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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 Wednesday, 15 September 2010, at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions of the Company:

#### **ORDINARY RESOLUTIONS**

#### **IMPLEMENTATION OF THE COMPANY’S RESTRUCTURING PROPOSAL**

1. “**THAT**, conditional upon (i) the proposed scheme of arrangement to be effected under section 166 of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong being sanctioned by the High Court of Hong Kong Special Administrative Region; (ii) the proposed scheme of arrangement to be effected under section 86 of the Cayman Companies Law being sanctioned by the Grand Court of the Cayman Islands; and (iii) passing of the resolutions numbered 2 to 5 set out in this notice of EGM (the “**Notice**”),
  - (a) the entry by the Company into the restructuring agreement dated 26 May 2010 (as amended by a supplemental letter agreement dated 24 August 2010) entered into between, among others, the Company and its joint and several provisional liquidators (the “**Provisional Liquidators**”) in respect of the restructuring of the Company (the “**Restructuring Agreement**”, a copy of which has been produced to the EGM marked “A” and signed by the chairman of the EGM for identification purposes) and the transactions contemplated thereunder and the performance thereof by the Company, be and are hereby confirmed, ratified and approved; and

(b) the Provisional Liquidators and the directors of the Company (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.”

2. “**THAT**, conditional upon (i) the capital reduction, the capital cancellation, the share consolidation and the authorised share capital increase referred to in the resolution numbered 1 of the notice of the extraordinary general meeting dated 7 August 2010 (the “**Capital Reorganisation Resolution**”) becoming effective; (ii) passing of the resolutions numbered 1, 3 and 4 set out in this Notice; (iii) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting its approval to the listing of, and permission to deal in the Investor Convertible Bonds Conversion Shares (as defined below); and (iv) the granting of the Whitewash Waiver (as defined below) by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong (the “**Executive**”), or any delegate of the Executive to the Investor:

(a) the entry by the Company into the subscription agreement dated 24 June 2010 entered into by Radford Developments Limited (the “**Investor**”), the Company and the Provisional Liquidators (the “**Investor Subscription Agreement**” a copy of which has been produced to the EGM marked “B” and signed by the chairman of the EGM for identification purposes) setting out the terms and conditions of the convertible bonds to be issued by the Company with principal amount of HK\$100,000,000 and a 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 of the Company (the “**Share**”) (the “**Investor Convertible Bonds**”) (the material terms of which are detailed in the circular of the Company dated 31 August 2010 (the “**Circular**”)), the transactions contemplated thereunder and the performance thereof by the Company, be and are hereby confirmed, ratified and approved;

(b) the allotment and issue of 10,000,000,000 Shares (the “**Investor Convertible Bonds Conversion Shares**”) representing an aggregate nominal value of HK\$100,000,000 to the Investor, pursuant to the terms of the Investor Subscription Agreement be and is hereby approved;

(c) the Investor Convertible Bonds Conversion Shares shall rank *pari passu* with each other in all respects and with the issued Shares in the capital of the Company on the date of their issue and allotment;

(d) 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 the terms of the Investor Subscription Agreement, including without limiting the foregoing, to complete the transactions contemplated under the Investor Subscription Agreement.”

3. “**THAT**, conditional upon (i) the Capital Reorganisation Resolution becoming effective; (ii) passing of the resolutions numbered 1 and 4 set out in this Notice; and (iii) the Listing Committee of the Stock Exchange granting its approval to the listing of, and permission to deal in the Creditors Convertible Bonds Conversion Shares (as defined below):
- (a) the entry by the Company into the subscription agreement dated 6 July 2010 entered into by New Profit Holdings Limited (“**New Profit**”), Key Winner Holdings Limited (“**Key Winner**”), the Company and the Provisional Liquidators (the “**Creditors Subscription Agreement**”, a copy of which has been produced to the EGM marked “C” and signed by the chairman of the EGM for identification purposes) setting out the terms and conditions of the convertible bonds to be issued by the Company with principal amount of HK\$20,000,000 and a tenure of one year bearing an interest rate of 2% per annum and convertible into Shares at the option of the holders at a conversion price of HK\$0.01 per Share (the “**Creditors Convertible Bonds**”) (the material terms of which are detailed in the Circular), the transactions contemplated thereunder and the performance thereof by the Company, be and are hereby confirmed, ratified and approved;
  - (b) the allotment and issue of 2,000,000,000 Shares (the “**Creditors Convertible Bonds Conversion Shares**”) representing an aggregate nominal value of HK\$20,000,000, to be allocated as to five sevenths pro rata to Key Winner for the benefit of a person to whom or which the Company owes a Claim (as defined in the Creditors Subscription Agreement) other than the Preferential Creditors (as defined in the Creditors Subscription Agreement) and as to two sevenths to New Profit for the benefit of the New Profit Stakeholders (as defined in the Creditors Subscription Agreement), pursuant to the terms of the Creditors Subscription Agreement be and is hereby approved;
  - (c) the Creditors Convertible Bonds Conversion Shares shall rank *pari passu* with each other in all respects and with the issued New Shares in the capital of the Company on the date of their issue and allotment;
  - (d) 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 the terms of the Creditors Subscription Agreement, including without limiting the foregoing, to complete the transactions contemplated under the Creditors Subscription Agreement.”

## OPEN OFFER

4. “**THAT**, conditional upon (i) the Capital Reorganisation Resolution becoming effective; (ii) passing of the resolutions numbered 1, 2 and 3 set out in this Notice; (iii) the Listing Committee of the Stock Exchange granting its approval to the listing of, and permission to deal in the Offer Shares (as defined below); (iv) the Restructuring Agreement becoming unconditional in all respects (save as the condition requiring the Open Offer (as defined below) becoming unconditional and/or the obligations of the Underwriter (as defined below) under the Underwriting Agreement (as defined below) not being terminated); (vi) the obligations of the Underwriter in accordance with the terms thereof; and (vii) the granting of the Whitewash Waiver (as defined below) by the Executive, or any delegate of the Executive to the Investor:
- (a) the issue by way of an open offer (the “**Open Offer**”) of 15,001,474,104 Shares (the “**Offer Shares**”) at the subscription price of HK\$0.01 per Offer Share on the basis of 339 Offer Shares for every 5 Shares to be held by the shareholders of the Company (the “**Shareholders**”), other than certain Shareholders whose addresses as shown on the register of members of the Company on 6 October 2010 (the “**Record Date**”) are in places outside Hong Kong and otherwise on the terms of the Open Offer as set out in the Circular be and is hereby approved, and the Directors be and are hereby authorised to allot and issue the Offer Shares pursuant to and in accordance with the terms of the Open Offer;
  - (b) the entry by the Company into the underwriting agreement dated 27 July 2010 (the “**Underwriting Agreement**”) entered into between the Company and Asian Capital (Corporate Finance) Limited (the “**Underwriter**”), a copy of which has been produced to the EGM marked “D” and signed by the chairman of the EGM for identification purposes, the transactions contemplated thereunder and the performance thereof by the Company, be and are hereby confirmed, ratified and approved; and
  - (c) 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 the terms of the Underwriting Agreement, including without limiting the foregoing, to complete the transactions contemplated under the Underwriting Agreement.”

## WHITEWASH WAIVER

5. “**THAT**, the waiver (the “**Whitewash Waiver**”) granted or to be granted by the Executive pursuant to Note 1 on dispensations from Rule 26 of the Hong Kong Code on Takeovers and Mergers waiving any obligation on the part of the Investor and parties acting in concert with it, to make a general offer for all the Shares not already owned by it or agreed to be acquired upon completion of the Restructuring Agreement, be and is hereby approved and 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 any matters relating to, or incidental to, the Whitewash Waiver.”

## SPECIAL DEAL

6. “**THAT** subject to the Executive, or any delegate of the Executive giving consent to the Special Deal (as defined in the Circular), (the “**Consent**”, a copy of which has been produced to the EGM marked “E” and signed by the chairman of the EGM for identification purposes) and the satisfaction of any condition attached to such consent, the Special Deal (as defined in the Circular) on terms and conditions as set out in the Circular be and is hereby approved.

## GENERAL MANDATE TO ALLOT, ISSUE AND DEAL WITH SHARES

7. “**THAT**, conditional upon closing having taken place under the Restructuring Agreement:
- (a) subject to paragraph (b) below, the Directors be and are hereby generally and unconditionally authorised to exercise during the Relevant Period (as defined below) all the powers of the Company to allot, issue and deal with additional Shares and to make or grant offers, agreements and options (including warrants, bonds and debenture, notes and any securities which carry rights to subscribe for or are convertible into ordinary shares of the Company) which would or might require the exercise of any such powers during or after the end of the Relevant Period;
  - (b) the aggregate nominal amount of the Shares allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval of paragraph (a) above, other than pursuant to (i) a Rights Issue (as defined below); or (ii) an issue of ordinary shares of the Company upon the exercise of rights of subscription or conversion under the terms of any securities which are convertible into ordinary shares of the Company; or (iii) an issue of ordinary shares of the Company by way of scrip dividend pursuant to the articles of association of the Company from time to time; or (iv) the exercise of any option granted under any option scheme or similar arrangement for the time being adopted for the grant or issue to eligible participants of the Company and/or its subsidiaries, of options to

subscribe for, or rights to acquire, shares of the Company; shall not in total exceed 20% of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the Restructuring Agreement;

- (c) for the purpose of this resolution, “Relevant Period” means the period from completion of the Restructuring Agreement until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company after the closing under the Restructuring Agreement has taken place; or
  - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders in general meeting; and

the expiration of the period within which the next annual general meeting of the Company after the closing under the Restructuring Agreement has taken place is required by the articles of association of the Company, or any applicable laws, to be held.”

“**Rights Issue**” means an offer of Shares for subscription open for a fixed period by the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong).”

## **GENERAL MANDATE TO PURCHASE SHARES**

8. “**THAT**, conditional upon closing having taken place under the Restructuring Agreement:
- (a) the Directors be and are hereby generally and unconditionally authorised to exercise during the Relevant Period (as defined below) all the powers of the Company to purchase Shares in the capital of the Company, subject to and in accordance with applicable laws;
  - (b) the aggregate nominal amount of the Shares which may be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company in issue immediately following completion of all the transactions under the Restructuring Agreement;
  - (c) for the purpose of this resolution, “Relevant Period” means the period from completion of the Restructuring Agreement until whichever is the earliest of:
    - (i) the conclusion of the next annual general meeting of the Company after the closing under the Restructuring Agreement has taken place; or



- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders in general meeting; and

the expiration of the period within which the next annual general meeting of the Company after the closing under the Restructuring Agreement has taken place is required by the articles of association of the Company, or any applicable laws, to be held.”

## **EXTENSION MANDATE**

9. “**THAT**, conditional upon the completion of the Restructuring Agreement and subject to the availability of unissued share capital and conditional upon the passing of resolutions numbered 7 and 8 as set out in the Notice, the aggregate nominal amount of New Shares which are purchased by the Company pursuant to and in accordance with resolution numbered 8 as set out in the Notice shall be added to the aggregate nominal amount of the share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with resolution numbered 7 as set out in the Notice.”

## **APPOINTMENT OF EXECUTIVE DIRECTORS**

10. That conditional upon completion having taken place under the Restructuring Agreement and trading in the Shares on the Stock Exchange being resumed:
- (a) Mr. King Phillip shall be appointed as an executive Director;
  - (b) Mr. Ho Tak Fun, Josef shall be appointed as an executive Director;
  - (c) Mr. Chiu Siu Po shall be appointed as an executive Director; and
  - (d) the Board shall be authorised to fix the remuneration of each of Mr. King Philip, Mr. Ho Tak Fun, Josef and Mr. Chiu Siu Po, and that the register of directors of the Company be amended to note such appointments of directors as set out above, and that the Cayman Islands Registrar of Companies be notified of the same.

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, 31 August 2010

*As at the date of this notice, the board of Directors 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 need 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.
3. In relation to resolutions numbered 7 and 9 above, approval is being sought from the shareholders of the Company for the grant to the Directors of a general mandate to authorise the allotment, issue and dealing with additional shares in the capital of the Company under the Listing Rules.
4. In relation to resolution numbered 8 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase shares in circumstance which they deem appropriate for the benefit of the shareholders of the Company.
5. Resolutions numbered 2 to 6 shall be voted by way of a poll of the Independent Shareholders (as defined in the Circular).