible Bonds”	the convertible bonds to be issued by the Company with principal amount of HK\$20,000,000 and tenure of one year bearing an interest rate of 2% per annum and convertible into New Shares at the option of the holders at a conversion price of HK\$0.01 per share
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to approve the Capital Reorganisation to be held at 2:30 p.m. on 30 August 2010 or any adjournment thereof
“Escrow Agent”	FS Asia Advisory Limited (formerly known as Ferrier Hodgson Limited), a company incorporated in Hong Kong with limited liability
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investor”	Radford Developments Limited, a company incorporated in the British Virgin Islands with limited liability
“Investor Convertible Bonds”	the convertible bonds to be issued by the Company with principal amount of HK\$100,000,000 and tenure of three years bearing no interest and convertible into New Shares at the option of the holders at a conversion price of HK\$0.01 per share

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## DEFINITIONS

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“Latest Practicable Date”	6 August 2010, being the latest practicable date prior to the printing of this circular ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum and Articles of Association”	the memorandum and articles of association of the Company
“New Shares(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company immediately upon the Capital Reorganisation becoming effective
“Offer Share(s)”	New Share(s) to be allotted and issued under the Open Offer, being 15,001,474,104 New Shares
“Open Offer”	the proposed issue of the Offer Shares on the basis of 339 Offer Shares for every 5 New Shares held by the qualifying Shareholders on the record date on the terms to be set out in the prospectus documents
“PRC”	the People’s Republic of China which, for the purpose of this circular only, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Provisional Liquidators”	Messrs Fok Hei Yu and Roderick John Sutton, the joint and several provisional liquidators of the Company, both of FS Asia Advisory Limited (formerly known as Ferrier Hodgson Limited)
“Restructuring Agreement”	the restructuring agreement dated 26 May 2010 entered into between the Company, the Provisional Liquidators, the Investor and the Escrow Agent in respect of the restructuring of the Group
“Share(s)”	ordinary share(s) of the Company from time to time
“Share Consolidation”	the proposed consolidation of every ten (10) issued shares of the company of HK\$0.001 each into one (1) consolidated New Share of HK\$0.01 each immediately upon the Capital Reduction becoming effective
“Shareholder(s)”	holder(s) of the share(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“Subscription Price”	the subscription price of HK\$0.01 per Offer Share
“Whitewash Waiver”	a waiver of the obligation of the Investor, its ultimate beneficial owner and parties acting in concert with any of them to make a mandatory general offer for all the securities of the Company not already owned or agreed to be acquired by them which may arise as a result of the transactions contemplated under the Restructuring Agreement
“%”	per cent
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

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## EXPECTED TIMETABLE

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*The expected timetable for the Capital Reorganisation set out below is for indicative purposes only and has been prepared on the assumption that all the conditions of the Capital Reorganisation will be fulfilled. The expected timetable is subject to change, and any changes will be announced in a separate announcement by the Company as and when appropriate.*

### EXPECTED TIMETABLE

2010

As announced in the 1st Announcement and the 2nd Announcement, the Company is preparing a circular in relation to the transactions contemplated in the Restructuring Agreement. As additional time is required to finalise the circular, 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 2nd Announcement, the Provisional Liquidators decided to convene the 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, among other things, all the other transactions contemplated in the Restructuring Agreement. The Company will publish a revised timetable for the Restructuring EGM and the proposed Open Offer.

Expected date of despatch of the circular and notice of the EGM . . . . . Saturday, 7 August

Latest time for lodging proxy forms for the EGM. . . . . 2:30 p.m. on  
Saturday, 28 August

Expected date of the EGM . . . . . 2:30 p.m. on Monday,  
30 August

Announcement of results of the EGM. . . . . Monday, 30 August

**The following events are conditional on the results of the 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

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

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**LETTER FROM THE PROVISIONAL LIQUIDATORS/BOARD**

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**TACK FAT GROUP INTERNATIONAL LIMITED**

**(Provisional Liquidators Appointed)**

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 00928)

*Provisional Liquidators:*

Mr. John Roderick SUTTON

Mr. FOK Hei Yu

*Non-executive Director:*

Mr. MCMULLEN James

*Independent non-executive Directors:*

Mr. PAU Chin Hung, Andy

Mr. CHOONG Khuat Leok

Mr. KOOI Tock Chian

*Registered Office:*

Century Yard

Cricket Square, Hutchins Drive

George Town, Grand Cayman

Cayman Islands

British West Indies

*Principal place of business:*

c/o 14/F The Hong Kong Club Building

3A Chater Road, Central

Hong Kong

7 August 2010

*To the Shareholders*

Dear Sir or Madam,

**PROPOSED CAPITAL REORGANISATION  
AND  
NOTICE OF EGM**

**INTRODUCTION**

It was set out in the 1st Announcement and the 2nd Announcement that the Company proposed to effect the Capital Reorganisation and raise approximately HK\$150 million, before expenses, by issuing 15,001,474,104 Offer Shares at the Subscription Price of HK\$0.01 per Offer Share.

The purpose of this circular is to provide you with, among other matters, (i) further details of the Capital Reorganisation and (ii) notice of the EGM.



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## LETTER FROM THE PROVISIONAL LIQUIDATORS/BOARD

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### PROPOSED CAPITAL REORGANISATION

As at the Latest Practicable Date, the authorised share capital of the Company was HK\$400,000,000 comprising 4,000,000,000 Shares of HK\$0.10 each, of which 2,212,606,800 Shares had been issued and fully paid. The issued share capital of the Company was HK\$221,260,680. The Company intends to put forward a proposal to the Shareholders to effect the Capital Reorganisation:

**(i) Capital Reduction and Capital Cancellation**

The par value of every Share will be reduced from HK\$0.10 to HK\$0.001 and all unissued Shares will be cancelled. As a result, assuming no change in number of Shares from the date of this circular to the date on which the Capital Reorganisation becomes effective, the existing paid-up capital of the Company will be reduced from approximately HK\$221 million to approximately HK\$2 million, and the authorised share capital shall be reduced from HK\$400 million to HK\$4 million. The credit amount of approximately HK\$219 million arising from the Capital Reduction will be applied in a manner as permitted by the Cayman Companies Law, including but not limited to setting off part of the accumulated losses of the Company of approximately HK\$2,188 million as at 31 March 2010.

**(ii) Share Consolidation**

Upon the Capital Reduction and Capital Cancellation becoming effective, every 10 issued Shares of par value HK\$0.001 each will be consolidated and exchanged into one New Share of par value HK\$0.01 each.

**(iii) Authorised Share Capital Increase**

The Company's authorised share capital will be increased to HK\$500 million, divided into 50,000,000,000 New Shares of HK\$0.01 each.

The Directors have no present intention of issuing any part of the increased authorised share capital.

As at the Latest Practicable Date, the Company has no outstanding share option nor convertible security which is convertible into shares of the Company. The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

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## LETTER FROM THE PROVISIONAL LIQUIDATORS/BOARD

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### Effects of the Capital Reorganisation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$400,000,000, divided into HK\$4,000,000,000 Shares of HK\$0.10 each, of which 2,212,606,800 Shares had been issued and fully paid. Assuming there is no change in the number of Shares from the date of this announcement to immediately upon the Capital Reorganisation becoming effective, the authorised share capital of the Company will become HK\$500,000,000 divided into 50,000,000,000 New Shares of HK\$0.01 each, of which 221,660,680 New Shares will be in issue.

The effect of the Capital Reorganisation on the share capital of the Company is summarised in the following table:

	Prior to the Capital Reorganisation	After the Capital Reduction	After the Capital Cancellation	After the Share Consolidation	After the Authorised Share Capital Increase
Par value of share (HK\$)	0.10	0.001	0.001	0.01	0.01
Number of authorised shares	4,000,000,000	4,000,000,000	2,212,606,800	221,260,680	50,000,000,000
Authorised share capital (HK\$)	400,000,000.00	4,000,000.00	2,212,606.80	2,212,606.80	500,000,000.00
Number of shares in issue	2,212,606,800	2,212,606,800	2,212,606,800	221,260,680	221,260,680
Paid-up capital (HK\$)	221,260,680.00	2,212,606.80	2,212,606.80	2,212,606.80	2,212,606.80

A credit amount of approximately HK\$219 million arising from the Capital Reduction will be applied in a manner as permitted by the Cayman Companies Law and the Memorandum and Articles of Association, including but not limited to setting off part of the accumulated losses of the Company of approximately HK\$2,188 million as at 31 March 2010.

The Capital Reorganisation will not involve any diminution of any liability in respect of any unpaid capital of the Company or the repayment to the Shareholders of any unpaid capital of the Company nor will it result in any change in the relative rights of the Shareholders.

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## LETTER FROM THE PROVISIONAL LIQUIDATORS/BOARD

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### **Reasons for the Capital Reorganisation**

The Capital Reduction is necessary in order to ensure that the Company's share capital accurately reflects the Company's available assets. The net assets of the Company have been substantially depleted by accumulated losses of approximately HK\$2,188 million as at 31 March 2010.

The Capital Reorganisation will enable the re-capitalisation of the Company through the issue of New Shares. It would not be possible to raise new capital for the Company without such reduction in the par value of each share in the Company. In addition, completion of the Capital Reorganisation is one of the conditions precedent for the Open Offer and the issue of the Convertible Bonds, the proceeds of which will be applied to the discharge of the Group's liabilities and the existing operation of the Group as general working capital.

Accordingly, the Company is of the view that the Capital Reorganisation is in the interests of the Company and the Shareholders as a whole.

### **Conditions of the Capital Reorganisation**

The Capital Reorganisation (which will be effected in accordance with the Memorandum and Articles of Association and the Cayman Companies Law) is conditional upon:

- (i) the passing of a special resolution to approve the Capital Reorganisation by the Shareholders in the EGM;
- (ii) approval of the Capital Reduction by the Cayman Islands Court and an order being granted by the Cayman Islands Court confirming the Capital Reduction;
- (iii) the filing with the Registrar of Companies in the Cayman Islands a copy of the order of the Cayman Islands Court confirming the Capital Reduction together with the minute approved by the Cayman Islands Court, and the details of the Company's amended share capital at the date of the registration of the order, including the amount deemed to be paid up on each share;
- (iv) the registration of the order and the minute by the Registrar of Companies in the Cayman Islands; and
- (v) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the New Shares in issue upon the Capital Reorganisation becoming effective.

No Shareholder is required to abstain from voting on the Capital Reorganisation in the EGM.

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the New Shares.

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## LETTER FROM THE PROVISIONAL LIQUIDATORS/BOARD

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Save the above application for the listing of and permission to deal in the New Shares on the Stock Exchange, no part of equity or debt securities of the Company is listed or dealt in on other stock exchange.

### **Listing and dealings**

The New Shares will be identical in all respects and rank pari passu in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the New Shares on the Stock Exchange, the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or under contingent situation, such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

### **Closure of register of members**

The Company's register of members will be closed from Monday, 18 October 2010 to Monday, 25 October 2010 (both dates inclusive), for the purpose of, among other things, establishing entitlements for the posting of new share certificates for the New Shares. No transfer of Shares will be registered during this period.

### **Timing**

Subject to the above conditions being fulfilled, the Capital Reorganisation will become effective after the Cayman Islands Court's approval, and registration of the order of the Cayman Islands Court confirming the reduction of issued share capital and the minutes approved by the Cayman Islands Court at the Registrar of Companies in the Cayman Islands, which is expected to take approximately 8 weeks from the date of the EGM.

### **Posting of new share certificate to the Shareholders**

Subject to completion of the Capital Reorganisation, the Company will post the new share certificates for the New Shares to the Shareholders at its expenses. The old share certificates for existing Shares will be void automatically upon posting on 26 October 2010.

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## LETTER FROM THE PROVISIONAL LIQUIDATORS/BOARD

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### **Odd Lots Arrangements and Matching Services**

In order to alleviate the difficulties arising from the existence of odd lots of New Shares, the Company will appoint an agent to provide matching services for the sale and purchase of odd lots of New Shares arising from the Capital Reorganisation. Further announcement will be made when such arrangement is in place.

**If you are in any doubt as to the above arrangements, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisor.**

### **EGM**

The EGM will be convened for the purpose of approving the Capital Reorganisation and the relevant resolution shall be voted by way of poll. As the Capital Reduction is subject to the Cayman Islands Court timetable and to any directions that the Cayman Islands Court may give at the initial hearing, and usually it will take approximately 8 weeks from the date of the EGM for the Capital Reorganisation to become effective, the Provisional Liquidators consider that it is appropriate to hold a separate extraordinary general meeting for the Shareholders to approve the Capital Reorganisation to speed up the process of the restructuring of the Company while as disclosed in the 1st Announcement and 2nd Announcement, another circular, including all the transactions contemplated (other than the Capital Reorganisation) in the Restructuring Agreement, requires further time to be finalised and will be despatched later. The Restructuring EGM will be held accordingly.

In the EGM, all Shareholders are entitled to vote for or against in respect of the Capital Reorganisation.

A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and deposit it with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, 26th Floor Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in the EGM or any adjournment of it if you so wish.

An announcement will be made by the Company after the EGM on the results of the EGM pursuant to Rule 13.39(5) of the Listing Rules.

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## LETTER FROM THE PROVISIONAL LIQUIDATORS/BOARD

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### RECOMMENDATION

**Pursuant to the Restructuring Agreement, Closing is conditional on, among other things, the Capital Reorganisation being approved by the Shareholders in the EGM. In the event the resolution to approve the Capital Reorganisation being voted down by the Shareholders, the Restructuring Agreement may not become unconditional and may not proceed.**

The Board believes that the terms of the Capital Reorganisation are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed in the EGM in relation to the Capital Reorganisation.

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Provisional Liquidators having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours sincerely,

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*

By order of the Board

**TACK FAT GROUP INTERNATIONAL LIMITED**

**(Provisional Liquidators Appointed)**

**CHOONG Khuat Leok**

*Independent Non-Executive Director*

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## NOTICE OF EGM

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### TACK FAT GROUP INTERNATIONAL LIMITED

(Provisional Liquidators Appointed)

*(Incorporated in the Cayman Islands with limited liability)*

(Stock Code: 00928)

#### NOTICE OF THE EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Tack Fat Group International Limited (Provisional Liquidators Appointed) (the “**Company**”) will be held at Plaza 1-2, Novotel Century Hong Kong, 238 Jaffe Road, Wanchai, Hong Kong, on Monday, 30 August 2010, at 2:30 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolution of the Company:

#### CAPITAL REORGANISATION OF THE COMPANY

#### SPECIAL RESOLUTION

1. “**THAT** conditional upon
  - (a) approval of the Capital Reduction (as defined below) by the Grand Court of the Cayman Islands (the “**Cayman Islands Court**”);
  - (b) registration by the Registrar of Companies of the Cayman Islands of the order of the Cayman Islands Court confirming the Capital Reduction (as defined below) and the minute approved by the Cayman Islands Court containing the particulars required under the Companies Law (2010 Revision) of the Cayman Islands (the “**Companies Law**”) in respect of the Capital Reduction (as defined below) and compliance with any conditions as may be imposed by the Cayman Islands Court in relation to the Capital Reduction (as defined below); and
  - (c) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the new ordinary shares of the Company of HK\$0.01 each (the “**New Shares**”) in issue, upon the date on which the Capital Reduction (as defined below) becomes effective (the “**Effective Date**”);
  - (d) the par value of each issued share of the Company (the “**Share**”) be reduced from HK\$0.1 to HK\$0.001 and the authorised share capital of the Company shall be reduced from HK\$400,000,000 to HK\$4,000,000 by cancelling paid up share capital to the extent of HK\$0.099 per Share in issue as of the Effective Date by way of a reduction of capital (the “**Capital Reduction**”) and the capital cancellation whereby all unissued Shares be cancelled (the “**Capital Cancellation**”);

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## NOTICE OF EGM

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- (e) upon the Capital Reduction and Capital Consolidation becoming effective, every 10 issued Shares of par value of HK\$0.001 each be consolidated and exchanged into one New Share of par value of HK\$0.01 each (the “**Share Consolidation**”);
- (f) subject to and forthwith upon the Share Consolidation becoming effective, the authorised share capital of the Company will be increased to HK\$500 million, divided into 50,000,000,000 New Shares of HK\$0.01 each (the “**Authorised Share Capital Increase**”);
- (g) clause 8 of the memorandum of association of the Company be amended by deleting it entirely and replacing it with the following provision:

“8. The share capital of the Company is HK\$500,000,000 divided into 50,000,000,000 shares of a nominal or par value of HK\$0.01 each, with power for the Company insofar as is permitted by law to redeem or purchase any of its shares and to increase or reduce the said capital subject to the provisions of the Companies Law and the articles of association of the Company and to issue any part of its capital, whether original, redeemed or increased with or without any preference, priority or special privilege or subject to any postponement of rights or to any conditions or restrictions and so that unless the conditions of issue shall otherwise expressly declare every issue of Shares whether stated to be preference or otherwise shall be subject to the powers hereinbefore contained.”;

- (h) article 3(1) of the articles of association of the Company be amended by the deletion of its entirety and by its replacement with the following provision:

“3(1). The authorised share capital of the Company shall be HK\$500,000,000 divided into 50,000,000,000 shares of a nominal or par value of HK\$0.01 each;

- (i) any fractions of New Shares arising on the Share Consolidation pursuant to paragraph (b) of this resolution shall not be allocated to the holders of the existing Shares otherwise entitled thereto but such fractions shall be aggregated and sold for the benefit of the Company;
- (j) all of the New Shares in the capital of the Company after completion of the capital restructuring pursuant to paragraphs (a) to (c) inclusive of this resolution shall rank pari passu in all respects with each other and have the same rights and privileges and be subject to the restrictions contained in the memorandum and articles of association of the Company as amended pursuant to paragraphs (d) and (e) of this resolution;



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## NOTICE OF EGM

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- (k) the credit which will arise as a result of the Capital Reduction pursuant to paragraph (a) of this resolution be applied, including but not limited to, setting off the same amount of the Company's accumulated losses on a dollar-to-dollar basis and the directors of the Company (the "**Directors**") be and are hereby authorised to apply such credit in a manner as permitted by the Companies Law and by the memorandum and articles of association of the Company; and
- (l) the provisional liquidators of the Company (the "**Provisional Liquidators**") and the Directors be and are hereby authorised generally to take all necessary steps and to do all other things and execute all documents (including the affixation of the common seal of the Company where execution under seal is required) which may be necessary or desirable for the purpose of giving effect to or implementing any of the foregoing."

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*

By order of the Board  
**TACK FAT GROUP INTERNATIONAL LIMITED**  
*(Provisional Liquidators Appointed)*

**CHOONG Khuat Leok**  
*Independent Non-Executive Director*

Hong Kong, 7 August 2010

*As at the date of this notice, the board of directors of the Company 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.*

*Notes:*

1. Any member of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his proxy to attend and vote instead of him. A proxy needs not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. In case of a recognised clearing house (or its nominees(s) and in each case, being a corporation), it may authorise such persons as it thinks fit to act as its representatives of the meeting and vote in its stead.
2. A form of proxy for use in connection with the EGM is enclosed with this circular. To be valid, the form of proxy, and (if required by the Board) the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority must be deposited at the branch share registrars of the Company, Tricor Tengis Limited, at 26th floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof.