

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your securities in Tack Fiori International Group Limited (the “Company”), you should at once hand this Prospectus Documents to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Dealings in Shares and the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS and you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests.

A copy of each of the Prospectus Documents, having attached hereto the written consent referred to under the paragraph headed “Expert” in appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong). Neither the Securities and Futures Commission nor the Registrar of Companies in Hong Kong takes any responsibility as to the contents of any of the Prospectus Documents.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, 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 Prospectus.



TACK FIORI INTERNATIONAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 928)

**RIGHTS ISSUE OF RIGHTS SHARES AT THE SUBSCRIPTION PRICE
OF HK\$0.25 EACH ON THE BASIS OF ONE RIGHTS SHARE FOR
EVERY TWO SHARES HELD ON THE RECORD DATE BY
QUALIFYING SHAREHOLDERS**

Underwriter of the Rights Issue

CHUNG NAM SECURITIES LIMITED

It should be noted that the Shares have been dealt in on an ex-rights basis since Friday, 9 November 2012. Dealings in the Rights Shares in their nil-paid form are expected to take place from Tuesday, 20 November 2012 to Tuesday, 27 November 2012 (both dates inclusive). Any person contemplating buying or selling of the Shares from now up to the date on which all conditions of the Rights Issue are fulfilled and dealings in the Rights Shares in their nil-paid form between Tuesday, 20 November 2012 to Tuesday, 27 November 2012 (both dates inclusive) will bear the risk that the Rights Issue may not become unconditional and may not proceed. Investors should seek professional advice regarding dealings in the Shares and nil-paid Rights Shares if they are in any doubt.

The latest time for application and payment for the Rights Shares is 4:00 p.m. on Friday, 30 November 2012. The procedures for application of Rights Shares are set out on pages 8 to 9 of this Prospectus.

The Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed “Termination of the Underwriting Agreement” in this Prospectus). Accordingly, the Rights Issue may or may not proceed.

16 November 2012

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. on the third Business Day after the Acceptance Date, if:

- (a) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) 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 absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (ii) 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 Underwriting Agreement, of a political, financial, economic, currency market or other nature (whether or not ejusdem generis with any of the foregoing) or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (iii) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
 - (iv) any act of god, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (vi) the commencement or taking by any third party of any litigation or claim or other action against any member of the Group which is or might be material to the Group taken as a whole; or
- (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 Cayman Islands, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of this clause 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 absolute opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue;

TERMINATION OF THE UNDERWRITING AGREEMENT

- (c) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which in the absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it;
- (d) the Company commits any material breach of or omits to observe any of the material obligations or material undertakings expressed to be assumed by it under the Underwriting Agreement;
- (e) if, at or prior to the Latest Time for Termination:
 - (i) any material breach of any of the warranties or undertakings of the Company contained under the Underwriting Agreement comes to the knowledge of the Underwriter; or
 - (ii) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have rendered any of the warranties of the Company contained under the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter,

the Underwriter shall be entitled by notice in writing to the Company prior to the Latest Time for Termination to elect to rescind the Underwriting Agreement.

Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

As at the Latest Practicable Date, neither the Underwriter nor the Company has noticed the occurrence of any events mentioned in paragraphs (a) to (e) above which may lead to the termination of the Underwriting Agreement.

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EXPECTED TIMETABLE

The expected timetable for the Rights Issue is set out below:

2012

First day of dealing in nil-paid Rights Shares	Tuesday, 20 November
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Thursday, 22 November
Last day of dealing in nil-paid Rights Shares	Tuesday, 27 November
Latest time for acceptance of and payment for Rights Shares	4:00 p.m. on Friday, 30 November
Latest time for the Rights Issue to become unconditional	4:00 p.m. on Wednesday, 5 December
Announcement of the results of the Rights Issue to be posted on the Stock Exchange's website	Thursday, 6 December
Refund cheques for wholly and partially unsuccessful excess applications to be posted	Friday, 7 December
Share certificates for Rights Shares to be posted	Friday, 7 December
Dealing in Rights Shares commences	9:00 a.m. on Monday, 10 December

All times and dates in this Prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to Shareholders as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is:

1. a tropical cyclone warning signal number 8 or above, or
2. a “black” rainstorm warning
 - (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Acceptance Date. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on the Acceptance Date, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

“Acceptance Date”	30 November 2012 (or such other date as the Underwriter may agree in writing with the Company as the latest date for acceptance of, and payment for, Rights Shares and application and payment for excess Rights Shares)
“Articles”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and Public Holidays) on which banks are generally open for business more than five hours in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies Ordinance”	the Companies Ordinance, Chapter 32 of the Laws of Hong Kong
“Company”	Tack Fiori International Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on Main Board of the Stock Exchange (Stock code: 928)
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EAF”	the form of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such usual form as may be agreed between the Company and the Underwriter
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	2 November 2012, being the date of the Underwriting Agreement

DEFINITIONS

“Latest Practicable Date”	13 November 2012, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum”	the memorandum of association of the Company
“Non-Qualifying Shareholders”	those Overseas Shareholders whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Open Offer”	the open offer of 15,001,474,104 offer shares at the subscription price of HK\$0.01 per offer share on the basis of 339 offer shares for every five reorganized shares of the Company, which was completed on 5 August 2011
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL”	the renounceable provisional allotment letter(s) proposed to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placing”	the placing of an aggregate of 459,738,927 placing shares of the Company, which was completed in January 2012
“PRC”	the People’s Republic of China
“Prospectus”	the Prospectus despatched to Shareholders containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Prospectus Posting Date”	16 November 2012 or such other date as the Underwriter may agree in writing with the Company, as the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only (as the case may be) to the Non-Qualifying Shareholders

DEFINITIONS

“Qualifying Shareholders”	Shareholder(s) whose name(s) appear on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	15 November 2012, the record date to determine entitlements to the Rights Issue
“Registrar”	the branch share registrar of the Company in Hong Kong, being Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong
“Rights Issue”	the proposed issue by way of rights on the basis of one (1) Rights Share for every two (2) Shares in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	Shares to be issued and allotted under the Rights Issue, being 318,201,240 Shares
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the company
“Shareholder(s)”	the holder(s) of issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.25 per Rights Share
“Underwriter”	Chung Nam Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activities within the meaning of the SFO
“Underwriting Agreement”	the underwriting agreement dated 2 November 2012 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	318,201,240 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“%” or “per cent.”	percentage or per centum

LETTER FROM THE BOARD



TACK FIORI INTERNATIONAL GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 928)

Executive Directors:

Mr. Chiu Siu Po (*Chairman*)
Mr. Liu On Bong, Peter (*Vice Chairman*)
Mr. Chan Chak Kai, Kenneth
Mr. Wan Wai Hei, Wesley
Mr. Au Wai June
Mr. Ng Jackson

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Independent non-executive Directors:

Dr. Leung Shiu Ki, Albert
Mr. Robert James Iaia II
Ms. Lam Yan Fong, Flora
Mr. Yau Yan Ming, Raymond
Mr. Miu H., Frank

Head office and principal place of

business in Hong Kong
8/F., China United Centre
28 Marble Road
North Point
Hong Kong

16 November 2012

To the Shareholders

Dear Sir/Madam,

**RIGHTS ISSUE OF RIGHTS SHARES AT THE SUBSCRIPTION PRICE
OF HK\$0.25 EACH ON THE BASIS OF ONE RIGHTS SHARE FOR
EVERY TWO SHARES HELD ON THE RECORD DATE BY
QUALIFYING SHAREHOLDERS**

INTRODUCTION

On 2 November 2012, the Board announced that the Company proposed to raise approximately HK\$79.55 million before expenses by issuing 318,201,240 new Shares to the Qualifying Shareholders by way of a rights issue at the subscription price of HK\$0.25 per Rights Share on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date.

LETTER FROM THE BOARD

RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date
Number of existing Shares in issue as at the Latest Practicable Date	:	636,402,481
Number of Rights Shares	:	318,201,240 Rights Shares (<i>Note</i>)
Subscription Price	:	HK\$0.25 per Rights Share with nominal value of HK\$0.01 each

Note: There are 60,000,000 outstanding share options under the option deeds dated 6 October 2011 and subsequent to the adjustments of the capital reorganization becoming effective on 23 August 2012, to subscribe for an aggregate of 60,000,000 new Shares. However, none of the abovementioned options have been vested and none of them are exercisable.

Save as disclosed, as at Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares. Assuming no further issue of new Shares or repurchase of Shares on or before the Record Date, the 318,201,240 nil-paid Rights Shares proposed to be provisionally allotted represent 50% of the Company's issued share capital as at the Latest Practicable Date and 33.3% of the Company's issued share capital as enlarged by the issue of the 318,201,240 Rights Shares.

Qualifying Shareholders

The Company will send the Prospectus Documents to Qualifying Shareholders only. To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

In order to be registered as members of the Company at the close of business on the Record Date, owners of Shares must lodge any transfers of Shares (together with the relevant share certificates) with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration by no later than 4:30 p.m. on Monday, 12 November 2012.

Rights of Overseas Shareholders

The Prospectus Documents will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

LETTER FROM THE BOARD

Based on the register of members of the Company, the Company does not have any Overseas Shareholders as at the Record Date. Therefore, there are no Non-Qualifying Shareholder for the purpose of the Rights Issue.

Subscription Price

The subscription price for the Rights Shares is HK\$0.25 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 40.48% to the closing price of HK\$0.42 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 40.33% to the average closing price of approximately HK\$0.419 per Share for the five consecutive trading days ended on the Last Trading Day;
- (iii) a discount of approximately 31.13% to the theoretical ex-rights price of approximately HK\$0.363 per Share based on the closing price of HK\$0.42 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iv) a discount of approximately 31.51% to the closing price of HK\$0.365 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider the terms of the Rights Issue, including the Subscription Price which has been set as a discount to the closing price of the Shares on the Last Trading Day with an objective to encourage existing Shareholders to take up their entitlements so as to participate in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.24.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Shares in issue and held on Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a remittance for the Rights Shares being applied for.

As at the Latest Practicable Date, the Board had not received any information from any of the Shareholders of its intention to take up all or any of the Rights Shares provisionally allotted to it. Furthermore, the Company had not received any undertaking from any Shareholders to subscribe for all or any of the Rights Shares provisionally allotted to them.

LETTER FROM THE BOARD

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank pari passu with the then existing Shares in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares.

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares. The aggregate of fractions of the Rights Shares will be sold by the Company in the market, and, if a net premium can be obtained the proceeds will be retained by the Company for its own benefit. Any unsold aggregate of fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders. No odd lot matching services will be provided.

Procedure for acceptance and payment or transfer

Qualifying Shareholders will find enclosed with this Prospectus a PAL which entitles them to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong so as to be received by no later than 4:00 p.m. on Friday, 30 November 2012. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Tack Fiori International Group Limited — Provisional Allotment Account" and crossed "Account Payee Only".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been received by the Registrar by 4:00 p.m. on Friday, 30 November 2012, whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Wednesday, 22 November 2012 with the Registrar who will cancel the original PAL and issue new PAL in the denominations required, which will be available for collection at the Registrar after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques and cashier's orders accompanying completed PALs will be presented for payment immediately upon receipt and all interest earned

LETTER FROM THE BOARD

on such monies will be retained for the benefit of the Company. Completion and return of the PAL will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. Completion and return of the PAL with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the subscriber that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque and/or cashier's order is dishonoured on first presentation, and, in such event, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any jurisdiction other than Hong Kong. Accordingly, no person receiving a copy of this Prospectus, the PAL or the EAF in any jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant jurisdictions, such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements. It is the responsibility of anyone outside Hong Kong wishing to make on his/its behalf an application for the Rights Shares to satisfy himself/itself as to the observance of the laws and regulations of all relevant jurisdiction, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such jurisdiction in connection therewith. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that in doing so would violate the applicable securities or other laws or regulations of any jurisdiction. No application for the Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

If the Underwriter exercises the rights to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the nil-paid Rights Shares shall have been validly transferred, or in case of joint acceptances, to the first-named person, without interest by means of cheques despatched by ordinary post to their respective registered addresses at their own risk as soon as practicable thereafter.

Application for excess Rights Shares

Qualifying Shareholders may apply, by way of excess application, for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted.

Any Qualifying Shareholder wishing to apply for any Rights Shares in addition to his/its provisional allotment must complete and sign the enclosed EAF as indicated thereon and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong so as to be received

LETTER FROM THE BOARD

by no later than 4:00 p.m. on Friday, 30 November 2012. All remittances must be made by cheque or cashier's order in Hong Kong dollars. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Tack Fiori International Group Limited — Excess Application Account" and crossed "Account Payee Only".

The Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

1. preference will be given to applications for less than a board lot of Rights Shares where they appear to the Directors that such applications are made to round up odd-lot holdings to whole-lot holdings and that such applications are not made with the intention to abuse this mechanism; and
2. subject to availability of excess Rights Shares after allocation under principle (1) above, the excess Rights Shares will be allocated to Qualifying Shareholders based on a sliding scale with reference to the number of the excess Rights Shares applied by them (i.e. Qualifying Shareholders applying for a smaller number of Rights Shares are allocated with a higher percentage of successful application but will receive a lesser number of Rights Shares; whereas Qualifying Shareholders applying for a larger number of Rights Shares are allocated with a smaller percentage of successful application but will receive a higher number of Rights Shares), and with board lot applications to be made on a best effort basis.

Investors with their Shares held by a nominee company should note that the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually.

The allocation of excess Rights Shares (if any) to the Qualifying Shareholders will be announced by the Company on or about Thursday, 6 December 2012. If no excess Rights Shares are allotted to the Qualifying Shareholders, it is expected that the amount tendered on application will be refunded in full without interest on or before Friday, 7 December 2012. If the number of excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application monies are also expected to be refunded to them without interest on or before Friday, 7 December 2012.

All cheques and cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF will constitute a warranty and representation to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any acceptance of it, have been, or will be, duly complied with. Completion and return of the EAF together with a cheque or cashier's order in payment for excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. If any cheque or cashier's order accompanying a completed EAF is dishonoured on first presentation, without prejudice to the other rights of the Company, such EAF is liable to be rejected.

LETTER FROM THE BOARD

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including refund cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be despatched by ordinary post at the risk of the persons entitled thereto to their respective registered addresses as shown in the register of members of the Company on the Record Date.

If the Underwriter exercises the right to terminate the Underwriting Agreement or if the conditions of the Rights Issue are not fulfilled or waived (as applicable), the monies received in respect of the relevant applications for excess Rights Shares will be returned to the applicants, or in case of joint applicants, to the first-named person, without interest by means of cheques despatched by the ordinary post to their respective addresses at their own risk as soon as practicable thereafter.

As it is scheduled that the Company will publish the announcement of the unaudited interim results of the Group for the six months ended 30 September 2012 before end of November 2012, according to Rule A.3 of the Model Code for Securities Transaction by Directors of Listed Issuers, the Directors should not deal in any securities of the Company during the period of 30 days immediately preceding the publication date of the interim results unless under exceptional circumstances. Accordingly, any Directors also being an Qualifying Shareholder will not apply for any Rights Shares by way of excess application.

Share certificates and refund cheques for Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Friday, 7 December 2012. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Friday, 7 December 2012 by ordinary post to the applicants at their own risk. Successful applicant(s) will receive one share certificate for all the Rights Shares issued to him/her/it.

The first day of dealings in the Rights Shares in their fully-paid form is expected to commence on Monday, 10 December 2012.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants

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of the Stock Exchange on any trading day is required to take place in CCASS on the second Settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 8,000 Shares.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the register of members of the Company in Hong Kong, will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Non-Qualifying Shareholders, their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of holders of the Rights Shares resulting from the purchase, holding or disposal of, or dealing in the Rights Shares in both their nil-paid and fully-paid forms.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following being fulfilled:

1. the Listing Committee of the Stock Exchange granting or agreeing to grant and not having withdrawn or revoked the listing of and permission to deal in all the Rights Shares, in both nil-paid and fully-paid forms;
2. the delivery to the Stock Exchange and registration by the Registrar of Companies in Hong Kong of 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 a resolution of the Directors (and all other documents required to be attached thereto) not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;
3. the posting of the Prospectus Documents to the Qualifying Shareholders and the posting, to the extent reasonably practicable, of the Prospectus for information purposes only to the Oversea Shareholders; and
4. compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement.

In the event that the above conditions have not been fulfilled and/or waived in whole or in part by the Underwriter on or before 28 February 2013 (or such other date as the Underwriter and the Company may agree), all liabilities of the parties to the Underwriting

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Agreement shall cease and determine and no party shall have any claim against the other party save for any antecedent breach of the Underwriting Agreement and the Rights Issue will not proceed.

UNDERWRITING ARRANGEMENT

The Underwriting Agreement

- Date : 2 November 2012
- Underwriter : Chung Nam Securities Limited. To the best of the Directors' knowledge and information, the Underwriter and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons
- Total number of Rights Shares being underwritten by the Underwriter : The Underwriter has conditionally agreed pursuant to the Underwriting Agreement to underwrite the Rights Shares not subscribed by the Qualifying Shareholders on a fully underwritten basis, being 318,201,240 Rights Shares, subject to the terms and conditions of the Underwriting Agreement
- Commission : 2.5% of the aggregate Subscription Price of the Underwritten Shares as determined on the Record Date

Termination of the Underwriting Agreement

The Underwriter shall have the right to terminate the arrangements set out in the Underwriting Agreement by notice in writing given to the Company at any time prior to 4:00 p.m. on the third Business Day after the Acceptance Date, if:

- (a) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
 - (i) 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 absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (ii) 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 Underwriting Agreement, of a political, financial, economic, currency market or other nature (whether or not ejusdem generis with any of the foregoing) or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

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- (iii) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
 - (iv) any act of god, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (v) there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange due to exceptional financial circumstances or otherwise; or
 - (vi) the commencement or taking by any third party of any litigation or claim or other action against any member of the Group which is or might be material to the Group taken as a whole; or
- (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 Cayman Islands, the PRC or other jurisdiction relevant to the Group or any member of the Group and a change in currency conditions for the purpose of this clause 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 absolute opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue;
 - (c) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which in the absolute opinion of the Underwriter is material to the Group as a whole and is likely to affect materially and adversely the success of the Rights Issue or might cause a prudent investor not to accept the Rights Shares provisionally allotted to it;
 - (d) the Company commits any material breach of or omits to observe any of the material obligations or material undertakings expressed to be assumed by it under the Underwriting Agreement;
 - (e) if, at or prior to the Latest Time for Termination:
 - (i) any material breach of any of the warranties or undertakings of the Company contained under the Underwriting Agreement comes to the knowledge of the Underwriter; or
 - (ii) any event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which if it had occurred or arisen before the date of the Underwriting Agreement would have

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rendered any of the warranties of the Company contained under the Underwriting Agreement untrue or incorrect in any material respect comes to the knowledge of the Underwriter,

the Underwriter shall be entitled by notice in writing to the Company prior to the Latest Time for Termination to elect to rescind the Underwriting Agreement.

Upon the giving of such notice, all obligations of the Underwriter under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party to the Underwriting Agreement shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

As at the Latest Practicable Date, neither the Underwriter nor the Company has noticed the occurrence of any events mentioned in paragraphs (a) to (e) above which may lead to the termination of the Underwriting Agreement.

WARNING OF THE RISKS OF DEALING IN SHARES AND THE NIL-PAID RIGHTS SHARES

The Shares have been dealt on an ex-rights basis from Friday, 9 November 2012. Dealings in the Rights Shares in the nil-paid form will take place from Tuesday, 20 November 2012 to Tuesday, 27 November 2012 (both dates inclusive). If the conditions of the Underwriting Agreement are not fulfilled or waived (as applicable) or the Underwriting Agreement is terminated by the Underwriter, the Rights Issue will not proceed.

Any Shareholders or other persons contemplating selling or purchasing Rights Shares in their nil-paid form during the period from Tuesday, 20 November 2012 to Tuesday, 27 November 2012 (both dates inclusive) who are in any doubt about their position are recommended to consult their professional advisers. Any Shareholders or other persons dealing in the Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) and any persons dealing in the nil-paid Rights Shares during such period will accordingly bear the risk that the Rights Issue could not become unconditional or does not proceed.

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FUND RAISING EXERCISE OF THE COMPANY

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
23 December 2011	Placing of new shares under general mandate	HK\$44 million	general working capital as well as to develop retail business opportunities	used as intended

Save as abovementioned, the Company had not conducted any fund raising exercise in the 12 months immediately preceding the date of this Prospectus.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company is principally engaged in (i) apparel retail business in the PRC and (ii) luxury goods and accessories retail business and sale of crystal gemming services and products in Hong Kong and PRC.

As announced in the Company's announcement dated 30 October 2012, the Company expected a significant decrease in profit or even incur a loss on the Group's unaudited interim results ended 30 September 2012, primarily attributable to (i) the exclusion of gain on debt restructuring and deconsolidation of subsidiaries recorded in previous correspondence period ended 30 September 2011; and (ii) reduction in the recorded sales of the Group's apparel retail business in PRC as a result of downturn in the retail market of PRC and delayed schedule of the new outlets opening.

The net proceeds from the Placing on 23 December 2011, which amounted to HK\$44 million, were used as intended for the general working capital as well as the development of retail business opportunities. The Group fully utilized such proceeds raised from Placing as of 31 October 2012 as follows:

	<i>HK\$'million</i>
Salary and allowances	10
Rent and rates	8
Office expenses	3
Other general working capital — purchases costs and deposits paid for acquisition of inventories	23
Total	44

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Regarding the net proceeds of HK\$146 million from the Open Offer in August 2011, the Group had utilized HK\$119 million for the general working capital as at 31 October 2012. There was HK\$27 million remained as of 31 October 2012 and the remaining proceeds will be used as intended for general working capital. The details of usage of such HK\$119 million are as follows:

	<i>HK\$'million</i>
Salary and allowances	33
Acquisition of Z & Z International Limited (a retail group)	16
Acquisition of short-term securities	16
Payment for trademarks	3
Additions to property, plant and equipments	13
Legal and professional fee	8
Rent and rates	18
Other general working capital	<u>12</u>
	<u><u>119</u></u>

The estimated net proceeds of the Rights Issue will be approximately HK\$76.31 million. Accordingly, the Company intends to apply the net proceeds of the Rights Issue to provide general working capital to the Group including re-branding and revitalizing of the Group's apparel products and accessories, refurbishing existing retail stores with the Company's new brand direction and fueling future expansion plans.

The Board considers that it is prudent to finance the Group's long term growth by way of the Rights Issue which will not only strengthen the Group's capital base and enhance its financial position without increasing finance costs, but will also allow all Qualifying Shareholders the opportunity to participate in the growth of the Group through the Rights Issue at a price lower than the current market price of the Shares.

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SHAREHOLDING IN THE COMPANY

Set out below is the shareholding structure of the Company as at the Latest Practicable Date and immediately after completion of the Rights Issue.

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all the Qualifying Shareholders take up their respective allotment of Rights Shares in full		Immediately after completion of the Rights Issue assuming no Qualifying Shareholders takes up any of the Rights Shares and the Underwriter takes up the Rights Shares to the maximum extent	
	<i>Number of Shares</i>	%	<i>Number of Shares</i>	%	<i>Number of Shares</i>	%
	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>	<i>Shares</i>	<i>%</i>
<i>Substantial Shareholder</i> Radford Developments Limited	175,000,000	27.50%	262,500,000	27.50%	175,000,000	18.33%
<i>Public</i> Underwriter	—	—	—	—	318,201,240	33.33%
Public Shareholders	<u>461,402,481</u>	<u>72.50%</u>	<u>692,103,721</u>	<u>72.50%</u>	<u>461,402,481</u>	<u>48.34%</u>
Total	<u><u>636,402,481</u></u>	<u><u>100.00%</u></u>	<u><u>954,603,721</u></u>	<u><u>100.00%</u></u>	<u><u>954,603,721</u></u>	<u><u>100.00%</u></u>

Note:

1. The Underwriter undertakes with the Company that (i) it shall use all reasonable endeavours to procure that each of the subscribers or purchasers of Underwritten Shares procured by it shall be third party independent of, not acting in concert with and not connected with the Directors, chief executive or substantial shareholders of the Company or their respective associates; (ii) shall cause sub-underwriters to, procure independent places take up such number of Rights Shares (a) as necessary to ensure that the public float requirements under Rule 8.08 of the Listing Rules are complied with by the Company and (b) such that it shall not, together with party(ies) acting in concert with it, hold 30% or more of the voting rights of the Company upon completion of the Rights Issue.

2. The Underwriter has confirmed to the Company that it has entered into sub-underwriting agreements with sub-underwriters to sub-underwrite part or all of its underwriting obligations under the Underwriting Agreement, so that it will not if called upon to take up its underwriting commitment individually or together with its associates own 10% or more of the issued share capital of the Company immediately after completion of the Rights Issue. As such, no sub-underwriter will become substantial Shareholder. The Underwriter has confirmed to the Company, that the sub-underwriters and their respective ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

Those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled should note that their shareholdings in the Company will be diluted.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
By order of the Board
TACK FIORI INTERNATIONAL GROUP LIMITED
Liu On Bong, Peter
Vice Chairman

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the three years ended 31 March 2010, 2011 and 2012 are disclosed in the annual reports of the Company for the years ended 31 March 2010 (pages 18 to 70), 2011 (pages 20 to 68) and 2012 (pages 33 to 117) respectively, which are published on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.tackfiori.com). The auditors of the Company have issued a qualified opinion on the Group's financial statements for each of the financial years ended 31 March 2010 and 2011 and an unqualified audited opinion on the Group's financial statements for the financial year ended 31 March 2012.

2. INDEBTEDNESS

At the close of business on 31 October 2012, apart from intra-group liabilities, the Group did not have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

The Directors have confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 March 2012, being the date to which the latest published audited consolidated financial statements of the Company were made up.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the present financial resources and the estimated net proceeds from the Rights Issue, in the absence of unforeseen circumstances, the Group has sufficient working capital for its present requirements for at least the next twelve months following the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

Save as disclosed in this Prospectus and the profit warning for the loss expected to record for the six months ended 30 September 2012, details of which are set out in the announcement of the Company dated 30 October 2012, as at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2012, being the date to which the latest published audited consolidated financial statements of the Group were made up.

**5. BUSINESS REVIEW AND FINANCIAL REVIEW FOR THE YEAR ENDED
31 MARCH 2012**

The Company is principally engaged in investment holding. The Group is principally engaged in apparel retailing business in the People's Republic of China (the "PRC") and luxury goods and accessories retailing business (watches, audio equipments and products and other accessories) and sale of crystal gemming service and products in Hong Kong and PRC.

For year ended 31 March 2012, the Group recorded a turnover of approximately HK\$56.5 million (year ended 31 March 2011: HK\$53.7 million), representing an increase of approximately 5.2% as compared to the last year. The consolidated profit attributable to owners of the Company for the year ended 31 March 2012 amounted to approximately HK\$1,293.8 million (loss attributable to owners of the Company for the year ended 31 March 2011: HK\$93.1 million). Earnings per share was approximately HK76.61 cents as compared with loss per share of approximately HK420.9 cents for the last year. The Group's overall gross profit margin was 29.8% (year ended 31 March 2011: 56.3%), such decrease was mainly due to the increase of luxury goods and accessories sales with relatively lower gross profit margin and the write off of aged inventories. Excluding the gain on debt restructuring of approximately HK\$1,321.9 million, the gain on bargain purchase arising from business combination of approximately HK\$21.6 million and gain on deconsolidation of subsidiaries of approximately HK\$56.4 million, the operating loss of the Group was approximately HK\$106.3 million (year ended 31 March 2011: approximately HK\$102.9 million), representing an increase of HK\$3.4 million as compared with the previous year.

Apparel retailing business

Turnover of the apparel retailing business amounted to HK\$51.4 million (year ended 31 March 2011: HK\$53.7 million), representing a decrease of 4.3% as compared with the last year and accounting for 91.0% of the Group's total turnover. As for segment results, that of the apparel retailing business recorded a loss of HK\$39.0 million, representing an increase of 30.1% as compared with HK\$30.0 million of last year. The increase of loss in the segment result was mainly due to the write off of aged inventories during the year.

Luxury accessories retailing business

Included in the amount of turnover was HK\$5.1 million (year ended 31 March 2011: Nil) generated by the luxury goods and accessories retailing business, the new business acquired during the year. This segment recorded a loss in segment result of HK\$12.7 million during the period since acquired by the Group.

Due to the fierce competition in the retail business compounded with a slower than expected economic growth in the People's Republic of China ("PRC"), the Group was not able to maintain business relationships with the existing authorized retailers or reach mutually favorable terms and conditions with potential authorized retailers. As the growth rate of authorized retailers is lower than the Company expected, the management has been reviewing and assessing the business expansion plan from time to time. Pursuant to the existing market conditions, the management has decided to focus on the re-branding of XXEZZ apparel products and accessories and improving the performance of its self-operating stores. As of 30 September 2012, the total gross floor area of the Group's outlets stood at 4,574 square meters, the Group is in negotiation with strategic property developers and certain department stores in the PRC so as to increase the Group's number of self-operating stores. By doing so, the Group believes this will regain the confidence of the potential authorized retailers and increase the number of authorized retailers.

The operating environment is expected remain challenging and uncertain with the slowdown in China's economic growth. As to increase the profitability of the Company, the management will explore the possibilities of business diversification. And, the Company will continue to devote resources in its retail business and is committed to broaden its product variety as well as to enhance its brand image so as to increase the sales of the Group's retail business in the long run.

Financial Review

Liquidity

As at 31 March 2012, the Group had no bank and other borrowings. As at 31 March 2012, the Group's had net current assets of approximately HK\$148.0 million including cash and cash equivalents of approximately HK\$121.2 million (2011: net current liabilities of approximately HK\$1,389.7 million including cash and cash equivalents of approximately HK\$3.4 million).

Capital Resources and Reorganisation

In January 2012, the Company completed the Placing of 459,738,927 new shares at the placing price of HK\$0.10 each to raise net proceeds of approximately HK\$44 million for general working capital. The majority of the funds raised by the Placing have been applied as initially intended and for general working capital purpose. In January 2012, the Company granted 300 million share options at an exercise price of HK\$0.10 per share to its directors and employees. No options were vested and exercised as at 31 March 2012.

In April 2012, the Company announced a capital reorganisation involving capital reduction and share consolidation of five reduced shares into one adjusted share resulting in the authorised share capital of the Company being changed from HK\$500,000,000 with 5,000,000,000 shares at HK\$0.10 per share to HK\$500,000,000 with 5,000,000,000 shares of HK\$0.01 per share each and the issued share capital of the Company was thereby reduced from HK\$318,201,240.50 to HK\$6,364,024.81 divided into 636,402,481 adjusted shares thus giving rise to a total of credit of HK\$321.8 million (before expenses) which will be credited to the distributable reserve of the Company. The capital reorganization were approved by a special resolution passed at the extraordinary general meetings of the Company held in May 2012.

(A) UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The unaudited pro forma financial information of the Group attributable to the owners of the Company (the “Unaudited Pro Forma Financial Information”) has been prepared by the directors of the Company in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the proposed Rights Issue on the basis of one Rights Share for every two existing Shares held on 15 November 2012 (“Record Date”) at HK\$0.25 per Rights Share on the consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 March 2012.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only and, because of its nature, it may not give a true picture of the financial position of the Group as at the date to which it is made up or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated net assets of the Group attributable to the Company derived from the consolidated statement of financial position of the Group as at 31 March 2012, extracted from the annual report of the Company for the year ended 31 March 2012, with adjustment described below:

Audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2012	Estimated net proceeds from the Rights Issue	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of Rights Issue
<i>HK\$'000</i> <i>(Note 1)</i>	<i>HK\$'000</i> <i>(Note 2)</i>	<i>HK\$'000</i>
<u>161,945</u>	<u>76,311</u>	<u>238,256</u>
		<i>HK\$</i>
Unaudited consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 31 March 2012 before the completion of the Rights Issue <i>(Note 3)</i>		<u>0.25</u>
Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 31 March 2012 immediately after the completion of the Rights Issue <i>(Note 4)</i>		<u>0.25</u>

Notes:

- (1) The amount of approximately HK\$161,945,000 is determined based on the consolidated net assets of the Group attributable to the owners of the Company of approximately HK\$164,383,000 as at 31 March 2012, after exclusion of trademark of approximately HK\$2,438,000 as at 31 March 2012, both extracted from the consolidated statement of financial position of the Group as at 31 March 2012 set out in the annual report of the Company dated on 29 June 2012.
- (2) The estimated net proceeds from the Rights Issue of approximately HK\$76,311,000 are based on 318,201,240 minimum Rights Share to be issued (based on 636,402,481 Shares of the Company in issue as at 31 March 2012 after taking into account of the capital reorganization as described below) at the subscription price of HK\$0.25 per Rights Share and after deduction of estimated related expenses, including among others, underwriting commission and other professional fees, which are directly attributable to the Rights Issue, of approximately HK\$3,239,000. As at 31 March 2012, the number of shares of the Company in issue was 3,182,012,405. On 23 August 2012, the Group effected a capital reorganization in which every 5 issued and unissued ordinary shares of HK\$0.10 each were consolidated into 1 consolidated share of HK\$0.50 each and the paid-up capital of the consolidated shares were cancelled to the extent of HK\$0.49 per consolidated share so as to form a new share of HK\$0.01 each. Immediately after the capital reorganization, the number of shares of the Company in issue became 636,402,481.
- (3) Unaudited consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 31 March 2012 before the completion of the Rights Issue is determined based on the audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 March 2012 of approximately HK\$161,945,000 as disclosed in note (1) above, divided by 636,402,481 Shares which represents Company's Shares as at 31 March 2012 after taking into account of the capital reorganization.
- (4) Unaudited pro forma adjusted consolidated net tangible assets of the Group per Share attributable to the owners of the Company as at 31 March 2012 immediately after the completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of Rights Issue of approximately HK\$238,256,000, divided by 954,603,721 Shares which represents 636,402,481 Shares of the Company as at 31 March 2012 after taking into account of the capital reorganization and 318,201,240 Rights Shares assumed to be issued pursuant to the Rights Issue.
- (5) There are 60,000,000 outstanding share options under the option deeds dated 6 October 2011 and after taking into account of the capital reorganization as described in note 2 above, to subscribe for an aggregate of 60,000,000 new Shares. However, none of the abovementioned options have been vested and none of them are exercisable as at 31 March 2012 and the Record Date, and they have not been taken into account in the above calculation.
- (6) No adjustment has been made to reflect any trading results or other transactions of the Group subsequent to 31 March 2012.

**(B) ACCOUNTS' REPORT ON THE UNAUDITED PRO FORMA FINANCIAL
INFORMATION OF THE GROUP**

Deloitte Touche Tohmatsu
35/F One Pacific Place
88 Queensway
Hong Kong

**ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION
TO THE DIRECTORS OF TACK FIORI INTERNATIONAL GROUP LIMITED**

We report on the unaudited pro forma financial information of Tack Fiori International Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") as set out in section A of Appendix II to the prospectus dated 16 November 2012 (the "Prospectus") issued by the Company, which has been prepared by the directors of the Company for illustrative purposes only, to provide information about how the proposed Rights Issue (as defined in the Prospectus) might have affected the financial information presented. The basis of preparation of the unaudited pro forma financial information of the Group is set out in section A of Appendix II to the Prospectus.

Respective responsibilities of directors of the Company and reporting accountants

It is the responsibility solely of the directors of the Company to prepare the unaudited pro forma financial information of the Group in accordance with paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants.

It is our responsibility to form an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the unaudited pro forma financial information of the Group and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information of the Group beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

Basis of opinion

We conducted our engagements in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 300 "Accountants' Reports on Pro Forma Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants. Our work consisted primarily of comparing the unadjusted financial information with source documents, considering the evidence supporting the adjustments and discussing the unaudited pro forma financial information with the directors of the Company. This engagement did not involve independent examination of any of the underlying financial information.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the unaudited pro forma financial information of the Group has been properly compiled by the directors of the Company on the basis stated, that such basis is consistent with the accounting policies of the Group and that the adjustments are appropriate for the purpose of the unaudited pro forma financial information of the Group as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

The unaudited pro forma financial information of the Group is for illustrative purpose only, based on the judgments and assumptions of the directors of the Company, and, because of its hypothetical nature, does not provide any assurance or indication that any event will take place in future and may not be indicative of the financial position of the Group as at 31 March 2012 or any future date.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information of the Group has been properly compiled by the directors of the Company on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the unaudited pro forma financial information of the Group as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

16 November 2012

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue were and are expected to be as follows:

(a) As at the Latest Practicable Date:

<i>Authorised share capital</i>	<i>HK\$</i>
50,000,000,000 Shares of HK\$0.01 each	500,000,000
<i>Issued share capital</i>	<i>HK\$</i>
636,402,481 Shares of HK\$0.01 each	6,364,024.81

(b) Upon completion of the Rights Issue

<i>Rights Shares to be issued</i>	<i>HK\$</i>
318,201,240 Shares of HK\$0.01 each	3,182,012.40
<i>Shares in issue upon completion of the Rights Issue</i>	<i>HK\$</i>
954,603,721 Shares of HK\$0.01 each	9,546,037.21

All of the Shares and the Rights Shares in issue and to be issued (when fully paid) rank and will rank pari passu with each other in all respects, including, in particular, as to dividends, voting rights and return of capital. The Shares and the Rights Shares in issue and to be issued are or will be listed on the Main Board of the Stock Exchange.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

3. DISCLOSURE OF INTERESTS BY DIRECTORS

(a) Shares of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company or their respective Associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange, were as follows:

Name of Directors	Capacity	Beneficial interest in Shares	Total number of Shares	Approximate percentage of aggregate interests to total issued share capital
Au Wai June	Beneficial owner	220,800	220,800	0.03%
Chan Chak Kai, Kenneth	Beneficial owner	40,000	40,000	0.01%

(b) Share options of the Company

Pursuant to the option deed entered into between by the Company and the following directors, the Company granted certain options to below directors and as follows:

Name of Director	Capacity	Number of Options held (Note)	Number of underlying shares
Chiu Siu Po	Beneficial owner	2,000,000	0.3%
Liu On Bong, Peter	Beneficial owner	2,000,000	0.3%
Chan Chak Kai, Kenneth	Beneficial owner	10,000,000	1.6%

Note: The options granted was adjusted as a result of capital reorganisation carried out by the Company on 23 August 2012, and have not been vested as at the Latest Practicable Date.

As at the Latest Practicable Date, no options over Shares have been granted to the current Directors under the Share Option Schemes of the Company.

4. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS

Save as disclosed below, as at the Latest Practicable Date, according to the register of interests kept by the Company under Section 336 of the SFO and so far as was known to the Directors, no person or company had an interest or short position in Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any option in respect of such capital:

Name of shareholders	Capacity	Number of Shares	Approximate % of the total issued Shares
Fidelitycorp Limited (<i>note 1</i>)	Interest of controlled corporation	175,000,000	27.5%
Moon Light Investments Group Limited (<i>note 1</i>)	Interest of controlled corporation	175,000,000	27.5%
Radford Developments Limited (<i>note 1</i>)	Beneficial owner	175,000,000	27.5%
Yu Man Fung, Alice	Beneficial owner	32,212,232	5.06%

Note: Radford Developments Limited is wholly-owned by Moon Light Investments Group Limited, which in turn is wholly-owned by Moon Light Trust. Fidelitycorp Limited is the trustee for Moon Light Trust. Moon Light Investments Group Limited and Fidelitycorp Limited are therefore deemed to be interested in the shares held by Radford Developments Limited.

5. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, there were no contracts or arrangements in which a Director was materially interested and significant in relation to the business of the Group. As at the Latest Practicable Date, none of the Directors has, directly or indirectly, any interest in any assets which have since 31 March 2012 (being the date to which the latest published audited accounts of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

6. EXPERT

The following is the qualifications of the expert who have given opinion or advice, which are contained in this Prospectus:

Name	Qualification
Deloitte Touche Tohmatsu	Certified Public Accountants

As at the Latest Practicable Date, the above expert did not have any direct or indirect shareholdings in any member of the Group, or any right (whether legal enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, or any interests, directly or indirectly, in any assets which have been acquired, disposed of by or leased to or which are proposed to be acquired, disposed of by or leased to the Company or any of their respective subsidiaries, respectively, since 31 March 2012, being the date to which the above expert who appointed by the Company.

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion therein of its reports and references to its name in the form and context in which they appear.

7. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contracts with the Company or any other member of the Group (excluding contracts expiring or determinable by the Company within a year without payment of any compensation (other than statutory compensation)).

8. LITIGATION

As at the Latest Practicable Date, there were no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

9. MATERIAL CONTRACTS

The following contracts have been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of the Latest Practicable Date and are or may be material:

- (1) a restructuring agreement dated 26 May 2010 and supplemented by two letter agreements dated 24 August 2010 and 27 May 2011, entered into between the Company, FTI Consulting Limited as the provisional liquidators and escrow agent, Radford Developments Limited as the investor, in respect of the restructuring of the Group;
- (2) an underwriting agreement dated 27 July 2010 and supplemented by a supplemental underwriting agreement dated 27 June 2011, entered into between Company and Asian Capital Limited as the underwriter, pursuant to which Asian Capital Limited would fully underwrite 15,001,474,104 offer shares;
- (3) an investor subscription agreement dated 27 May 2011 entered into between the Company as the issuer and Radford Developments Limited as the subscriber for a 3-year zero-coupon convertible bonds with principal amount of HK\$100 million;

- (4) a creditors subscription agreement dated 27 May 2011 entered into between the Company as the issuer and Key Winner Holdings Limited and New Profit Holdings Limited as the subscribers as the subscriber for a 1-year 2% per annum convertible bonds with principal amount of HK\$20 million;
- (5) a sale and purchase agreement dated 30 August 2011 entered into between the Company as the purchaser and independent third parties as the vendors in relation to the Company's acquisition of the entire issued share capital of Z & Z International Limited;
- (6) a placing agreement dated 23 December 2011 entered into between the Company and Get Nice Securities Limited regarding the Placing of 459,738,927 new shares at HK\$0.10 per share by the Get Nice Securities Limited on a best effort basis; and
- (7) the Underwriting Agreement.

10. CORPORATION INFORMATION

Registered office	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Head office and place of business in Hong Kong	8/F., China United Centre 28 Marble Road North Point Hong Kong
Joint Company Secretaries	Mr. Shum Ming Choy Ms. Cheng Pui Yee
Authorized representatives	Mr. Liu On Bong, Peter Mr. Shum Ming Choy
Underwriter	Chung Nam Securities Limited 26/F., China United Centre 28 Marble Road North Point Hong Kong

Legal advisers to the Company in relation to the Rights Issue	Shum & Co. Solicitors Suite 2801-03 & 06, 28/F., China United Centre 28 Marble Road North Point Hong Kong (As to Hong Kong Law)
	Conyers Dill & Pearman Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands (As to Cayman Islands Law)
Auditors and reporting accountants	Deloitte Touche Tohmatsu 35 Floor One Pacific Place 88 Queensway Hong Kong
Hong Kong branch Share registrar of the Company	Tricor Tengis Limited 26th Floor, Tesbury Centre 28 Queen's Road East Wanchai Hong Kong
Principal banker	The Hongkong and Shanghai Banking Corporation Limited

PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

(a) Name and address of Executive Directors and Non-Executive Directors

Name	Address
<i>Executive Directors</i>	
Mr. Chiu Siu Po (<i>Chairman</i>)	8/F., China United Centre 28 Marble Road North Point, Hong Kong
Mr. Liu On Bong, Peter (<i>Vice Chairman</i>)	8/F., China United Centre 28 Marble Road North Point, Hong Kong

Name	Address
Mr. Chan Chak Kai, Kenneth	8/F., China United Centre 28 Marble Road North Point, Hong Kong
Mr. Wan Wai Hei, Wesley	8/F., China United Centre 28 Marble Road North Point, Hong Kong
Mr. Au Wai June	8/F., China United Centre 28 Marble Road North Point, Hong Kong
Mr. Ng Jackson	8/F., China United Centre 28 Marble Road North Point, Hong Kong
<i>Independent Non-executive Directors</i>	
Dr. Leung Shiu Ki, Albert	8/F., China United Centre 28 Marble Road North Point, Hong Kong
Mr. Robert James Iaia II	8/F., China United Centre 28 Marble Road North Point, Hong Kong
Ms. Lam Yan Fong, Flora	8/F., China United Centre 28 Marble Road North Point, Hong Kong
Mr. Yau Yan Ming, Raymond	8/F., China United Centre 28 Marble Road North Point, Hong Kong
Mr. Miu H., Frank	8/F., China United Centre 28 Marble Road North Point, Hong Kong

(b) Profiles of Directors and senior management*Executive Directors:***Mr. Chiu Siu Po**

Mr. Chiu Siu Po, aged 63, has been appointed as the Chairman of the Company in August 2011, is the managing director and chief executive officer of More Fortune Company Limited, a company principally engaged in import and export of textile business. Mr. Chiu has over 30 years of experience in textile industry for the manufacturing, sales and distribution. Mr. Chiu was an independent non-executive director of Freeman Corporation Limited (presently known as Freeman Financial Corporation Limited), a company listed on the Main Board of the Stock Exchange (stock code: 279) and resigned on 22 September 2010. In addition to his valuable expertise in textile industry, Mr. Chiu also has extensive corporate and investment experience in both Hong Kong and the PRC markets.

Mr. Liu On Bong, Peter

Mr. Liu On Bong, Peter, aged 63, has been appointed as the Vice-Chairman of the Company in August 2011, is currently group strategy adviser of AMG Financial Group. Mr. Liu holds a Bachelor of Social Science from University of Hong Kong, and is a member of International Registered Financial Practitioner and a Certified Management Consultant. Mr. Liu has a wealth of knowledge on corporate and strategic planning and is also well-versed in management, transformation and marketing of consumer products and services. He has over 25 years of working experience in various multinational corporations, some of them were in Fortune 500. In public services, he has been the founding chairman of Hong Kong Auxiliary Police Association and is also an honorary superintendent of Hong Kong Auxiliary Police Force. Mr. Liu has been appointed as an executive director of Radford Capital Investment Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, since June 2008.

Mr. Chan Chak Kai, Kenneth

Mr. Chan Chak Kai, Kenneth, aged 57, has been appointed as an executive director of the Company in October 2011, was educated in Canada and has over 20 years experience in retail and distribution businesses. Mr. Chan is responsible for retail operations of the Group. Mr. Chan was an executive director of the Company and retired on 7 October 2009. Mr. Chan currently is a director of certain subsidiaries of the Company.

Mr. Wan Wai Hei, Wesley

Mr. Wan Wai Hei, Wesley, aged 51, has been appointed as an executive director of the Company in November 2011, holds a Bachelor degree of Science from University of Massachusetts Boston, USA. Mr. Wan is currently a director of Anglo-American Traders Ltd., a toys trading and manufacturing company. Mr. Wan has a wealth of knowledge on import and export trading and has over 25 years' experience in trading and

merchandising. Mr. Wan is a committee member of Guangdong Committee of The Chinese People's Political Consultative Conference, the President of Hong Kong Automobile Association and the President of F1A Asian Zone. In public services, Mr. Wan is a committee member of Road Safety Council, member of Solicitors Disciplinary Tribunal Panel, member of Housing Appeal Board, member of Transport Advisory Committee and member of Post-Release Suspension Board. He was also the director of Tung Wah Group of Hospitals from 2008 to 2009.

Mr. Au Wai June

Mr. Au Wai June, aged 48, was appointed as an executive director of the Company and a member of Remuneration Committee in August 2011. Mr. Au has obtained a Bachelor degree in Arts in Major from University of Windsor, Canada. He was the managing director of a telecommunication equipment manufacturing and trading company with more than 16 years of experience and extensive knowledge in product development, purchasing, production, business administration and merchandising of both The People's Republic of China and overseas market.

Mr. Jackson Ng

Mr. Jackson Ng, aged 52, has been appointed as an executive director of the Company in April 2012, holds a Bachelor degree of Science — Double majors in Commerce and Computer Science from University of Toronto. Mr. Ng has a wealth of knowledge on restaurants and lounge operation and has over 12 years' experience in garment merchandising.

Independent Non-Executive Directors:

Dr. Leung Shiu Ki, Albert

Dr. Leung Shiu Ki, Albert, aged 63, has been appointed as an independent non-executive director of the Company in August 2011. He is also the chairman of nomination committee and member of audit committee and remuneration committee. He is currently the Financial and Business Development Consultant of Beauchamp International Development Limited, which is a private company incorporated in Hong Kong and is responsible for providing financial and business development service to various companies. Dr. Leung has 10 years of experience in accounting and auditing in accounting firms in England from 1977 to 1987. From 1987 to 1992, he joined Citicorp International Limited as Assistant Vice President with a major responsibility in corporate finance matters in Hong Kong. He holds a Doctor degree of Philosophy in Economics from Shanghai University of Finance and Economics, the People's Republic of China, a Master degree of Business Administration from Brunel University, England and a Diploma in Management Studies from The Polytechnic of Central London, England. Dr. Leung has also passed the final qualifying examinations of the Association of Chartered Certified Accountants, the Chartered Institute of Management Accountants and the Institute of Chartered Secretaries and Administrators, all in the United Kingdom. Dr.

Leung has been appointed as an independent non-executive director of Universe International Holdings Limited, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, since November 2008.

Mr. Robert James Iaia II

Mr. Robert James Iaia II, aged 43, has been appointed as an independent non-executive director of the Company in August 2011. He is also the member of audit committee, nomination committee and remuneration committee, was appointed as an Independent non-executive Director and a member of Audit Committee. Mr. Iaia is currently an independent non-executive director of Mascotte Holdings Limited (stock code: 136), which is a company listed on the Main Board of the Stock Exchange of Hong Kong Limited. Mr. Iaia holds a Bachelor of Arts from Central Connecticut State University in the United States and has Master degree in Real Estate from the University of Hong Kong. Mr. Iaia has over 11 years' experience in the real estate and equities market and lived and worked in Asia for over 20 years, primarily in Seoul and Hong Kong. In addition to extensive experience in private equity real estate, he also traded Asian equities at Samsung Securities in Seoul and Societe Generale in New York.

Ms. Lam Yan Fong, Flora

Ms. Lam Yan Fong, Flora, aged 37, was appointed as an independent non-executive director of the Company in August 2011. Ms. Lam obtained a Bachelor Degree in Laws from the University of Hong Kong and further obtained a Postgraduate Certificate in Laws in 2001. Ms. Lam is a practicing solicitor in Hong Kong. Ms. Lam joined Messrs. Lam & Co in 2007. She is now a partner of Messrs. Lam & Co. Ms. Lam is also an independent non-executive director of Forefront Group Limited (stock code: 885) and Radford Capital Investment Limited (stock code: 901), both of which are companies listed on the Main Board of The Stock Exchange of Hong Kong Limited.

Mr. Yau Yan Ming, Raymond

Mr. Yau Yan Ming, Raymond, aged 44, was appointed as an independent non-executive director, a member of Remuneration Committee and Nomination Committee, and the Chairman of Audit Committee of the Company in August 2011. Mr. Yau has over 16 years of work experience in auditing, accounting, taxation, company secretarial, corporate finance and financial management, in both private and listed companies. Mr. Yau is an associate member of both the Hong Kong Institute of Certified Public Accountants and American Institute of Certified Public Accountants. Mr. Yau is also a fellow member of the Taxation Institute of Hong Kong. He is currently an independent non-executive director of Willie International Holdings Limited (stock code: 273), Birmingham International Holdings Limited (stock code: 2309), Chanceton Financial Group Limited (stock code: 8020) and Chief Executive Officer of Capital VC Limited (stock code: 2324), all of which are companies listed on the The Stock Exchange of Hong Kong Limited. He is also as the chairman and executive director of iMerchants Limited (stock code: 8009), which is a company listed on the GEM Board of The Stock Exchange.

Mr. Yau holds a master degree in Science majoring in Japanese business studies and bachelor degree in Business Administration majoring in accounting in the United States of America.

Mr. Miu H., Frank

Mr. Miu H., Frank, aged 63, was appointed as an independent non-executive director of the Company in August 2011. Mr. Miu holds a Juris Doctor degree from Harvard Law School and a Bachelor of Arts degree in Economics and Accounting from St. John's University of Minnesota. He is a member of the American Bar Association and the American Institute of Certified Public Accountants. He is also a Fellow of Hong Kong Institute of Directors. Apart from professional experience in law and accounting, he has extensive exposure to various industries including financial services. Mr. Miu is a former executive director of Radford Capital Investment Limited (stock code: 901) which is a company listed on the Main Board of The Stock Exchange of Hong Kong Limited during the period from March 2009 to December 2009 and also during the period from June 2011 to July 2011. Mr. Miu is also a former executive director of Dragonite International Limited ("Dragonite") (stock code: 329) which is a company listed on the Main Board of The Stock Exchange of Hong Kong Limited, during the period from April 2010 to May 2010 and a former non-executive director of Dragonite during the period from May 2010 to July 2011. Mr. Miu is currently an independent non-executive director of Mascotte Holdings Limited (stock code: 136), Willie International Holdings Limited (stock code: 273) and Freeman Financial Corporation Limited (stock code: 279), all of which are companies listed on the Main Board of The Stock Exchange of Hong Kong Limited. Aside from directorships in the aforesaid public companies listed on the Hong Kong Stock Exchange, he is also an independent non-executive director of Duoyuan Global Water Inc., a public company listed on New York Stock Exchange.

11. MISCELLANEOUS

The English text of this Prospectus shall prevail over the Chinese text in case of inconsistencies.

12. EXPENSES

The expenses in relation to the Rights Issue (including the underwriting fee, printing, registration, legal, accounting and documentation charges) are estimated to be approximately HK\$3.2 million and will be payable by the Company.

13. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents, having attached thereto, among others, the written consent referred to in the paragraph headed “Expert” in this appendix, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies Ordinance.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents for inspection during business hours on any weekday (except Saturdays and public holidays) at the principal place of business of the Company in Hong Kong at 8/F., China United Centre, 28 Marble Road, North Point, Hong Kong from the date of this Prospectus up to and including Wednesday, 5 December 2012:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports of the Company for the three years ended 31 March 2010, 31 March 2011 and 31 March 2012 respectively;
- (c) the letter on the unaudited pro forma financial information of the Group issued by Deloitte Touche Tohmatsu set out in appendix II to this Prospectus;
- (d) the material contracts disclosed in the section headed “Material Contracts” in this Appendix;
- (e) the written consents from the experts as referred to in the section headed “Experts” in this Appendix; and
- (f) this Prospectus.