

**TACK FAT GROUP INTERNATIONAL LTD:
MERCHANT BANKER SUES FOR NEARLY \$HK7 MILLION**

FB Gemini Ltd, a company, engaged in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) as an investment banker and whose Issued and Fully Paid-Up Share Capital is legally owned, completely, by Mr Chan Hoi Lam (), has just issued a Claim in the HKSAR High Court, alleging that publicly listed Tack Fat Group International Ltd () (Code: 928, Main Board, The Stock Exchange of Hongkong Ltd) owes it about \$HK6.79 million.

The Statement of Claim, attached to High Court Action, Number 1269, alleges that FB Gemini's affiliated company, named FB Gemini Capital Ltd, was '*responsible for the investment banking aspect of the Plaintiff's business ...*'.

Tack Tat Group has a wholly owned subsidiary, Tack Fat Swimwear Manufacturing Ltd (), and it was this wholly owned subsidiary for which FB Gemini Capital Ltd was asked to raise funds.

At Paragraph 5 of the Statement of Claim, it is alleged that, in the middle of 2005, the Chairman of Tack Fat Group, Mr Kwok Wing (), instructed FB Gemini Capital Ltd to arrange a Syndicated Loan Facility up to \$HK450 million for Tack Fat Swimwear Manufacturing Ltd.

A Services Agreement ('*SL Agreement*') was, allegedly, signed between Tack Fat Group and FB Gemini Capital Ltd on August 9, 2005, sealing the arrangement.

This Services Agreement, it is alleged in the Statement of Claim, was for FB Gemini Capital Ltd to act as advisor to Tack Fat Group '*“in connection with a proposed syndicated loan facility for an amount up to HK\$450 million (such amount to be finalized depending on subscription) for a term of up to 3 years” (from Clause 1 of the SL Agreement).*'

It is alleged, at Paragraph 9 of the Statement of Claim, that Tack Fat Group should pay, in cash, the sum of \$HK200,000 on the signing of the SL Agreement.

In addition, FB Gemini Capital Ltd shall be entitled to receive '*an arranging fee equal to all “All Interest Cost” (including front-end fee and interest spread) of 56 basis points of the Facility amount per annum (excluding funding cost of Hibor (Hongkong Interbank Offer Rate), such fee to be shared by participating lenders at [Capital]'s (sic) discretion), payable upon signing of the Facility ...*'.

The Statement of Claim continues by stating that FB Gemini Capital Ltd was successful in arranging the funding and a Facility Agreement was executed on February 9, 2006, the final amount of the facility, eventually increased from \$HK450 million to \$HK480 million.

As such, FB Gemini Capital Ltd claims that it was entitled to:

1. \$HK200,000 as the fixed financial advisory fee;
2. \$HK7,123,200 as the arranging fee; and,
3. \$HK10,000 as disbursements.

Paragraph 12 of the Statement of Claim alleges that, from January to March 2006, Tack Fat Group paid \$HK712,000 in total '*as partial payment*', leaving \$HK6,621,000 outstanding.

At ... [CLICK TO ORDER FULL ARTICLE](#)

*While **TARGET** makes every attempt to ensure accuracy of all data published, **TARGET** cannot be held responsible for any errors and/or omissions.*

*If readers feel that they would like to voice their opinions about that which they have read in **TARGET**, please feel free to e-mail your views to editor@targetnewspapers.com. **TARGET** does not guarantee to publish readers' views, but reserves the right so to do subject to the laws of libel.*