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TACK FIORI INTERNATIONAL GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 928)

PROPOSED SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

PROPOSED SHARE CONSOLIDATION

The Company proposes to implement the Share Consolidation by consolidating every ten (10) issued and unissued Shares of HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of HK\$0.10 each.

The Share Consolidation will become effective upon the fulfillment of the conditions set out in the paragraph headed “Conditions of the Share Consolidation” below.

CHANGE IN BOARD LOT SIZE

The Board also proposes to change the board lot size from 8,000 Shares to 4,000 Consolidated Shares upon the Share Consolidation becoming effective.

GENERAL

An EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the ordinary resolution in respect of the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquires, no Shareholders are required to abstain from voting on the ordinary resolution in relation to the Share Consolidation.

A circular containing further details of (i) the Share Consolidation, (ii) the Change in Board Lot Size, and (iii) a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

PROPOSED SHARE CONSOLIDATION

The Company proposes to implement the Share Consolidation by consolidating every ten (10) issued and unissued Shares of HK\$0.01 each in the share capital of the Company into one (1) Consolidated Share of HK\$0.10 each. The Consolidated Shares will rank *pari passu* in all respects with each other.

Effects of the Share Consolidation

As at the date of this announcement, the authorised share capital of the Company is HK\$500,000,000 divided into 50,000,000,000 Shares of HK\$0.01 each, of which 954,603,721 Shares have been issued and are fully paid. Assuming that no further Shares will be issued or repurchased by the Company from the date of this announcement to the effective date of the Share Consolidation, upon the Share Consolidation becoming effective, the authorised share capital of the Company will be HK\$500,000,000 divided into 5,000,000,000 Consolidated Shares of HK\$0.10 each, of which 95,460,372 Consolidated Shares will be in issue.

	As at the date of this announcement	Immediately upon the Share Consolidation becoming effective
Nominal value of each share	HK\$0.01 per Share	HK\$0.10 per Consolidated Share
Number of authorised shares	50,000,000,000 Shares	5,000,000,000 Consolidated Shares
Amount of authorised share capital	HK\$500,000,000	HK\$500,000,000
Number of shares of the Company in issue	954,603,721	95,460,372
Issued and fully paid-up share capital	HK\$9,546,037.21	HK\$9,546,037.2

Other than the expenses, including professional fees and printing charges, to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not, of itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders, save for any fractional Consolidated Shares (if any) which will not be issued to the Shareholders otherwise entitled thereto but will be aggregated and sold, if possible, for the benefit of the Company.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the fulfillment of the following conditions:

- i. the passing of the ordinary resolution by the Shareholders at the EGM by way of poll to approve the Share Consolidation;

- ii. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective; and
- iii. the obtaining of all necessary approvals from the relevant regulatory authorities or otherwise as may be required in respect of the Share Consolidation, if required.

Listing and Dealings

Application will be made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the Consolidated Shares to be issued upon the Share Consolidation becoming effective.

The Consolidated Shares will rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

CHANGE IN BOARD LOT SIZE

The Board also proposes to change the board lot size from 8,000 Shares to 4,000 Consolidated Shares upon the Share Consolidation becoming effective.

Odd Lot Arrangements and Fractional Consolidated Shares

Fractional Consolidated Shares will be disregarded and not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

In order to facilitate the trading of odd lots of the Consolidated Shares, the Company will appoint Chung Nam Securities Limited as an agent to provide matching services for the sale and purchase of odd lots of the Consolidated Shares on a best effort basis.

Details of such arrangement will be set out in the circular in relation to, among other things, the Share Consolidation to be despatched to the Shareholders as soon as practicable.

Free exchange of Share Certificates

Subject to the Share Consolidation become effective, Shareholders may, during the period from 31 January 2013 to 13 March 2013 (both days inclusive) during business hours, submit existing certificates for the Shares in pink colour to the Company's share registrar, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong

for exchange, at the expense of the Company, for new share certificates in blue colour for the Consolidated Shares. It is expected that the new certificates for the Consolidated Shares will be available for collection within 10 Business Days after submission of the existing share certificates to the share registrar of the Company for exchange. Thereafter, certificates for Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be allowed by the Stock Exchange) for each new certificate issued for the Consolidated Shares. Existing certificates for the Shares will continue to be good evidence of legal title and may be exchanged for certificates for the Consolidated Shares at any time at the expense of the Shareholders in question.

Reasons for Share Consolidation and Change in Board Lot Size

Despite the Company completed capital reorganization (including share consolidation of every 5 then shares of HK\$0.1 each into 1 then consolidated share of HK\$0.5 each) and change in board lot size from 20,000 then shares to 8,000 Shares in the 3rd quarter of 2012, the Company experienced unexpectedly and persistent-downward movement in trading price of the Shares from HK\$0.43 per Share as quoted on the Stock Exchange dated 23 August 2012 (being the date that the capital reorganization being effective) to HK\$0.10 per Share as quoted on the Stock Exchange dated 24 December 2012 (being the date of this announcement). Based on the closing price of HK\$0.10 per Share as quoted on the Stock Exchange dated 24 December 2012 (being the date of this announcement), the market value per board lot of 8,000 Shares was HK\$800. The Board considers that the existing trading value per board lot size is low and the trading costs per board lot size is high when taking into account the minimum transaction costs for a securities trade.

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting its securities. In view of the recent trading price of the Shares, the Board on its own initiative proposes to effect the Share Consolidation in order to comply with the trading requirements of the Listing Rules.

Further, “Guide of Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 6 January 2012 (the “Guideline”) stated that taking into account the minimum transaction costs for a securities trade, the expected board lot value per board lot should be greater than HK\$2,000. Accordingly, the Company proposed the Share Consolidation which will increase the nominal value of the Shares and reduce the total number of Shares currently in issue. The Share Consolidation is expected to bring about a corresponding upward adjustment in the trading price of the Consolidated Shares on the Stock Exchange.

However, the Share Consolidation alone would unavoidably create odd lot of Shares for Shareholders whose shareholding is less than 80,000 Shares or not in the multiple of 80,000 Shares. In order to alleviate the number of odd lot to be created under the Share Consolidation and comply with the Guideline, the Company further proposed to conduct the Change in Board Lot Size upon completion of the Share Consolidation. Upon completion of the Share Consolidation and Change in Board Lot Size, it is expected that the market value

of each board lot size of 4,000 Consolidated Shares will be HK\$4,000, based on the closing price of HK\$0.1 per Share (equivalent to HK\$1) as quoted on the Stock Exchange dated 24 December 2012 (being the date of this announcement).

The Directors consider that the Share Consolidation and Change in Board Lot Size are in the interests of the Company and the Shareholders as a whole.

EXPECTED TIMETABLE FOR SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

The expected timetable of the proposed Share Consolidation and Change in Board Lot Size is as follows:

2013

Despatch of circular and proxy form of EGM	Monday, 14 January
Latest time for return of proxy form of EGM (not less than 48 hours prior to time of EGM)	4:00 p.m., Monday, 28 January
Expected date and time of EGM	4:00 p.m., Wednesday, 30 January
Announcement of results of EGM	Wednesday, 30 January
Effective date of the Share Consolidation	Thursday, 31 January
First day of free exchange of existing share certificates for new share certificates for the Consolidated Shares	Thursday, 31 January
Dealings in Consolidated Shares commence	9:00 a.m., Thursday, 31 January
Original counter for trading in Shares (in board lots of 8,000 Shares) temporarily closes	9:00 a.m., Thursday, 31 January
Temporary counter for trading in Consolidated Shares in board lots of 800 Consolidated Shares (in form of existing share certificates) to be opened.	9:00 a.m., Thursday, 31 January
Original counter for trading in Consolidated Shares in new board lots of 4,000 Consolidated Shares (in the form of new share certificates) to be re-opened.	9:00 a.m., Tuesday, 19 February
Parallel trading in Consolidated Shares (in form of new and existing certificate) begins	9:00 a.m., Tuesday, 19 February
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of Consolidated Shares.	9:00 a.m., Tuesday, 19 February

Temporary counter for trading in Consolidated Shares
in board lots of 800 Consolidated Shares
(in form of existing share certificates) to be closed 4:00 p.m., Monday, 11 March

Parallel trading in Consolidated Shares
(in form of new and existing certificates) closes 4:00 p.m., Monday, 11 March

Designated broker ceases to stand in the market
to provide matching services for odd lots
of Consolidated Shares 4:00 p.m., Monday, 11 March

Last day of free exchange of existing share certificates
for new share certificates Wednesday, 13 March

GENERAL

An EGM will be convened and held for the Shareholders to consider and if thought fit, approve the ordinary resolution in respect of the Share Consolidation. To the best knowledge, information and belief of the Directors having made all reasonable enquires, no Shareholders are required to abstain from voting on the resolution in relation to the Share Consolidation.

A circular containing further details of (i) the Share Consolidation, (ii) the Change in Board Lot Size, and (iii) a notice of the EGM, will be despatched to the Shareholders as soon as practicable.

DEFINITION

In this announcement, unless the context otherwise requires, the expressions below have the following meanings:

“Board”	the board of Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 8,000 Shares to 4,000 Consolidated Shares as referred to in this announcement
“Company”	Tack Fiori International Group Limited (Stock Code: 0928), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on main board of the Stock Exchange
“Consolidated Shares”	ordinary share(s) of HK\$0.10 each in the share capital of the Company upon the Share Consolidation becoming effective

“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of, among others, considering, and if thought fit, approving the Share Consolidation
“HK\$”	the lawful currency for the time being of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.10 each
“Shareholder(s)”	the holder(s) of the issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 24 December 2012

As at the date of this announcement, the Board comprises:

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

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