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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**



**FREEMAN SECURITIES LIMITED**

On 9 December 2013, after trading hours, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has conditionally agreed with the Company to place 35,740,362 Placing Shares on a fully underwritten basis to the Placée who is an Independent Third Party at the Placing Price of HK\$2.16 per Placing Share.

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors at the extraordinary general meeting of the Company held on 5 December 2013. As at the date of this announcement, no Shares have been allotted and issued pursuant to the General Mandate. The 35,740,362 Placing Shares to be allotted and issued pursuant to the Placing Agreement will fully utilize the General Mandate, representing approximately 20% of the existing issued share capital of the Company as at the date of this announcement, and approximately 16.67% of the enlarged issued share capital of the Company immediately following Completion of the Placing. Since the Placing Shares will be allotted and issued under the General Mandate, no further Shareholders' approval is required.

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

If the foregoing condition is not fulfilled within one calendar month from the date of the Placing Agreement i.e. on or before 9 January 2014 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall be terminated and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any antecedent breach of the Placing Agreement).

The gross proceeds and net proceeds from the Placing will be approximately HK\$77.20 million and HK\$75.16 million respectively, which will be used for general working capital of the Company.

**Shareholders and potential investors should be aware that Completion of the Placing is subject to fulfillment of the condition under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## THE PLACING AGREEMENT

### Date

9 December 2013 (after trading hours)

### Parties

Issuer: The Company

The Placing Agent: Freeman Securities Limited. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placing Agent and its associates are Independent Third Parties.

### The Placing

Pursuant to the Placing Agreement, the Placing Agent has agreed, on a fully underwritten basis, to procure the Placee to subscribe for 35,740,362 Placing Shares at the Placing Price of HK\$2.16 per Placing Share, representing approximately 20% of the issued share capital of the Company as at the date of this announcement, and approximately 16.67% of the issued share capital of the Company as enlarged by the issue of the Placing Shares. The Placing is fully underwritten by the Placing Agent. The aggregate nominal value of the Placing Shares will be HK\$3,574,036.20.

### The Placee

The Placing Shares will be placed to the Placee, Cherrie Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and the issued shares of which are wholly owned by Mr. WANG, Liang, an Independent Third Party. The Placee will not become a controlling shareholder (as defined under the Listing Rules) of the Company upon Completion of the Placing. It is the Placee's intention that the subscription of the Placing Shares will be for long term investment purpose of the Company.

## **Placing Price**

The Placing Price of HK\$2.16 per Placing Share represents:

- (i) a discount of approximately 16.92% to the closing price of HK\$2.60 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 18.67% to the average closing price of HK\$2.656 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the day immediately prior to the Last Trading Day.

The Placing Price of HK\$2.16 per Placing Share was determined on arm's length basis between the Company and the Placing Agent based on current market conditions and the prevailing market price of the Shares. The Directors (including the independent non-executive Directors) consider that the Placing Price of the Placing Shares is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

## **Ranking of the Placing Shares**

The Placing Shares will be issued fully paid up and ranking *pari passu* in all respects among themselves and with the existing Shares in issue, including the right to receive all dividends and distributions which may be declared, made or paid after the Completion Date and will be issued free and clear of all liens, encumbrances or other third party rights.

## **Condition of the Placing**

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

If the foregoing condition is not fulfilled within one calendar month from the date of the Placing Agreement i.e. on or before 9 January 2014 (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement shall be terminated and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any antecedent breach of the Placing Agreement).

## **General Mandate**

35,740,362 Placing Shares will be allotted and issued under the General Mandate. Under the General Mandate, the Directors are allowed to allot and issue up to 35,740,362 Shares. As at the date of this announcement, no Share has been allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Placing Shares is not subject to any further approval by the Shareholders. The 35,740,362 Placing Shares to be allotted and issued will fully utilize the General Mandate.

## **Completion of the Placing**

Completion of the Placing will take place within one calendar month from the date of the Placing Agreement i.e. on or before 9 January 2014 or such other date as the Company and the Placing Agent may agree.

## **Commission**

The Placing Agent will be entitled to a commission of 2.5% of the amount equivalent to the Placing Price multiplied by the total number of the Placing Shares.

## **Termination**

The Placing Agreement may be terminated if at any time prior to 3:00 p.m. on the Completion Date, in the reasonable opinion of the Placing Agent that 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 contained in the Placing Agreement; or
- (ii) occurrence of 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 whether in Hong Kong, Cayman Islands or elsewhere; 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 of the Placing Agreement 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 or Cayman Islands or elsewhere 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,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received by the Company prior to 3:00 p.m. on the Completion Date.

In the event that the Placing Agent terminates the Placing Agreement by giving written notice to the Company as afore-mentioned, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the 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.

## APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Placing Shares.

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and immediately after Completion of the Placing is as follows:

Name of Shareholders	As at the date of this announcement		Immediately after Completion of the Placing	
	No. of Shares	% (approx.)	No. of Shares	% (approx.)
<i>Director</i>				
Mr. Chan Chak Kai, Kenneth (Note)	6,000	0.003	6,000	0.003
<i>Public Shareholders</i>				
The Placee	—	—	35,740,362	16.67
Other public Shareholders	<u>178,695,814</u>	<u>99.997</u>	<u>178,695,814</u>	<u>83.327</u>
<b>Total</b>	<b><u>178,701,814</u></b>	<b><u>100.00</u></b>	<b><u>214,442,176</u></b>	<b><u>100.00</u></b>

Note: Mr. Chan Chak Kai, Kenneth is an executive Director.

## REASONS FOR THE PLACING AND USE OF PROCEEDS

The Company principally engages in investment holding. The Group principally engages in apparel retail business in the PRC and luxury goods and accessories retail business (including watches, sale of crystal gemming service and products) in Hong Kong and the PRC, pharmacy and healthcare products retail business in Hong Kong, securities trading and investment business and money lending business.

Upon Completion of the Placing, the gross proceeds raised from the Placing will be approximately HK\$77.20 million. After taking into account of the estimated expenses in relation to the Placing, the estimated net proceeds from the Placing will be approximately HK\$75.16 million, representing a net price of HK\$2.10 per Placing Share. The net proceeds from the Placing are intended to be used for general working capital of the Group.

The Directors consider that the Placing represents a good opportunity to raise additional funds as working capital of the Company and broaden the Company's capital base. Accordingly, the Directors consider that the Placing is in the interest of the Company and the Shareholders as a whole.

## FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Date of announcement	Fund raising activity	Net proceeds to be raised (approximately)	Proposed use of the net proceeds	Actual use of the net proceeds
26 September 2013	Placing of new shares under general mandate	HK\$16.5 million	General working capital	Approximately HK\$15 million was used as intended and the remaining balance of HK\$1.5 million is maintained at Company's bank account
18 April 2013	Placing of new shares under general mandate	HK\$11.7 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
20 December 2012	Placing of new shares under general mandate	HK\$10.4 million	To finance investment opportunities within the retail industry	Not yet utilized and is maintained at Company's bank account

Save for the fund raising activities disclosed above, the Company had not conducted any fund raising activities in the past twelve months immediately preceding the date of this announcement.

### GENERAL

**Shareholders and potential investors should be aware that Completion of the Placing is subject to fulfillment of the condition under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meaning as follows:

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Company”	Tack Fiori International Group Limited (Stock Code: 928), a company incorporated in Cayman Islands with limited liability and the Shares are listed on the main board of the Stock Exchange
“Completion”	completion of the Placing in accordance with the terms and condition of the Placing Agreement
“Completion Date”	a date within one calendar month from the date of the Placing Agreement or such other date as the Company and the Placing Agent may agree
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors”	directors of the Company
“General Mandate”	the general mandate to allot, issue and deal with the new Shares granted to the Directors pursuant to the resolution passed at the extraordinary general meeting of the Company held on 5 December 2013
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party (Parties)”	third party (parties) independent of and not connected with the Company and its connected persons
“Last Trading Day”	9 December 2013, being the last trading day of the Shares on the Stock Exchange prior to the issue of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Placee”	Cherrie Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and the shares of which are wholly owned by Mr. WANG, Liang, an Independent Third Party procured by the Placing Agent to subscribe for all of the Placing Shares pursuant to the terms and condition of the Placing Agreement
“Placing”	the placing of 35,740,362 Shares under the General Mandate on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	Freeman Securities Limited, a corporation licensed to carry out business in type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance
“Placing Agreement”	the agreement in relation to the Placing entered into between the Company and the Placing Agent on 9 December 2013
“Placing Price”	HK\$2.16 per Placing Share
“Placing Share(s)”	35,740,362 new Shares to be placed under the Placing
“Share(s)”	ordinary share(s) with par value of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent.

By order of the Board  
**Tack Fiori International Group Limited**  
**Chung Yuk Lun**  
*Managing Director and Chief Executive Officer*

Hong Kong, 9 December 2013

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

*Executive Directors:*

Mr. Chung Yuk Lun

*(Managing Director and Chief Executive Officer)*

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