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## **TACK FIORI INTERNATIONAL GROUP LIMITED**

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

**(Stock Code: 928)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**ENERCHINE SECURITIES LIMITED**

#### **Placing of up to 29,783,635 new Shares under general mandate**

The Board announced that on 26 September 2013, after trading hours, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place up to 29,783,635 new Shares on a best effort basis, to not less than six Places, at a price of HK\$0.59 per Share.

The maximum number of 29,783,635 Placing Shares under the Placing represents approximately 20.00% of the existing issued share capital of the Company of 148,918,179 Shares as at the date of this announcement and approximately 16.67% of the then issued share capital of 178,701,814 Shares as enlarged by the Placing.

The Placing Price of HK\$0.59 represents (i) a discount of approximately 13.24% to the closing price of the Shares of HK\$0.68 quoted on the Stock Exchange on the date of this announcement; and (ii) a discount of approximately 13.24% to the average closing price of the Shares of HK\$0.68 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of this announcement.

The maximum gross proceeds from the Placing will be approximately HK\$17.57 million and the maximum net proceeds from the Placing will be approximately HK\$16.53 million which will be used as general working capital of the Group.

The Placing is conditional upon, among other things, the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares.

**Completion of the Placing is subject to the satisfaction of the conditions precedent in the Placing Agreement.**

**As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE PLACING**

The Board announced that on 26 September 2013, after trading hours, the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Placing Agent has conditionally agreed to place up to 29,783,635 new Shares on a best effort basis, to not less than six Placees, at a price of HK\$0.59 per Share.

## **THE PLACING AGREEMENT**

### **Date:**

26 September 2013

### **Issuer:**

The Company

### **Placing Agent and Placees:**

Enerchine Securities Limited is the Placing Agent. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

The Placees, being independent individual, corporation and/or institutional investors, who and whose ultimate beneficial owners will be third parties independent of and not connected with the Company and its connected persons.

The Placing is on a best effort basis. The Placing Shares will be placed to not less than six Placees. It is expected that none of the Placees will become substantial shareholder (as defined under the Listing Rules) of the Company immediately after the Placing.

### **Number of Placing Shares:**

The maximum number of 29,783,635 Placing Shares under the Placing represents approximately 20.00% of the existing issued share capital of the Company of 148,918,179 Shares as at the date of this announcement and approximately 16.67% of the then issued share capital of 178,701,814 Shares as enlarged by the Placing.

**Ranking of Placing Shares:**

The Placing Shares under the Placing will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

**Placing Price:**

The Placing Price of HK\$0.59 represents (i) a discount of approximately 13.24% to the closing price of the Shares of HK\$0.68 quoted on the Stock Exchange on the date of this announcement; and (ii) a discount of approximately 13.24% to the average closing price of the Shares of HK\$0.68 quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of this announcement.

The maximum net placing price for the Placing is approximately HK\$0.56 per Share.

The Placing Price was negotiated on arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price is fair and reasonable based on current market conditions and is in the interests of the Company and the Shareholders as a whole.

**Placing commission payable to the Placing Agent:**

The Placing Agent will receive a placing commission calculated as 3.0% of the amount equal to the Placing Price multiplied by the number of the Placing Shares.

**Condition of the Placing Agreement:**

Completion is conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Placing Shares.

The Company and the Placing Agent shall use their respective best endeavours to procure the fulfilment of the condition and in particular, shall furnish such information, supply such documents, pay such fees, give such undertakings and do all such acts and things as may reasonably be required by each other and/or the Stock Exchange and/or the SFC in connection with the fulfilment of the condition.

If the condition is not fulfilled on or prior to 30 October 2013 (or such later date as the Company and the Placing Agent shall agree in writing), the Placing Agreement and all the obligations thereunder will cease and terminate and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

**Termination and force majeure events**

The Placing Agreement may be terminated by the Placing Agent if at any time prior to 10:00 a.m. on the date of completion for the Placing Agreement, in the absolute opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations and warranties under the Placing Agreement; or

- (ii) any of the following events:
- (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
  - (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
  - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
  - (d) a change or development involving a prospective change in taxation in Hong Kong, the Cayman Islands or the PRC or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
  - (e) any change or deterioration in the conditions of local, national or international securities markets occurs.

In the event that the Placing Agent terminates the Placing Agreement, all obligations of each of the parties to the Placing Agreement shall cease and determine and no party to the Placing Agreement shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

**General Mandate:**

The Placing Shares will be allotted and issued pursuant to the refreshed general mandate granted to the Directors at the annual general meeting held on 4 September 2013. Under this refreshed general mandate, the Directors are allowed to allot and issue up to 29,783,635 Shares. As at the date of this announcement, no Shares have been issued and allotted under such general mandate and therefore, the Company is allowed to issue a maximum of 29,783,635 Shares under such general mandate. The Placing Shares will utilise 100% of the said 29,783,635 Shares that are allowed to be allotted and issued under such general mandate. Accordingly, the Directors may consider refreshment of general mandate before the forthcoming annual general meeting if thought fit and comply with the relevant requirements under the Listing Rules.

## **Completion:**

Completion of the Placing shall take place on the second Business Day upon the fulfillment of the condition of the Placing (or such other time or date as the Company and the Placing Agent shall agree in writing).

**The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Company is an investment holding company. The Group principally engages in apparel retail business in the PRC and luxury goods and accessories retail business in Hong Kong and the PRC, salon and beauty services business and pharmacy and healthcare products retail business in Hong Kong, securities trading and investments business and money lending business. The maximum gross proceeds from the Placing will be approximately HK\$17.57 million and the maximum net proceeds from the Placing (after deducting the placing commission for the Placing and other expenses) of approximately HK\$16.53 million will be used as general working capital of the Group.

The Directors believe that it is crucial to have more financial flexibility and working capital for the Group's business development. The Company would like to take this opportunity to broaden the capital base and shareholders base of the Company. The Placing is expected to be completed within October 2013 upon fulfillment of the conditions under the Placing Agreement and the Company would be able to receive the net proceeds from the Placing within a short period of time. Therefore, the Directors consider the Placing Agreement and the Placing is in the interests of the Company and the Shareholders as a whole.

Further, as the deposit rate offered by licensed bank in Hong Kong is minimal, the Group would utilize the remaining proceeds from its previous fund raising activities (details as stated below) for its general working capital purposes and business development, if required.

## **FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS**

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised (approximately)</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of the net proceeds</b>
18 April 2013	Placing of new shares under general mandate	HK11.7 million	For general working capital of the Group and the Group will direct the net proceeds for conducting the Group's short term treasury activities to generate short term revenue (including short term securities investments and money lending activities), pending the actual application to the Group's general working capital as required	Used as intended

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised (approximately)</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of the net proceeds</b>
20 December 2012	Placing of new shares under general mandate	HK\$10.40 million	To finance investment opportunities within the retail industry	Not yet utilised
2 November 2012	Rights issue on the basis of one rights share for every two shares held	HK\$76.31 million	General working capital to the Group including rebranding 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	Approximately HK\$67 million is used as intended and the remaining balance is maintained at bank

## SHAREHOLDING STRUCTURE

The existing shareholding structure of the Company and the effect on the shareholding structure of the Company immediately upon completion of the Placing are set out as below, for illustration purposes:

	<b>As at the date of this announcement</b>		<b>Immediately upon completion of the Placing</b>	
	<b>No. of Shares</b>	<b>Approximately %</b>	<b>No. of Shares</b>	<b>Approximately %</b>
<b>Substantial Shareholder</b>				
Radford Developments Limited (Note 1)	17,500,000	11.75	17,500,000	9.79
<b>Public Shareholders</b>				
Placees	—	—	29,783,635	16.67
Other public Shareholders	<u>131,418,179</u>	<u>88.25</u>	<u>131,418,179</u>	<u>73.54</u>
<b>Total</b>	<u><u>148,918,179</u></u>	<u><u>100.00</u></u>	<u><u>178,701,814</u></u>	<u><u>100.00</u></u>

Notes:

1. Radford Developments Limited, a company incorporated in the British Virgin Islands with limited liability.
2. Assuming no other issue of new Shares and no repurchase of existing Shares before completion of the Placing, and Placing Agent has placed the maximum number of the Placing Shares being 29,783,635 new Shares to not less than six independent Placees.

## DEFINITIONS

In this announcement, the following terms shall have the meanings set opposite them unless the context otherwise requires:

“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“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
“Placees”	any individual, corporation and/or institutional investors procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	placing of up to 29,783,635 new Shares on a best effort basis by the Placing Agent at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	Enerchine Securities Limited, a licensed corporation within the meaning of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement entered into between the Placing Agent and the Company dated 26 September 2013 in respect of the Placing
“Placing Price”	HK\$0.59 per Share
“Placing Shares”	a maximum number of 29,783,635 new Shares to be placed under the Placing
“PRC”	the People’s Republic of China

“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board  
**TACK FIORI INTERNATIONAL GROUP LIMITED**  
**Chan Chak Kai, Kenneth**  
*Executive Director*

Hong Kong, 26 September 2013

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

*Executive Directors:*

Mr. Chiu Siu Po (*Chairman*)  
Mr. Chan Chak Kai, Kenneth  
Mr. Wan Wai Hei, Wesley

*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