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## **TACK FIORI INTERNATIONAL GROUP LIMITED**

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

**(Stock Code: 928)**

### **INSIDE INFORMATION — CHANGE IN FOCUS OF SALES CHANNEL FROM SHOPS TO E-COMMERCE**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board intends to close down those loss-making shops and retail outlets of the Group's apparel business in the PRC and assigns more financial resources to develop e-commerce as the major sales channel for the Group's apparel business. As a result of this initiative, the Group is expected to achieve and benefit from the cost saving, including rent and staff costs, while broadening its exposure to customers via e-commerce, which may boost the Group's turnover and increase the overall shareholder value of the Company.

This announcement is made by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO").

As mentioned in pages 15 and 16 of the Company's circular dated 28 February, 2014, the Group will closely monitor and review its apparel retail business with an aim to consolidate and re-position its sales channel and network and streamline its operation so as to achieve cost saving. In view of the higher operating costs involved in the traditional sales channel via physical shops and retail outlets, the board of directors of the Company (the "Board") would like to inform shareholders of the Company (the "Shareholders") that the Board intends to close down those exiting loss-making shops and retail outlets of the Group's apparel business and assigns more financial resources to develop e-commerce as the major sales channel for the Group's apparel business. The Group is expected to achieve cost saving, including rent and staff costs, from the closing down of those loss-making shops and retail outlets in PRC. On the other hand, through the deployment of the e-commerce

platform, which is without territorial restriction, and the physical shops and retail outlets in the major cities in the PRC, the Group would be able to reach a larger customer base, which may boost the Group's turnover, and increase the overall shareholder value of the Company.

At present, the Group has 36 shops and retail outlets in the PRC. The Group also operates an e-commerce account with TMALL from July 2013. The Group intends to close down the loss-making shops and retail outlets gradually upon the expiry of their existing tenancy agreements. In the initial stage, the Group expects to close about 16 shops and retail outlets before July 2014, and intends to eventually keep about 6 shops and retail outlets in major cities, including Beijing, Xian, Shenzhen and Chengdu, in the PRC. The Group has not yet quantified the cost saving that may arise from the closing down of the existing shops and retail outlets nor the investment sum needed to develop the e-commerce platform. However, the Board is of the view that the cost saving from such change in focus of sales channel of the Group's apparel business outweighs the investment sum in developing the e-commerce platform. The Board believes that such change is in the best interest of the Shareholders and the Company as a whole.

**Shareholders and investors should note that the Group may or may not achieve any cost saving through the change in focus and such change may not necessarily be beneficial to the Group at all. Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.**

By order of the Board  
**TACK FIORI INTERNATIONAL GROUP LIMITED**  
**Chung Yuk Lun**  
*Managing Director and Chief Executive Officer*

Hong Kong, 25 March 2014

*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. Wang Liang

Mr. Zhang Bao Yuan

*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