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## **TACK FIORI INTERNATIONAL GROUP LIMITED**

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

**(Stock Code: 928)**

### **MEMORANDUM OF UNDERSTANDING IN RESPECT OF PROPOSED ACQUISITION**

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.

#### **MEMORANDUM OF UNDERSTANDING**

The Board is pleased to announce that after the trading hours on Tuesday, 10 June 2014, the Company entered into a non-legally binding MOU with the Vendor. The MOU contains certain understandings and principles regarding the Proposed Acquisition of the Sale Shares of the Target Company at a consideration of not more than HK\$60 million. Upon completion of the Proposed Acquisition, the Company shall be interested in 100% of China Education Media Limited. The Consideration will be payable by the Purchaser in cash. No payment is required to be made by the Company upon the signing of the MOU. If the Proposed Acquisition materialise, it may constitute a major transaction and connected transaction of the Company under the Listing Rules.

**The Company wishes to emphasise that the Proposed Acquisition are subject to, among other things, the signing of the Definitive Agreement, the terms and conditions of which are yet to be agreed. Shareholders and potential investors of the Company should note that the Proposed Acquisition may or may not materialise and the final structure and terms of the Proposed Acquisition, which are still subject to further negotiations between the parties, have yet to be finalised and may deviate from that set out in the MOU. Further announcement in respect of the Proposed Acquisition will be made by the Company in the event when any Definitive Agreement has been signed. Shareholders and potential investors of the Company should exercise caution when dealing in the shares and other securities of the Company.**

This announcement is made by Tack Fiori International Group Limited (the “Company”) pursuant to Rule 13.09 of the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) and the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”).

The board (the “Board”) of directors (the “Directors”) of the Company is pleased to announce that after the trading hours on Tuesday, 10 June 2014, the Company entered into a non-legally binding memorandum of understanding (the “MOU”) with Mr. Wong Lik Ping (the “Vendor”). The MOU contains certain understandings and principles regarding the proposed purchase by the Company and sale by the Vendor (the “Proposed Acquisition”) of the entire issued share capital (the “Sale Shares”) of China Education Media Limited (the “Target Company”). No payment is required to be made by the Company upon the signing of the MOU. If the Proposed Acquisition materialise, it may constitute a major transaction and connected transaction of the Company under the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor is interested in 100% of the Target Company, a company incorporated in the British Virgin Islands, which in turn is directly interested in 100% of 北京新知堂教育科技開發有限公司 (“北京新知堂”), a company established in the People’s Republic of China (“PRC”). The Vendor is the father of Mr. Wang Liang, an executive director and a substantial shareholder of the Company (as defined in the Listing Rules) who is interested in approximately 28.19% of the issued share capital of the Company as at the date of this announcement. The Vendor is regarded as a connected person of the Company under Rule 14A.11 of the Listing Rules.

## **MEMORANDUM OF UNDERSTANDING**

The non-legally binding MOU contains, inter alia, the following major terms:

**Date:** 10 June 2014

**Parties:** (a) the Company, being the Purchaser  
(b) Mr. Wong Lik Ping, being the Vendor

### **The Proposed Acquisition**

Pursuant to the MOU, the Company intends to acquire and the Vendor intends to sell the Sale Shares of the Target Company. 北京新知堂 is a wholly-owned subsidiary of the Target Company and is principally engaged in the businesses of development and promotion of education software and website infrastructure for education course. Upon completion of the Proposed Acquisition, the Company shall be interested in 100% of the Target Company.

## **Consideration**

The consideration of the Sale Shares payable by the Company shall be valued not more than HK\$60 million (the “Consideration”). The Consideration will be payable by the Purchaser in cash. The Consideration will be finalised in the formal sale and purchase agreement (the “Definitive Agreement”) which may or may not be entered into by the Company and the Vendor in relation to the Proposed Acquisition.

The Directors consider that the Consideration is for indicative purpose only, which is subject to further due diligence and valuation of the businesses of the Target Company and 北京新知堂 (altogether the “Target Group”) by an independent valuer. The Consideration has yet to be finalised and may deviate from that set out in the MOU.

## **Conditions precedent**

Completion of the Proposed Acquisition shall be conditional, upon, *inter alia*, the following:

- Satisfactory due diligence on the Target Group by the Company;
- Signing of the Definitive Agreement within three months upon the date of the MOU;
- Approval by the regulatory bodies and the Independent Shareholders (as defined in the Listing Rules) and comply with all laws and regulations in Hong Kong, including but not limited to, the requirement of the Listing Rules and the Hong Kong Code on Takeovers and Mergers; and
- Approval by the Chinese government authorities in relation to the Proposed Acquisition (if appropriate);

## **INFORMATION ABOUT THE TARGET GROUP AND REASONS FOR THE PROPOSED ACQUISITION**

The Group is principally engaged in apparel retail business in the PRC and securities trading and investment in Hong Kong.

The Target Company is incorporated in the British Virgin Islands and wholly-owned by the Vendor, a connected person (as defined under the Listing Rules), who is the father of Mr. Wang Liang. Mr. Wang Liang is interested in approximately 28.19% of the issued share capital of the Company and also an executive director of the Company. The Target Group comprises the Target Company and 北京新知堂, a company established in the PRC and is engaged in the businesses of development and promotion of education software and website infrastructure for education course.

The Directors consider that the Proposed Acquisition, if it materialises, represent a good opportunity for the Group to diversify its business and develop new revenue streams. The Directors are of the view that the entering into of the MOU is in the interests of the Company and shareholders as a whole.

## GENERAL

The Company wishes to emphasise that the Proposed Acquisition are subject to, among other things, the signing of the Definitive Agreement, the terms and conditions of which are yet to be agreed. Shareholders and potential investors of the Company should note that the Proposed Acquisition may or may not materialise and the final structure and terms of the Proposed Acquisition, which are still subject to further negotiations between the parties, have yet to be finalised and may deviate from that set out in the MOU. Further announcement in respect of the Proposed Acquisition will be made by the Company in the event when any Definitive Agreement has been signed. Shareholders and potential investors of the Company should exercise caution when dealing in the shares and other securities of the Company.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

By Order of the Board  
**Tack Fiori International Group Limited**  
**Wang Liang**  
*Executive Director*

Hong Kong, 10 June 2014

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

*Executive Directors:*

Mr. Chan Chak Kai, Kenneth  
Mr. Wang Liang  
Mr. Zhang Bao Yuan  
Mr. Huang Limin

*Independent non-executive Directors:*

Dr. Leung Shiu Ki, Albert  
Mr. Robert James Iaia II  
Mr. Yau Yan Ming, Raymond  
Mr. Lau Yu