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TACK FAT GROUP INTERNATIONAL LIMITED

(Provisional Liquidators Appointed)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00928)

UPDATE ON THE PROGRESS OF RESTRUCTURING

Reference is made to the announcement (the “**Announcement**”) of Tack Fat Group International Limited (Provisional Liquidators Appointed) dated 15 September 2010 in relation to, among other things, the results of the EGM held on even date and the investigation of the Provisional Liquidators on the relevant voting results. Terms used in this announcement have the same meanings as those defined in the Announcement unless the context requires otherwise.

The Provisional Liquidators have been informed that two entities holding a beneficial interest in not less than 28.68% in aggregate of the existing issued share capital of the Company as at the date of the EGM (the “**Dissenting Shareholders**”) caused the legal holder to vote against the Ordinary Resolutions numbered 1-9 (as set out in the Notice) at the EGM.

Based on the information and evidence collected from their investigation, the Provisional Liquidators believe that implementation of the Restructuring Agreement is in the best interests of all of the Shareholders, and that in causing the legal holder to vote against the Ordinary Resolutions referred to above, the Dissenting Shareholders have not exercised their votes in the best interests of the Shareholders as a whole.

The Company has filed proceedings in the Grand Court of the Cayman Islands (the “**Proceedings**”) against the Dissenting Shareholders and the legal holder in order to have the relevant votes cast at the EGM set aside, and declared to be void and of no effect on the basis that they were not properly exercised.

Meanwhile, the Investor has indicated an intention to make a new proposal for the restructuring of the Company. The Provisional Liquidators and their professional advisors are now dealing with the regulatory issues arising from the new proposal, under which the Shareholders may be asked to vote on new Ordinary Resolutions. The successful implementation of the new proposal may render it unnecessary to continue with the Proceedings. If there is any material development, the Company will issue a further announcement.

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.

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, 20 October 2010

As at the date of this announcement, 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.