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TACK FAT GROUP INTERNATIONAL LIMITED

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)



ASIAN CAPITAL
(CORPORATE FINANCE) LIMITED

卓亞(企業融資)有限公司

Financial Advisor to the Company

SHAREHOLDING STRUCTURE AS AT THE DATE OF THE EXTRAORDINARY GENERAL MEETING HELD ON 13 JULY 2011

Reference is made to the circular of Tack Fat Group International Limited (Provisional Liquidators Appointed) (the “**Company**”) dated 28 June 2011 in relation to the restructuring of the Company (the “**Circular**”) and the announcement of the Company dated 13 July 2011 (the “**Announcement**”) in relation to the poll results of the New EGM. Unless the context otherwise requires, terms used in this announcement shall have the same meanings as those used in the Circular and the Announcement.

As the shareholding positions of several Shareholders have changed recently, the shareholding structure in the Circular no longer reflects the situation as at the date of the New EGM. This announcement is published by the Company in order to give the Shareholders and the public a better understanding of the latest shareholding structure of the Company and the voting results at the New EGM.

To the best information, knowledge and belief of the Company and the Provisional Liquidators, based on their findings and the disclosure made by the substantial Shareholders under the provisions of Divisions 2 and 3 of Part XV of the SFO, the shareholding structure of the Company as at the date of the New EGM, i.e. 13 July 2011, is set out below:

Name of substantial Shareholders	No. of Reorganised Shares held as at the date of the New EGM	Percentage of shareholding
Tower Victory International Limited (“ Tower Victory ”) (Note 1)	65,280,000	29.5%
Sansar Capital Management, LLC (Note 2)	43,463,600	19.6%
Citigroup Inc.	31,536,840	14.3%
Public Shareholders	<u>80,980,240</u>	<u>36.6%</u>
Total	<u><u>221,260,680</u></u>	<u><u>100.0%</u></u>

Notes:

- According to the disclosure of interests notice dated 9 July 2011 as shown on the website of the Stock Exchange, Tower Victory is wholly owned by Mr. Shen Dong (沈東). Tower Victory has confirmed to the Provisional Liquidators that (i) it is wholly owned by Mr. Shen Dong; (ii) it acquired the said 65,280,000 Shares (the “**Tower Interest**”) from E-fulfilment Enterprises Limited (as disclosed in the Circular, E-fulfilment Enterprises Limited is an entity jointly and equally owned by Mr. Kwok Wing, the previous controlling shareholder of the Company, and Mr. Kwok Chiu); (iii) Tower Victory and Mr. Shen Dong (the “**Tower Parties**”) and their associates are independent of (a) Mr. Kwok Wing and his associates; (b) the Investor, its ultimate beneficial owner and the sole director (the “**Investor Parties**”) and their associates; and (c) the Purchaser (as defined below) and his associates; (iv) the acquisition of the Tower Interest is not financed directly or indirectly by any of the Investor Parties, the Purchaser or their respective associates; (v) none of the Tower Parties is accustomed to take instructions from any of the Investor Parties, the Purchaser or their respective associates in relation to acquisition, disposal, voting or other disposition of the Company’s shares in their name or otherwise held by them; and (vi) Tower Victory instructed its relevant custodian brokerage firm, namely Chung Nam Securities Limited, to vote in favour of the Ordinary Resolutions at the New EGM.
- These interests include the Shares held by Sansar Capital Master Fund, LP and Sansar Capital Special Opportunity Master Fund, LP. Reference is made to the announcement of the Company dated 11 July 2011, Sansar Capital Management, LLC, Sansar Capital Master Fund, LP, and Sansar Capital Special Opportunity Master Fund, LP (the “**Sansar Parties**”) had entered into a share purchase agreement to dispose of their entire interest in the Company to Mr. Derek Yue Tak Fung, a third party (the “**Purchaser**”) independent of the Company, the Provisional Liquidators and the Investor. The Purchaser has confirmed to the Provisional Liquidators that (i) the completion of the abovementioned share purchase transaction had not taken place as of the date of the New EGM (i.e. 13 July 2011); (ii) the Sansar Parties remained entitled to vote as Shareholders at the New EGM; (iii) he instructed the Sansar Parties to vote in favour of the Ordinary Resolutions at the New EGM (iv) his acquisition of the Sansar Parties’ shares in the Company under the share purchase agreement is not financed directly or indirectly by any of the Investor Parties, the Tower Parties or their respective associates; (v) he is not accustomed to take instructions from any of the Investor Parties, the Tower Parties or their respective associates in relation to acquisition, disposal, voting or other disposition of the Company’s shares in his name or otherwise held by him; (vi) the acquisition of the Tower Interest by the Tower Parties is not financed directly or indirectly by him or his associates; (vii) none of the Tower Parties is accustomed to take instructions from him or his associates in relation to acquisition, disposal, voting or other disposition of the Shares in their names or otherwise held by them; and (viii) he and his associates are independent of the Investor Parties, the Tower Parties, Mr. Kwok Wing and their respective associates.

3. *As disclosed in the Circular, Mr. Kwok Wing was interested in 76,242,400 Reorganised Shares as at the latest practicable date prior to the printing of the Circular, i.e. 27 June 2011, which represented approximately 34.46% of the then total issued share capital of the Company. However, as mentioned in Note 1 above, Mr. Kwok Wing is no longer considered as having any notifiable interest, as defined under the SFO, in the Company as the Provisional Liquidators received confirmation from Chung Nam Securities Limited, the relevant custodian brokerage firm, that the interest in the Shares held by Mr. Kwok Wing had been disposed of to several entities, including Tower Victory although no relevant disclosure of interests notice has been filed by Mr. Kwok Wing.*

The above shareholding structure is also contained in the prospectus of the Company dated 14 July 2011, and which has been despatched to the Shareholders on 14 July 2011.

Save for the entering into of the Exclusivity and Escrow Agreement, the Restructuring Agreement, the Supplemental Restructuring Side Letters, the Investor Subscription Agreement, the Supplemental Investor Subscription Agreement and the Sub-underwriting Letter (which has lapsed), none of the Investor Parties and their associates has dealt in the Shares during the period commencing on the date falling six months prior to 7 June 2010, being the date of the Company's announcement in relation to, *inter alia*, the entering into of the Restructuring Agreement, and up to the date of the New EGM, save for the interest arising out of the aforesaid agreements mentioned in this paragraph, the Investor Parties did not hold or control Shares or voting rights of the Company as at the date of the New EGM. The Investor Parties have confirmed that the Investor Parties and their associates are independent of Mr. Kwok Wing, the Tower Parties, the Purchaser and their respective associates.

As disclosed in the Announcement, to the best information, knowledge and belief of the Company and the Provisional Liquidators, (i) no Shareholder held 30% or more of the total issued share capital of the Company; and (ii) none of the Directors (excluding the independent non-executive Directors) and the chief executive of the Company held any Shares. Therefore, no Shareholder (save for the Interested Shareholders as explained below) was required to abstain from voting in favour of the Ordinary Resolution No. 4 (in relation to the Open Offer) at the New EGM pursuant to Rule 7.24(5) of the Listing Rules. In addition, no independent non-executive Directors had any interest in the Shares as at the date of the New EGM.

The Interested Shareholders, namely, QVT and Quintessence, which were interested in an aggregate of 108,726 Reorganised Shares, representing approximately 0.05% of the total issued share capital of the Company as at the date of the New EGM, are also interested in the transactions contemplated under the Restructuring Agreement (including the Supplemental Investor Subscription Agreement and the Supplemental Creditors Subscription Agreement). The Interested Shareholders were required to abstain from voting for Ordinary Resolutions No. 1, 2, 3, 4 and 5 at the New EGM. According to the enquiry made by the Provisional Liquidators, the Interested Shareholders had abstained from voting at the New EGM.

Save as mentioned above, to the best information, knowledge and belief of the Company and the Provisional Liquidators, there were no Shareholders who were entitled to attend the New EGM but were only entitled to vote against the Ordinary Resolutions proposed at the New EGM. None of the Shareholders were required to abstain from voting on Ordinary Resolutions No. 6, 7 and 8.

For and on behalf of
TACK FAT GROUP INTERNATIONAL LIMITED
(Provisional Liquidators Appointed)
CHOONG Khuat Leok
Independent Non-Executive Director

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

Hong Kong, 19 July 2011

As at the date of this announcement, the Board comprises (i) one non-executive director, Mr. James McMullen; and (ii) three independent non-executive directors, namely, Mr. Pau Chin Hung, Andy, Mr. Choong Khuat Leok and Mr. Kooi Tock Chian.