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## **TACK FAT GROUP INTERNATIONAL LIMITED**

**德發集團國際有限公司**

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

(Stock Code: 928)

### **CHANGE OF AUDITORS**

The Company wishes to announce that KPMG has declined to stand for re-election as auditors of the Company at the AGM. The Company shall as soon as practicable convene an extraordinary general meeting in relation to the appointment of new auditors to fill the vacancy.

The Company wishes to announce that KPMG (“KPMG”) has declined to stand for re-election as auditors at the annual general meeting of the Company to be held on 30th August, 2007 (“AGM”) as set out in a letter to the Company dated 29 August, 2007.

KPMG set out that letter the circumstances leading to its cessation to act as the Company’s auditor and matters in its opinion which affected the auditor-client relationship between KPMG and the Company. Such matters comprise the qualification relating to Sino Legend Limited, an associated company of the Company contained in the financial statements of the Company and its subsidiaries (the “Group”) for the year ended 31st March, 2007 (“2007 Financial Statement”), which issue remains unresolved as of the date of KPMG’s audit report on the 2007 Financial Statements. In addition, KPMG stated in its letter that whilst carrying out the audit of the Group’s 2007 Financial Statements, it encountered information that had not been otherwise advised to it during the course of prior engagements. KPMG was unable to obtain satisfactory explanations, although such matters did not impact on its opinion on the Group’s 2007 Financial Statements.

KPMG has confirmed in its letter that other than the foregoing, there are no matters relating to its cessation to act as auditors of the Company that need to be brought to the attention of shareholders. Save as set out above, the Company is of the view there are no matters that need to be brought to the attention of shareholders in this regard.

It is impractical for the Company to appoint a new auditor at the AGM. Accordingly, the Company shall as soon as practicable convene an extraordinary general meeting in relation to the appointment of new auditors of the Company to fill the vacancy. A further announcement will be made by the Company as and when appropriate.

For and on behalf of  
the board of Directors of  
**TACK FAT GROUP INTERNATIONAL LIMITED**  
**Kwok Wing**  
*Chairman*

Hong Kong, 29 August, 2007

*As at the date of this announcement, the executive Directors are Mr. Kwok Wing, Mr. Lee Yuk Man, Mr. Ho Yik Kin, Norman and Mr. Kwok Kam Chuen and the independent non-executive Directors are Mr. Leung Yiu Wing, Eric, Mr. Ching Kwok Ho, Samuel and Mr. Heng Kwo Seng.*