

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



TACK FAT GROUP INTERNATIONAL LIMITED

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)

THE ANNOUNCEMENT OF (I) ENTERING INTO THE SUPPLEMENTAL UNDERWRITING AGREEMENT TO THE OPEN OFFER; AND (II) DELAY IN DESPATCH OF CIRCULAR

**Financial advisor and Underwriter to
Tack Fat Group International Limited (Provisional Liquidators Appointed)**



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 2 June 2011 (the “**Announcement**”) in relation to, among other things, the Open Offer on the basis of 339 Offer Shares for every 5 Reorganised Shares held on the Open Offer Record Date. Terms used herein shall have the same meanings as those defined in the Announcement unless otherwise specified.

The Company is pleased to announce that on 27 June 2011, the Company and Asian Capital (Corporate Finance) Limited, the Underwriter, entered into the Supplemental Underwriting Agreement to supersede the Underwriting Agreement. The Underwriter, which is licensed under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) 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 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 entering into the Underwriting Agreement and the Supplemental Underwriting Agreement with the Company, and the entering into the Sub-underwriting Letter with the Investor, which has lapsed, there is no agreement or arrangement between the Underwriter and the Company or the Investor, its ultimate beneficial owner and associates.

Pursuant to the Supplemental Underwriting Agreement, the Underwriter has conditionally agreed to fully subscribe or procure subscriber(s) to subscribe for 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 Supplemental Underwriting Agreement

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

- (a) the approval by the Shareholders (or the Independent Shareholders as the case may be) in the New EGM of all the transactions contemplated under the Restructuring Agreement and the Supplemental Underwriting Agreement including but not limited to the allotment of the Offer Shares and the issue of the relevant New Shares upon Share Consolidation;
- (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 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 New 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 Supplemental Underwriting Agreement, in which case, no party to the Supplemental Underwriting Agreement shall have any claim against any other party to the Supplemental Underwriting Agreement for costs, damages, compensation or otherwise except that such termination shall be without prejudice to any accrued rights or obligations under the Supplemental Underwriting Agreement.

Underwriter's obligations under the Supplemental 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 4:30 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 4:30 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 Supplemental Underwriting Agreement shall cease.

Sub-underwriting arrangement

The Sub-underwriting Letter has lapsed. The Investor has decided not to subscribe for or sub-underwrite any Untaken Shares arising from the Open Offer.

The Underwriter has entered into six Sub-underwriting Agreements with six sub-underwriters, and the six sub-underwriters in aggregate will underwrite a maximum of 15,001,474,104 Untaken Shares. Each of them will sub-underwrite such number of Untaken Shares which will not result in any of the sub-underwriters holding 10% or more of the issued share capital of the Company as enlarged by the Open Offer.

Apart from up to 761,040,000 Untaken Shares, representing approximately 5% of the enlarged share capital of the Company upon the completion of the Open Offer and the Share Consolidation but before any conversion of the Convertible Bonds, underwritten by a fellow subsidiary of the Underwriter, each of the other sub-underwriters has confirmed that (i) it is an independent third party of the Company or any of the Directors, chief executive, substantial shareholders of the Company or any of their respective associates; and (ii) it is not a connected person (within the meaning of the Listing Rules) of the Company and its connected persons.

Each sub-underwriter has also confirmed that it did not hold any Shares as at the date of the relevant Sub-underwriting Agreement.

TERMINATION CLAUSE OF THE SUPPLEMENTAL UNDERWRITING AGREEMENT

The Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 Supplemental 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 Reorganised Shares will be on an ex-entitlement basis commencing from Friday, 8 July 2011 based on the expected timetable contained in the Announcement. 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” in the Announcement. In particular, it is subject to the Supplemental Underwriting Agreement not being terminated in accordance with its terms. The Open Offer may or may not proceed. Any dealing in the Reorganised Shares from the date of the 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 Reorganised 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 securities of the Company.

DELAY IN DESPATCH OF THE CIRCULAR

Reference is made to expected timetable contained in the Announcement. It was expected that the Circular in relation to, among other things, the Open Offer, the Convertible Bonds, the Share Consolidation and the New EGM would be despatched to the Shareholders on 27 June 2011. However, as additional time is required for bulk-print of the Circular, the date for despatching the Circular has been postponed to 28 June 2011. Except for this, other dates and trading arrangements disclosed in the Announcement remain unchanged. If there is any consequential change to the expected timetable, the Company will make further announcement(s) to the Shareholders appropriately.

CONTINUED SUSPENSION OF TRADING IN THE SHARES OF THE COMPANY

Trading in the shares of the Company 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 and/or Conversion Shares will be granted.

The Shareholders shall pay attention to the arrangements contained herein and in any future announcement(s) of the Company.

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, 28 June 2011

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