

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tack Fiori International Group Limited, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibilities for the contents of the Prospectus Documents, make no representations as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, has been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.



TACK FIORI INTERNATIONAL GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 928)

**RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY ONE (1) SHARE
HELD ON THE RECORD DATE**

Financial adviser to the Company



**英皇融資有限公司
Emperor Capital Limited**

Underwriter to the Rights Issue



**英皇證券(香港)有限公司
Emperor Securities Limited**

Capitalized terms used in this cover have the same meanings as those defined in this Prospectus.

It should be noted that the Shares have been dealt in on an ex-rights basis from Thursday, 9 February 2017. Dealings in the Rights Shares in their nil-paid form will take place from Monday, 20 February 2017 to Monday, 27 February 2017 (both days inclusive). If the conditions of the Rights Issue are not fulfilled or waived (as applicable) at or before 4:00 p.m. on Tuesday, 7 March 2017 (or such later time as the Company and the Underwriter may agree), the Rights Issue will not proceed. Any persons contemplating dealings in the Shares prior to the date on which the conditions of the Rights Issue are fulfilled or waived (as applicable), and/or dealings in the nil-paid Rights Shares, are accordingly subject to the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult their own professional advisers.

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Rights Issue having become unconditional and the Underwriter not having terminated or rescinded (as the case may be) the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the section headed "Rescission and Termination of the Underwriting Agreement" in this Prospectus). Accordingly, the Rights Issue may or may not proceed.

The latest date and time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Thursday, 2 March 2017. The procedures for acceptance and payment and/or transfer of the Rights Shares are set out on pages 10 to 11 of this Prospectus.

16 February 2017

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RESCISSION AND TERMINATION OF THE UNDERWRITING AGREEMENT

If, prior to the Latest Time for Termination, one or more of the following events or matters shall occur, arise, exist, or come into effect:

- (1) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever after the signing of the Underwriting Agreement;
- (2) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement) of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
- (3) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;
- (4) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement;
- (5) after signing of the Underwriting Agreement, there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;
- (6) there is, after signing of the Underwriting Agreement, any change or any development involving a prospective change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, PRC or other jurisdiction relevant to any member of the Group and a change in currency conditions for the purpose of this paragraph includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs; or
- (7) the Circular and/or this Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or the Hong Kong Code on Takeovers and Mergers or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company in compliance with the Listing Rules,

which event or events is or are in the reasonable opinion of the Underwriter:

- (a) likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole; or

RESCISSION AND TERMINATION OF THE UNDERWRITING AGREEMENT

- (b) likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares “taken up”; or
- (c) make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any breach of any of the warranties or undertakings or any omission to observe any of the obligations or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon giving of such notice pursuant to the Underwriting Agreement, all obligations of the Underwriter and the Company under the Underwriting Agreement shall cease and terminate (without prejudice to the rights of any party in respect of antecedent breach) provided that the Company shall remain liable to pay to the Underwriter such fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right before the Latest Time for Termination, the Rights Issue will not proceed.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed “Rescission and Termination of the Underwriting Agreement”). Accordingly, the Rights Issue may or may not proceed.

The Shares have been dealt in on an ex-rights basis from Thursday, 9 February 2017. Deals in the Rights Shares in nil-paid form are expected to take place from Monday, 20 February 2017 to Monday, 27 February 2017 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

RESCISSION AND TERMINATION OF THE UNDERWRITING AGREEMENT

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following terms shall have the following meanings:

“Announcement”	the announcement of the Company dated 22 December 2016 in relation to, among other things, the Rights Issue and the change of board lot size
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular of the Company dated 18 January 2017 in relation to, among other things, the Rights Issue and the change of board lot size
“Company”	Tack Fiori International Group Limited, a company incorporated in Cayman Islands with limited liability, the securities of which are listed on the main board of the Stock Exchange (Stock Code: 928)
“Director(s)”	director(s) of the Company
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares
“EGM”	the extraordinary general meeting of the Company held on 7 February 2017, at which the Rights Issue (including the Underwriting Agreement) and the transaction contemplated thereunder have been approved
“Emperor Securities” or “Underwriter”	Emperor Securities Limited, a licensed corporation to carry out business in type 1 (dealings in securities) and type 4 (advising on securities) regulated activities under the SFO
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited

DEFINITIONS

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	any Shareholder(s) other than the Directors (excluding the independent non-executive Directors), the chief executive of the Company and their respective associates
“Independent Third Party(ies)”	third parties independent of and not connected with the Company and connected person(s) (as defined under the Listing Rules) of the Company
“Irrevocable Undertaking”	the irrevocable undertaking dated 22 December 2016 executed by Powerful Software in favour of the Company and the Underwriter
“Last Trading Day”	22 December 2016, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Practicable Date”	13 February 2017, being the latest practicable date prior to the printing of this Prospectus for the purpose of ascertaining certain information for inclusion in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 2 March 2017 or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance of the offer of and payment for the Rights Shares
“Latest Time for Termination”	4:00 p.m. on Tuesday, 7 March 2017, being the third Business Day after (but excluding) the Latest Time for Acceptance, or such other time as may be agreed between the Company and the Underwriter
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Non-Qualifying Shareholders”	those Overseas Shareholder(s) whom the Directors, based on legal advice provided by the Company’s legal advisers, consider it necessary or expedient not to extend the Rights Issue to them on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place

DEFINITIONS

“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) issued to the Qualifying Shareholders in connection with the Rights Issue
“Posting Date”	Thursday, 16 February 2017 or such other date as the Underwriter may agree in writing with the Company, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders and the Prospectus for information only to the Non-Qualifying Shareholders
“Powerful Software”	Powerful Software Limited, a company incorporated in British Virgin Islands with limited liability
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus excludes Hong Kong, Macau Special Administrative Region of PRC and Taiwan
“Prospectus”	this prospectus issued by the Company in relation to the Rights Issue
“Prospectus Documents”	the Prospectus, PAL and EAF
“Qualifying Shareholders”	Shareholders, other than the Non-Qualifying Shareholders
“Record Date”	Wednesday, 15 February 2017, being the date with reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined (or such other date as the Underwriter may agree in writing with the Company)
“Rights Issue”	the issue by way of rights on the basis of one (1) Rights Share for every one (1) Share in issue and held on the Record Date at the Subscription Price per Rights Share on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	2,390,312,650 Shares to be issued and allotted under the Rights Issue
“Registrar”	Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the Company’s branch share registrar in Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of issued Shares
“Specified Event”	an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the Latest Time for Termination which render any of the warranties contained in the Underwriting Agreement untrue, inaccurate or misleading
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.126 per Rights Share
“TJ Healthcare”	天津蓮和軟件開發有限公司 (Tianjin LifeHealthcare Software Development Co., Ltd*), a wholly owned subsidiary of the Company incorporated in PRC
“Underwriting Agreement”	the underwriting agreement dated 22 December 2016 entered into between the Company and Emperor Securities in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Shares”	2,070,624,650 Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement
“%”	per cent

EXPECTED TIMETABLE

The expected timetable for the Rights Issue, the change of board lot size and the associated trading arrangement is set out below.

All times and dates in this Prospectus refer to Hong Kong local times and dates. The expected timetable set out below is for indicative purpose only. The expected timetable may be subject to change, and any such change will be further announced by the Company as and when appropriate.

Event	Date (2017)
First day of dealings in nil-paid Rights Shares	Monday, 20 February
Latest time for splitting nil-paid Rights Shares.....	4:30 p.m. on Wednesday, 22 February
Last day of dealings in nil-paid Rights Shares	Monday, 27 February
Latest time for acceptance of, and payment for, the Rights Shares and application for excess Rights Shares	4:00 p.m. on Thursday, 2 March
Latest time for termination of the Underwriting Agreement.....	4:00 p.m. on Tuesday, 7 March
Announcement for allotment results of the Rights Issue	Wednesday, 8 March
Despatch of certificates for the fully-paid Rights Shares.....	Thursday, 9 March
Despatch of refund cheques for wholly or partly unsuccessful applications for excess Rights Shares or if the Rights Issue is terminated	Thursday, 9 March
Effective date of change of board lot size from 4,000 Shares to 20,000 Shares	Friday, 10 March
Dealings in fully-paid Rights Shares commence.....	9:00 a.m. on Friday, 10 March
Designated broker starts to stand in the market to provide matching services for sale and purchase of odd lots of Shares	9:00 a.m. on Friday, 10 March
Last day for designated broker to provide matching services for sale and purchase of odd lots of Shares	4:00 p.m. on Friday, 31 March

EXPECTED TIMETABLE

Effect of bad weather on the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a 'black' rainstorm warning:

- i. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Thursday, 2 March 2017. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same day; or
- ii. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Thursday, 2 March 2017. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on Thursday, 2 March 2017, the expected timetable above may be affected. The Company will notify Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.

LETTER FROM THE BOARD



TACK FIORI INTERNATIONAL GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 928)

Executive Directors:

Mr. Hua Yunbo (*Chairman*)

Ms. Shan Hua

Non-executive Director:

Dr. Feng Xiaogang

Independent non-executive Directors:

Mr. Liu Xinghua

Mr. Zhou Jian

Mr. Zheng Chunlei

Ms. Zhang Xuyang

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Principal Office in Hong Kong:

Room 2201, 22/F

Kwan Chart Tower

No. 6 Tonnochy Road

Wanchai

Hong Kong

16 February 2017

To the Shareholders

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY ONE (1) SHARE
HELD ON THE RECORD DATE**

INTRODUCTION

Reference is made to the Announcement and the Circular. The Board proposed to implement the Rights Issue on the basis of one (1) Rights Share for every one (1) Share held on the Record Date at the Subscription Price of HK\$0.126 per Rights Share, to raise approximately HK\$301 million before expenses (assuming no further Shares will be issued or repurchased on or before the Record Date) by way of the allotment and issue of 2,390,312,650 Rights Shares.

As at the Latest Practicable Date and the Record Date, there were 2,390,312,650 Shares in issue. The Rights Issue (excluding the Rights Shares under the Irrevocable Undertaking) is fully underwritten by Emperor Securities. Having taken into account the Irrevocable

LETTER FROM THE BOARD

Undertaking, Emperor Securities has conditionally agreed to underwrite 2,070,624,650 Rights Shares subject to the terms and conditions set out in the Underwriting Agreement, in particular the fulfillment of the conditions precedent contained therein.

In accordance with Rule 7.19(6) of the Listing Rules, as the Rights Issue will increase the issued share capital of the Company by more than 50%, the Rights Issue is subject to the approval of the Independent Shareholders at the EGM by way of poll. At the EGM, the resolution approving the Rights Issue (including the Underwriting Agreement) and the transactions contemplated thereunder was duly passed by the Independent Shareholders by way of poll.

The purpose of this Prospectus is to provide you with, among other things, further details of the Rights Issue, including the procedures for acceptance of and payment for the Rights Shares provisionally allotted to you, together with the financial and other information of the Group.

THE RIGHTS ISSUE

Issue statistics

Basis of the Rights Issue	: one (1) Rights Share for every one (1) Share held on the Record Date
Subscription Price	: HK\$0.126 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	: 2,390,312,650 Shares
Number of Rights Shares	: 2,390,312,650 Rights Shares
Number of issued Shares upon completion of the Rights Issue	: 4,780,625,300 Shares

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares. The aggregate number of Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents 100% of the total number of Shares in issue as at the Latest Practicable Date and will represent approximately 50% of the Shares in issue as enlarged by the Rights Issue.

Subscription Price

The Subscription Price for the Rights Shares is HK\$0.126 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

LETTER FROM THE BOARD

The Subscription Price represents:

- (a) a discount of approximately 35.05% to the closing price of HK\$0.194 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 21.25% to the theoretical ex-rights price of approximately HK\$0.160 per Share based on the closing price of HK\$0.194 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 36.62% to the average closing price of approximately HK\$0.199 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day; and
- (d) a discount of approximately 16.00% to the closing price of HK\$0.150 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to the market price of the Shares under the prevailing market conditions. Taking into account of the reasons for the Rights Issue and the use of proceeds as detailed in the section headed "Reasons for the Rights Issue and Use of Proceeds" in this Prospectus, the Directors consider that the terms of the Rights Issue, including the Subscription Price which has been set at a discount to the recent closing prices of the Shares with an objective of encouraging existing Qualifying Shareholders to take up their entitlements, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.121.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must:

1. be registered as a member of the Company at the close of business on the Record Date; and
2. be a Qualifying Shareholder.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every one (1) Share held by the Qualifying Shareholders as at the close of business on the Record Date.

Acceptance of all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares accepted with the Registrar by the Latest Time for Acceptance.

LETTER FROM THE BOARD

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. According to the register of members of the Company as at the Record Date, there was no Shareholder whose address is outside of Hong Kong. Accordingly, there is no Non-Qualifying Shareholder and all Shareholders are Qualifying Shareholders.

Procedures for acceptance and payment and/or transfer

Qualifying Shareholders should find enclosed with this Prospectus a PAL which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by no later than 4:00 p.m. on Thursday, 2 March 2017. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "Tack Fiori International Group Limited — Provisional Allotment A/C" and crossed "Account Payee Only".

It should be noted that unless the duly completed PAL, together with the appropriate remittance, have been lodged with the Registrar by no later than 4:00 p.m. on Thursday, 2 March 2017, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of the provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or transfer part/all of their rights to more than one person, the original PAL must be surrendered for cancellation by no later than 4:30 p.m. on Wednesday, 22 February 2017 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order will constitute a warranty by such person that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in

LETTER FROM THE BOARD

respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply or subscribe for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Completion and return of the PAL by anyone outside Hong Kong will constitute a warranty and representation by such person to the Company that all registration, legal and regulatory requirements of such relevant jurisdictions other than Hong Kong in connection with the PAL and any acceptance of it, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application or subscription for Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" below is not fulfilled or waived (as applicable) at or before 4:00 p.m. on Tuesday, 7 March 2017 (or such later time as the Company and the Underwriter may agree in writing), the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses on or before Thursday, 9 March 2017.

Application and payment for excess Rights Shares

Qualifying Shareholders may, by way of excess application, apply for any unsold entitlements of the Non-Qualifying Shareholders and for any Rights Shares provisionally allotted but not accepted.

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the enclosed EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the excess Rights Shares being applied for with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:00 p.m. on Thursday, 2 March 2017. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "Tack Fiori International Group Limited — Excess Application Account" and crossed "Account Payee Only". The Registrar will notify the relevant Qualifying Shareholders of any allotment of excess Rights Shares made to them.

LETTER FROM THE BOARD

The Directors will allocate the excess Rights Shares (if any) at their discretion on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to the number of Rights Shares comprised in acceptance under PAL or the existing number of Shares held by the Qualifying Shareholders. No preference will be given to topping up odd lots to whole board lots.

The allocation of excess Rights Shares to the Qualifying Shareholders will be announced by the Company on Wednesday, 8 March 2017. If no excess Rights Shares are allotted to a Qualifying Shareholder who has applied for excess Rights Shares, the remittance tendered on application is expected to be returned by refund cheque to that Qualifying Shareholder in full without interest by ordinary post at his/her/its own risk by the Registrar on or before Thursday, 9 March 2017. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than that applied for, the surplus remittance without interest is also expected to be returned by refund cheque to that Qualifying Shareholder by ordinary post at his/her/its own risk by the Registrar on or before Thursday, 9 March 2017.

Beneficial owners with Shares held by a nominee (or which are held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Accordingly, such beneficial owners should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually.

All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a cashier's order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques for wholly or partially unsuccessful applications for excess Rights Shares, will be sent by ordinary post at the risk of the person(s) entitled thereto to their registered addresses. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving a copy of the EAF in any territory outside Hong Kong may treat it as an offer or invitation to apply for the excess Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof. Completion and return of the EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty and representation from such Qualifying Shareholder(s) to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any application thereunder, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or

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be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application for excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

If the Underwriter exercises the right to terminate or rescind the Underwriting Agreement or if any of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue” below is not fulfilled or waived (as applicable) at or before 4:00 p.m. on Tuesday, 7 March 2017 (or such later time as the Company and the Underwriter may agree in writing), the remittance received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses on or before Thursday, 9 March 2017.

Status of Rights Shares

The Rights Shares, when allotted and fully paid, will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Share certificates and refund cheques for Rights Issue

Subject to the fulfilment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted on or about Thursday, 9 March 2017 by ordinary post to the allottees, at their own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for the excess Rights Shares (if any) are expected to be posted on or about Thursday, 9 March 2017 by ordinary post to the applicants, at their own risk, to their registered addresses.

Taxation

Qualifying Shareholders are recommended to consult their professional advisers if they are in any doubt as to the tax implications of the holding or disposal of, or dealing in, the Rights Shares in both their nil-paid and fully-paid forms and, as regards the Non-Qualifying Shareholders, their receipt of the net proceeds of sale of the Rights Shares in their nil-paid form otherwise falling to be issued to them under the Rights Issue. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of any person resulting from the purchase, holding or disposal of, or dealing in, the Rights Shares in both their nil-paid and fully-paid forms.

Application for listing

The Company has applied to the Listing Committee of the Stock Exchange for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue.

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Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates 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. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Both nil-paid Rights Shares and fully-paid Rights Shares will be traded in board lots of 4,000 shares.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

THE UNDERWRITING AGREEMENT

On 22 December 2016 (after trading hours), the Company and Emperor Securities entered into the Underwriting Agreement in respect of the underwriting arrangement for the Rights Issue. The principal terms of the Underwriting Agreement are as follows:

Date	:	22 December 2016
Underwriter	:	Emperor Securities
		To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Emperor Securities and its ultimate beneficial owner(s) are Independent Third Parties.
Total number of Underwritten Shares	:	2,070,624,650 Rights Shares (having taken into account the Irrevocable Undertaking and assuming no Shares will be issued or repurchased by the Company on or before the Record Date)
Underwriting commission	:	Emperor Securities shall receive 2.75% of the aggregate Subscription Price of the number of Rights Shares underwritten by it.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter with reference to the existing financial position of the Group, the size of the Rights Issue and, the

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current and expected market condition. The Board considers the terms of the Underwriting Agreement including the commission rate are fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

Rescission and Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination, one or more of the following events or matters shall occur, arise, exist, or come into effect:

- (1) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever after the signing of the Underwriting Agreement;
- (2) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement) of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
- (3) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;
- (4) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurred after the signing of the Underwriting Agreement;
- (5) after signing of the Underwriting Agreement, there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;
- (6) there is, after signing of the Underwriting Agreement, any change or any development involving a prospective change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, on Hong Kong, PRC or other jurisdiction relevant to any member of the Group, and a change in currency conditions for the purpose of this paragraph includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs; or
- (7) the Circular and/or this Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or the Hong Kong Code on Takeovers and Mergers or any applicable regulations) which has not prior to the date of the Underwriting Agreement been publicly announced or published by the Company in compliance with the Listing Rules,

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which event or events is or are in the reasonable opinion of the Underwriter:

- (i) likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole; or
- (ii) likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares “taken up”; or
- (iii) make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

The Underwriter shall be entitled by notice in writing to rescind the Underwriting Agreement if prior to the Latest Time for Termination:

- (1) any breach of any of the warranties or undertakings or any omission to observe any of the obligations or undertakings contained in the Underwriting Agreement comes to the knowledge of the Underwriter; or
- (2) any Specified Event comes to the knowledge of the Underwriter.

Any such notice shall be served by the Underwriter prior to the Latest Time for Termination.

Upon giving of such notice pursuant to the Underwriting Agreement, all obligations of the Underwriter and the Company under the Underwriting Agreement shall cease and terminate (without prejudice to the rights of any party in respect of antecedent breach) provided that the Company shall remain liable to pay to the Underwriter such fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right before the Latest Time for Termination, the Rights Issue will not proceed.

Conditions of the Rights Issue

The Rights Issue is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (1) the passing by the Shareholders (or where appropriate, Independent Shareholders) at the EGM of ordinary resolution(s) to approve the Underwriting Agreement and the Rights Issue (including, but not limited to, the exclusion of the offer of the Rights Issue to the Non-Qualifying Shareholders) and the transactions contemplated thereunder by no later than the Posting Date;
- (2) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms);

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- (3) the filing and registration of the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Posting Date;
- (4) the posting of the Prospectus Documents to the Qualifying Shareholders by no later than the Posting Date;
- (5) Powerful Software complying with its obligations under the Irrevocable Undertaking;
- (6) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms thereof on or before the Latest Time for Termination; and
- (7) there being no breach of the undertakings and obligations of the Company under the terms of the Underwriting Agreement.

The Company shall use all reasonable endeavours to procure the fulfillment of the conditions (1) to (4) by the Latest Time for Acceptance 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 be necessary in connection with the fulfillment of all the conditions precedent.

The conditions (1) to (5) are incapable of being waived by the Underwriter and the Company. The Underwriter may waive the condition (7) in whole or in part by written notice to the Company.

If the conditions precedent set out above are not satisfied (or, if applicable, waived in whole or in part by the Underwriter) by the Latest Time for Acceptance and/or the condition (7) does not remain fulfilled (unless waived by the Underwriter) up to the Latest Time for Termination, the Underwriting Agreement shall terminate and no party will have any claim against any other party for cost, damages, compensation or otherwise save in respect of any rights or obligations which may have accrued under the Underwriting Agreement prior to such termination.

As at the Latest Practicable Date, condition (1) has been fulfilled, condition (5) has not been fulfilled, no notice has been received from the Underwriter in relation to condition (6) and the Company is not aware of any matter which would render condition (7) being unable to be fulfilled. Conditions (3) and (4) are expected to be fulfilled on the Posting Date. For condition (2), the Company has applied to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the Rights Shares in both their nil-paid and fully-paid forms.

IRREVOCABLE UNDERTAKING FROM POWERFUL SOFTWARE

Powerful Software, which holds 319,688,000 Shares, representing approximately 13.37% of the existing issued share capital of the Company as at the Latest Practicable Date, has executed an irrevocable and unconditional undertaking in favour of the Company and the Underwriter, pursuant to which Powerful Software has undertaken to, among other things, (i) accept its entitlements to the provisional allotment of 319,688,000 Rights Shares; (ii) procure

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delivery of the duly completed and signed PALs and all relevant documents to the Registrar with payment therefor in accordance with the terms of the Prospectus Documents on or before the Latest Time for Acceptance; and (iii) not to sell or transfer the Shares owned by it in any manner before the Latest Time for Acceptance or the termination of the Rights Issue.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon completion of the Rights Issue:

	(i) As at the Latest Practicable Date		(ii) Upon completion of the Rights Issue			
			Assuming all Shareholders take up the Rights Shares		Assuming no Shareholder takes up the Rights Shares except Powerful Software (Note 3)	
	<i>no. of Shares</i>	<i>%</i>	<i>no. of Shares</i>	<i>%</i>	<i>no. of Shares</i>	<i>%</i>
Powerful Software <i>(Note 1)</i>	319,688,000	13.37	639,376,000	13.37%	639,376,000	13.37%
Cherrie Holdings Limited <i>(Note 2)</i>	304,610,860	12.74	609,221,720	12.74%	304,610,860	6.37%
The Underwriter	0	0.00	0	0.00%	2,070,624,650	43.31%
Public Shareholders	<u>1,766,013,790</u>	<u>73.88</u>	<u>3,532,027,580</u>	<u>73.88%</u>	<u>1,766,013,790</u>	<u>36.94%</u>
Total	<u><u>2,390,312,650</u></u>	<u><u>100.00</u></u>	<u><u>4,780,625,300</u></u>	<u><u>100.00%</u></u>	<u><u>4,780,625,300</u></u>	<u><u>100.00%</u></u>

Notes:

1. Powerful Software is owned as to 65% and 35% by Merry Cycle Enterprises Limited and Gorgeous Moment Holdings Limited respectively. Merry Cycle Enterprises Limited is wholly-owned by Mr. Hua Yunbo while Gorgeous Moment Holdings Limited is wholly-owned by Ms. Shan Hua. Mr. Hua Yunbo and Ms. Shan Hua are executive Directors.
2. Cherrie Holdings Limited is wholly-owned by Mr. Wang Liang, who has resigned as a Director on 22 August 2016.
3. For illustrative purpose only. In circumstances where the Rights Issue were to become unconditional and Emperor Securities was obliged to take up all its commitment to the relevant number of Underwritten Shares in accordance with the Underwriting Agreement, its underwriting commitment would amount to a stake of approximately 43.31% of the share capital of the Company as enlarged by the issue of the Rights Shares. Emperor Securities will sub-underwrite its underwriting obligations under the Underwriting Agreement to sub-underwriters such that each of Emperor Securities and its sub-underwriters (i) will be a third party independent of, not acting in concert with and will not be connected with the Directors, chief executive or substantial Shareholders of the Company or their respective associates; and (ii) will not, together with party(ies) acting in concert with each of them or their respective associates, hold in aggregate 30% or more of the voting rights of the Company immediately upon completion of the Rights Issue.

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REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group principally engages in (i) healthcare services in the PRC; (ii) development and promotion of education software products and provision of technical support services in the PRC; (iii) apparel retail business in the PRC; and (iv) securities trading and investments business in Hong Kong; and (v) loan financing business.

The terms of the Rights Issue were arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the capital needs of the Group, the financial position of the Group and the market price of the Shares as stated below:

- (a) the Company recorded unaudited loss attributable to owners of the Company of approximately HK\$14,573,000 and unaudited net cash used in operating activities of approximately HK\$93,981,000 for the six months ended 30 September 2016 and the Company has funding needs to meet its financial obligations comprising outstanding loans and accrued interest of approximately HK\$126 million as disclosed in the 2016 interim report of the Company for the six months ended 30 September 2016;
- (b) upon termination of a proposed top up subscription of new Shares under the general mandate as announced by the Company on 4 January 2016, the Company has been considering other fund raising alternatives; and
- (c) with reference to the historical trading records of the Company for the 3 months prior to the date of the Underwriting Agreement, (1) average trading liquidity of the Shares ranges from the maximum of 75,916,000 Shares, representing approximately 3.18% of the issued Shares, to 384,000 Shares, representing approximately 0.02% of the issued Shares and an average of 5,436,470 Shares, representing approximately 0.23% of the issued Shares; and (2) closing price of the Shares ranges from HK\$0.242 to HK\$0.180 and an average of HK\$0.214. In view of the inactive trading activities, the Board considers that the discount to the Subscription Price would encourage the Qualifying Shareholders to take up their entitlements so as to maintain their shareholdings in the Company and participate in the future growth of the Group.

In the event that the Shareholders do not take up their respective entitlements under the Rights Issue, their respective shareholding interests in the Company will be diluted by 50%. The Company has given consideration to the dilution effect of the Rights Issue when determining the terms of the Rights Issue, but given that the Company, under the current circumstances, has limited/few alternatives to raise capital to satisfy the funding needs of the Group including settlement of outstanding debts which are due in the near future on one hand and to raise incentives of the Qualifying Shareholders' participation in the Rights Issue on the other, the Directors therefore consider the current terms of the Right Issue are fair and reasonable and in the interest of the Shareholders notwithstanding the potential dilution impact.

The Directors approached the Underwriter to discuss how to raise new fund for the Company. Placing of new Shares was excluded because the amount that can be raised would be relatively small when compared to the Rights Issue. Moreover, unlike a rights issue, not all the

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Shareholders have equal opportunity to participate in the placing. The Company has proposed issue of new Shares under general mandate as announced by the Company dated 22 December 2015 but was lapsed due to the failure to fulfill certain conditions precedent.

Based on the interim report of the Company for the six months ended 30 September 2016, the Company recorded current liabilities, being the total liabilities as the Company did not have long term liabilities, of approximately HK\$138,705,000 and total equity attributable to owners of the Company of approximately HK\$110,173,000, representing a debt-to-equity ratio of the Group of approximately 125.9%.

Fund raising through debt financing/bank borrowings which would deepen the debt burden of the Group may not be in the best interests of the Company and the Shareholders as a whole and is not a preferred alternative. Moreover, in the absence of tangible asset such as property as pledge or security to banks/financial institutions, it would be difficult for the Company to obtain debt financing/bank borrowing in an amount comparable to the fund to be raised under the Rights Issue. In view that the Rights Issue is interest free and is free from further financial burden to the gearing ratio and, unlike debt financing/bank borrowing, the Company does not have any repayment obligation of principal amount under the Rights Issue, the Directors consider the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The Company had not approached other potential underwriters in respect of the Rights Issue in view of (a) the small market capitalization of the Company, being an average of approximately HK\$512 million for the 3 months prior to the date of the Underwriting Agreement, and the large scale of the fund to be raised of approximately HK\$301 million which represents approximately 120% of the total assets of the Company of approximately HK\$250 million as at 30 September 2016 could make it difficult for the Company to negotiate with other firms on the terms of the underwriting agreement; (b) the Company is mindful of the laws and regulations in Hong Kong pertaining to the need to preserve the confidentiality of inside information and the proposed Rights Issue is considered by the Company to be highly price sensitive and thus the Company is mindful not to solicit or negotiate with multiple potential underwriters in the market at the same time; (c) the Rights Issue is on a fully underwritten basis which ensures that the Company will raise the proceeds to satisfy its expected funding needs for the next 12 months; and (d) it is time consuming to negotiate with other potential underwriters and there is no guarantee that the Company can obtain terms more favourable than the existing ones. Taking into account the above-mentioned factors, the Company had not approached multiple potential underwriters.

The Directors believe that, in view of the above, the terms of the Rights Issue are fair and reasonable and in the best interests of the Company and its shareholders as a whole notwithstanding the potential dilution effect on the shareholdings of those Shareholders who are not eligible to participate or opt not to participate in the Rights Issue.

The gross proceeds and net proceeds from the Rights Issue will be approximately HK\$301 million and HK\$290 million respectively.

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The Company intends to apply net proceeds from the Rights Issue as to,

- (i) approximately HK\$110 million for repayment of outstanding debts (including interest, if any) which were advanced to the Group for its money lending business;
- (ii) approximately HK\$40 million for expansion of its money lending business;
- (iii) approximately HK\$60 million for expansion of its healthcare business;
- (iv) approximately HK\$20 million for purchase of equipment and instrument for its existing healthcare business; and
- (v) the remaining balance of approximately HK\$60 million for general working capital of the Group.

Money lending business

The money lending business of the Company commenced in 2012. As disclosed under note 9 “Other revenue” in the annual report of the Company for the year ended 31 March 2012, the Company has recorded interest income from loans in the sum of approximately HK\$270,000. The Company has further recorded interest income from loans in the sum of approximately HK\$111,000 as disclosed under note 8 “Other income and gain” in the annual report of the Company for the year ended 31 March 2013.

Allied Kingdom Holdings Limited, a wholly-owned subsidiary of the Group, obtained the money lenders license under the Money Lenders Ordinance (Chapter 163) (“Money Lenders Ordinance”) on 22 November 2016. All loans advanced by the Group under its money lending business prior to obtaining such license were either exempted loans under Money Lenders Ordinance or loans consummated outside Hong Kong and thus the Group is not in violation of the Money Lenders Ordinance.

Upon obtaining the money lenders license, the Company intends to broaden its customer base with new funding from the Rights Issue and make gradual development on the money lending business as one of the principal businesses of the Group to provide stable recurrent interest income and maximize return to the Company and the Shareholders as a whole.

The Group has engaged Mr. Chung Yuk Lun (“**Mr. Chung**”) as the general manager of the money lending business of the Group with effect on 22 November 2016 upon obtaining the money lenders license. Mr. Chung manages and oversees the operation of the money lending business of the Group. Mr. Chung has over 3 years’ experience in money lending business.

On the basis that potential loans in an aggregate principal amount of HK\$40 million were under negotiation prior to the date of the Underwriting Agreement, approximately HK\$40 million of the net proceeds of the Rights Issue has been allocated for the expansion of money lending business. Accordingly, upon completion of the Rights Issue, the loan portfolio of the Company is expected to increase from approximately HK\$96 million as at 31 December 2016 to approximately HK\$136 million. Proceeds from repayment of existing loans are intended to be re-employed in the money lending business by advancing them as loans to borrowers. The

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Company intends to focus on Hong Kong and PRC markets and broaden its customer base by leveraging on its existing clientele and exploring new customers through other channels. The Directors are of the view that developing money lending business is in the interests of the Company and the Shareholders as a whole.

Healthcare business

The Group provides transition service for hospitals in the PRC since June 2016 whereas to the best knowledge of the Directors the provision of genetic testing and health data analysis services in the PRC is expected to commence upon obtaining 醫療機構執業許可證 (The Practice License of Medical Institution*) around March 2017.

Transition service for hospitals

A summary of the business operation of the provision of transition service by TJ Healthcare for hospitals is set out below:

Nature of service: The Group uses its self-developed software to convert health enquiries from the public (as collected from various suppliers, i.e. owners of websites/mobile applications) into a user-friendly format and send to the customers (i.e. hospital) according to location and types of health enquiries requested by hospitals, such that doctors can save time in negotiating with various suppliers and answer the health enquiries on the hospitals' own platform directly.

With reference to the subscription orders from the hospitals to TJ Healthcare, health enquiries on gynecology and andrology account for approximately 85% of total health enquiry subscriptions.

Revenue: Revenue is recognized according to the number of health enquiries subscribed and used by the hospitals. For the six months ended 30 September 2016, a turnover of approximately HK\$4.5 million has been recognized.

Customers: Hospitals. As at 30 November 2016, TJ Healthcare has entered into agreements with over 300 hospitals for the provision of transition service to them. For the eight months ended 30 November 2016, an aggregate of approximately 375,000 health enquiries have been subscribed by hospitals.

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Suppliers: Individual mobile application/website providers who maintain and provide application/website platforms. As at the Latest Practicable Date, the Company has engaged two suppliers to collect health enquiries from the public via mobile applications and website, namely 男性私人醫生 (Male Private Doctor*), 女性私人醫生 (Female Private Doctor*), 兩性私人醫生 (Bisexual Private Doctor*) and 尋醫問藥 (www.xywy.com).

The Company will explore business cooperation with other suppliers to provide health enquiries to broaden the sources of supply.

Registration of computer software copyright: To the best knowledge of the Directors, registration of computer software copyright of the self-developed software of the Group used in providing transition service, through an agent, is expected to be completed in March 2017.

Genetic testing and health data analysis services

As disclosed in the interim report of the Company for the six months ended 30 September 2016, 北京蓮和無限醫療科技有限公司 (Beijing LifeHealthcare Technology Co. Ltd*) (“Beijing Lianhe”), a 100% owned subsidiary of the Company, entered into an exclusive cooperation agreement, an exclusive call option agreement, a power of attorney and a share pledge agreement (together, the “VIE Agreements” and each a “VIE Agreement”) with 蓮和(北京)醫療科技有限公司 (LifeHealthcare (Beijing) Co. Ltd*) (“LifeHealthcare”) and the two registered shareholders of LifeHealthcare who hold all the equity capital of LifeHealthcare for the development of genetic testing and health data analysis services in the PRC. Pursuant to the Catalog of Industries for Foreign Investment (2015 Amendment) issued by the National Development and Reform Commission and the Ministry of Commerce of the PRC on 10 March 2015 and effected on 10 April 2015, the “development and application of human stem cells and genetic diagnosis therapy technology” is listed as an item in the forbidden catalog for foreign investment. The Group entered into the VIE Agreements, through which the Group has provided services to LifeHealthcare and received services fees accordingly, and pursuant to which Beijing Lianhe has obtained effective control over LifeHealthcare and the right to receive substantially all of LifeHealthcare’s economic benefits. As a result of the VIE

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Agreements, LifeHealthcare's financials and results of operations, together with those of its subsidiaries, are consolidated into the Company's consolidated financial statements as wholly-owned subsidiaries of the Company. A summary of the business operation of the provision of genetic testing and health data analysis services is set out below:

- Nature of service: genetic testing and health data analysis services with noninvasive tumor gene detection technology, which detect, quantify and track the occurrence and development of cancer cells through the extraction of Circulating-Tumor DNA ("ctDNA") from blood serum samples
- Revenue: upon obtaining 醫療機構執業許可證 (The Practice License of Medical Institution*), clinical laboratories of the Group can commence provision of such testing services to its clients. Fees are charged according to the nature and type of services provided. To the best knowledge of the Directors, the license is expected to be obtained around March 2017. As at the Latest Practicable Date, 2 clinical laboratories have been established.
- Customers:
- (i) physical examination centers, which will pass blood serum samples of customers for testing services;
 - (ii) corporate clients which provides physical check-ups for senior staffs;
 - (iii) hospital patients referred by intermediaries for medical treatment; and
 - (iv) individuals for health purpose
- Suppliers: Equipment, instruments, sequencing platform and reagent providers, such as for Illumina, Life Technologies, Beckman Coulter and Agilent
- Business plan: The Group intends to use approximately HK\$60 million for expanding the clinical laboratory network of healthcare business by establishing/acquiring three new clinical laboratories with the average investment amount of approximately HK\$20 million for each clinical laboratory.
- Should the possible acquisition of clinical laboratory constitutes notifiable transaction(s) of the Company, further announcement(s) will be made by the Company as and when appropriate in compliance with the requirements of the Listing Rules.

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Experience of the Company's management in healthcare business is as follows:

- (a) Mr. Hua Yunbo, the chairman of the board of directors, executive director and the president of the Company.

Mr. Hua has over 15 years of work experience in medical and healthcare online platform related industry. He was the founder of Beijing Tianya Co., Ltd.* (北京天亞科創軟件有限公司) ("BJ Tianya") and was the director and the general manager of BJ Tianya, a company principally engaged in the development and marketing of mobile healthcare applications. BJ Tianya is one of the suppliers of the transition service for hospitals under healthcare business of the Group and was the target of a proposed acquisition which was terminated as disclosed in the announcement of the Company dated 15 December 2015.

- (b) Mr. Che Jianwei, the director of research and development of the Group.

Mr. Che graduated from California University (UCSD) with a Ph.D. in chemistry and worked as post doctoral scholar with California Institute of Technology (Caltech) on chemistry. Mr. Che worked in an international pharmaceutical company, Genomics Institute of the Novartis Research Foundation, as a senior researcher. He has over 13 years' working experience in computational biology and informatics.

Segment performance

With reference to the interim report of the Company for the six months ended 30 September 2016 as extracted below, transition service for hospitals under the healthcare services has generated the highest revenue, representing approximately 65% of the total revenue of the Company, while money lending business is the best performed segment among other business segments.

For the six months ended 30 September 2016

	Segment revenue <i>HK\$'000</i>	Segment result <i>HK\$'000</i>
Healthcare service	4,830	(3,699)
Education software products and related service business	1,311	(1,685)
Sale of apparel	489	(1,642)
Securities trading and investments	—	(6)
Loan financing business	<u>756</u>	<u>743</u>
Total	<u>7,386</u>	<u>(6,289)</u>

Having taken into account of (i) the latest recorded business performance of the money lending business and the healthcare business as mentioned above; (ii) the money lending business will provide recurrent interest income to the Group; (iii) commencement of the

LETTER FROM THE BOARD

provision of genetic testing and data analysis service upon obtaining the requisite license, to the best knowledge of the Directors, around March 2017; and (iv) the prospects and expected increasing demand for genetic testing service and data analysis in the PRC, the Directors consider allocating the proceeds into the healthcare business and money lending business could generate recurring revenue for the Group which would be beneficial to the business performance of and in the interest of the Company and the Shareholders as a whole.

The Directors are also of the view that the Rights Issue would facilitate the repayment of outstanding loan and (if any) interest by the Group, which would in turn enhance the financial position of the Group by lowering the interest expense of the Group, allows additional working capital to the Group in carrying on and expansion of its businesses and will also broaden the capital and shareholder base of the Group. The Directors also consider that the terms of the Rights Issue, including the rate of the underwriting commission, are fair and reasonable based on current market conditions. Accordingly, the Board considers that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past twelve months before the date of the Announcement and the Latest Practicable Date.

Based on the current estimates and cashflow forecast, the Company believes that the proceeds from the Rights Issue can satisfy the Company's expected funding needs for the next 12 months. As such, as at the Latest Practicable Date, the Company does not have any plans to conduct further rights issue or other fund raising activities in the next 12 months.

ODD LOT MATCHING SERVICES

In order to facilitate the trading of odd lots (if any), the Company has arranged odd lot matching services during 9:00 a.m. on Friday, 10 March 2017 to 4:00 p.m. on Friday, 31 March 2017 (both days inclusive). Shareholders who wish to utilise the service should contact Mr. Leung Shiu Keung of Emperor Securities Limited at 23rd to 24th Floor, Emperor Group Centre, 288 Hennessy Road, Wanchai, Hong Kong or telephone number (852) 2919 2919 during the above period. Shareholders should note that matching of the sale and purchase of odd lots of the Shares is on a best effort basis and successful matching of the sale and purchase of such odd lots is not guaranteed.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the sub-paragraph headed "Rescission and Termination of the Underwriting Agreement"). Accordingly, the Rights Issue may or may not proceed.

LETTER FROM THE BOARD

The Shares have been dealt in on an ex-rights basis from Thursday, 9 February 2017. Dealings in the Rights Shares in nil-paid form are expected to take place from Monday, 20 February 2017 to Monday, 27 February 2017 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
For and on behalf of the Board
Tack Fiori International Group Limited
Shan Hua
Executive Director

* *For identification purpose only*

A. THREE-YEAR FINANCIAL INFORMATION

Financial information with respect to the profits and losses, financial record and position, set out as a comparative table and the latest published audited balance sheets together with the notes to the annual accounts of the Group for each of the three years ended 31 March 2014, 2015 and 2016 are disclosed in pages 33 to 112 of annual report 2013/2014, pages 30 to 112 of annual report 2014/2015 and pages 33 to 104 of the annual report 2015/2016 of the Company respectively.

The said annual reports of the Company are available on both the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.tackfiori.com).

Please refer to the hyperlinks as stated below.

2014 annual report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2014/0725/LTN20140725087.pdf>

2015 annual report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2015/0708/LTN201507081493.pdf>

2016 annual report:

<http://www.hkexnews.hk/listedco/listconews/SEHK/2016/0714/LTN20160714021.pdf>

B. INDEBTEDNESS

As at close of business on 31 December 2016, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had outstanding borrowings of approximately HK\$127,042,000. These borrowings comprised:

- (i) unsecured and unguaranteed borrowings from a director of approximately HK\$10,000,000;
- (ii) unsecured and unguaranteed borrowings from shareholders of approximately HK\$45,300,000;
- (iii) unsecured and unguaranteed borrowings from a related party of approximately HK\$7,023,000; and
- (iv) other unsecured and unguaranteed borrowings of approximately HK\$64,719,000.

Except as disclosed above and apart from intra-group liabilities and normal trade payables, the Group did not have, as of 31 December 2016, any other debt securities issued and outstanding, and authorised or otherwise created but unissued, terms loans, other borrowings and indebtedness, bank overdrafts, liabilities under acceptances (other than normal trade bills), acceptance credits, hire purchases commitments, finance lease obligations, mortgages, charges, guarantees or material contingent liabilities.

C. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the internally generated funds, existing facilities available to the Group and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital to satisfy its requirements for the next twelve months from the Latest Practicable Date.

D. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2016, being the date to which the latest published audited consolidated financial statements of the Group were made up.

E. BUSINESS AND FINANCIAL REVIEW

For the year ended 31 March 2016 (the “year” or “period”), the Group recorded turnover of approximately HK\$5.11 million (year ended 31 March 2015: HK\$8.40 million), representing a decrease of approximately 39.17% as compared to the last year. The loss attributable to owners of the Company for the year ended 31 March 2016 amounted to approximately HK\$34.34 million (year ended 31 March 2015: HK\$45.33 million), representing a decrease of 24.24% as compared to the last year. The decrease in loss amounted to HK\$10.99 million was mainly due to (i) the increased gross profit of HK\$2.45 million; (ii) the increase in other income and gain of HK\$9.80 million; (iii) the decrease in selling and distribution costs of HK\$5.38 million; (iv) the decrease in impairment on inventories of HK\$10.93 million and impairment on trademark of HK\$2.06 million, offset by the increase of impairment on goodwill of HK\$3.84 million and increase in administrative and other expenses of HK\$15.82 million which mainly arose from legal and professional fee related to non-recurring merger and acquisition transactions during the year. Loss per share for the year ended 31 March 2016 was approximately HK1.60 cents as compared with loss per share of approximately HK2.11 cents for the last year. The Group’s overall gross profit margin was 74.91% (year ended 31 March 2015: 16.47%). The increased overall gross profit margin was attributable to the education software products and related services business, which was acquired by the Group in November 2014 and generated a higher gross profit margin to the Group.

Business and financial review of the Group for the six months ended 30 September 2016

Financial Review

For the six months ended 30 September 2016, the Group recorded a turnover of approximately HK\$7.39 million (six months ended 30 September 2015: HK\$4.35 million), representing an increase of approximately 69.89% as compared to the corresponding period last year. Such increase in turnover was primarily attributable to the turnover of HK\$4.83 million generated from healthcare services segment. The Group’s overall gross profit margin was 32.32% (six months ended 30 September 2015: 70.82%). During the six months ended 30 September 2016, the Group’s overall gross profit was primarily attributable to the healthcare services and education software products and related

services segments (six months ended 30 September 2015: attributable to the education software products and related service segment). The decrease in the Group's overall gross profit margin is owing to a lower gross profit margin of the healthcare services segment when compared to that of the education software products and related service segment.

The Group's loss for the six months ended 30 September 2016 was approximately HK\$15.26 million (six months ended 30 September 2015: HK\$21.12 million), representing a decrease of 27.75% as compared to the corresponding period last year. The decrease in loss was principally attributable to (i) the absence of the impairment on goodwill of approximately HK\$3.84 million recognised during the six months ended 30 September 2015; and (ii) a decrease in legal and professional fee of HK\$7.21 million (included in administrative and other operating expenses) as compared to the six months ended 30 September 2015, during which time more merger and acquisition transactions were conducted by the Group; and partly offset by the loss of HK\$3.70 million incurred by the healthcare services segment.

Total assets of the Group increased from HK\$86.15 million as at 31 March 2016 to HK\$250.15 million as at 30 September 2016. The increase was mainly attributable to the acquisition of 30% equity interest in Guangzhou Manrui Biotech Company Limited* (廣州漫瑞生物信息技術有限公司) ("Manrui Biotech"), which specialises in research and development of gene testing technologies on non-invasive cancer, at an aggregation consideration of RMB60 million, increase in financial assets at fair value through profit or loss by HK\$29.07 million and increase in loans receivable by HK\$79.97 million.

Total liabilities of the Group increased from HK\$21.33 million as at 31 March 2016 to HK\$138.71 million as at 30 September 2016. The increase was mainly attributable to increase in loans from shareholders by HK\$50.3 million and increase in loans payable by HK\$65.23 million.

Business review

Healthcare services

On 5 April 2016, the Group entered into a set of structure contracts through Beijing Lianhe, its wholly-owned subsidiary, with LifeHealthcare and its shareholders. Pursuant to which Beijing Lianhe has obtained the effective control over LifeHealthcare and a right to receive substantially all of LifeHealthcare's economic benefits. LifeHealthcare is a provider of genetic testing and health data analysis services. On 5 August 2016, the Group acquired 30% equity interest in Manrui Biotech which specialises in research and development of gene testing technologies on non-invasive cancer as mentioned in the above paragraph. Through LifeHealthcare and its non-invasive tumor genetic testing technology, the Group is committed to the promotion and application of genetic testing in clinical medicine and related healthcare services, with the broader aim of becoming the provider of a full range of services and solutions for medical and health administration.

In April 2016, the Group set up a wholly-owned subsidiary (namely 天津蓮和軟件開發有限公司 Tianjin LifeHealthcare Software Development Co., Ltd* ("TJ Healthcare")). TJ Healthcare provides technical services to convert health enquiries from public, via

various health application/website platforms provided by suppliers, in a user-friendly format and distribute to the customers, i.e. hospitals where the hospitals could explore their potential patients by providing consultation services via hospitals' own platforms.

This segment recorded a turnover of HK\$4.83 million and a loss in segment result of HK\$3.70 million during the six months ended 30 September 2016.

Education software products and related services business

Turnover from education software products and related services business was HK\$1.31 million (six months ended 30 September 2015: HK\$4.20 million). This segment recorded a loss in segment result of HK\$1.69 million during the current period (six months ended 30 September 2015: HK\$3.77 million). The decrease in segment loss for the current period was mainly attributable to the goodwill impairment of HK\$3.84 million recognised during the six months ended 30 September 2015.

Sale of apparel

The sale of apparel segment generated a loss of approximately HK\$1.64 million during the six months ended 30 September 2016 (six months ended 30 September 2015: HK\$3.00 million), representing a decrease of approximately 45.33% when compared with the same period in the previous year. The decrease in segment loss was primarily attributable to (i) the benefit from cost saving as part of the Group's plan of change in focus of sales channels from shops to e-commerce, and (ii) the decrease in impairment on inventories of approximately HK\$0.88 million.

Securities trading and investments

During the current and prior interim periods, the Group had no securities trading activities, as the management is cautious about the performance of the securities trading market and thus the Group will continue to adopt a prudent approach in securities trading business with a view to strengthen the shareholders' value in the long run.

Loan financing business

The Directors have identified loan financing to be a business with potential from which the Group can generate regular and long-term sustainable income. The Group has also obtained a money lenders licence in Hong Kong in November 2016 with a view of developing its loan financing business.

This segment recorded a turnover of HK\$0.76 million and a segment profit of HK\$0.74 million during the six months ended 30 September 2016. Loan financing business is the best performed business segment of the Group, amongst other business segments, for the six months ended 30 September 2016.

F. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Company principally engages in investment holding. The Group principally engages in (i) healthcare services in the PRC; (ii) development and promotion of education software products and provision of technical support services in the PRC; (iii) apparel retail business in the PRC; (iv) securities trading and investments business in Hong Kong; and (v) loan financing business.

The Directors continue to identify and evaluate opportunities for the Group to diversify and strengthen its revenue streams to maximize returns to the Company's shareholders and have, in particular, identified potential investment opportunities in the healthcare industry and money lending business. The Group is (i) committed to the promotion and application of genetic testing in clinical medicine and related healthcare services, with the broader aim of becoming the provider of a full range of services and solutions for medical and health administration; (ii) dedicated to provision of the transition services for hospitals, with the aim of building a stronger and closer business relationship with doctors and hospitals; and (iii) strengthening the money lending business by exploring more potential customers and broadening the business exposure.

Based on the data collected by 全國腫瘤登記中心 (The National Central Cancer Registry*) from local cancer registries, and analyzed to estimate cancer incidence and mortality in the PRC, it is estimated that the PRC has 3,586,000 new cancer cases and 2,187,000 cancer deaths in 2012. Cancer patients are rarely aware of their health conditions and will not seek medical treatment until severe symptoms revealed when late stage of cancer are usually diagnosed, which gives rise to demand for more comprehensive early-screening technologies, especially the genetic testing. The Company expects the demand for non-invasive tumor genetic testing services to be provided by the Group will grow rapidly with the increase of wealth population and health awareness.

The Group provides transition service to hospitals by using its self-developed software to convert health enquiries from the public into a user-friendly format and send to the customers (i.e. hospital) according to location and types of health enquiries requested by hospitals, such that doctors can save time in negotiating with various suppliers and answer the health enquiries on the hospitals' own platform directly and generates revenue from the subscribed and used health enquiries by the hospitals. The Company expects the revenue generated from the transition service for hospitals will grow with increasing number of suppliers and customers in the year ahead.

As disclosed in the interim report of the Company, the money lending business is the best performed business segment amongst other business segments of the Company for the six months ended 30 September 2016. The Company has obtained the money lenders license under the Money Lenders Ordinance on 22 November 2016. The Company intends to focus on Hong Kong and PRC markets and broaden its customer base by leveraging on its existing clientele and exploring new customers through different channels and expects the money lending business will generate more revenue in the coming year.

The Group will continue and cautiously identify potential investment opportunities especially those related to healthcare and money lending businesses in order to maximize the return to the Shareholders.

UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET
TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets (the “Unaudited Pro Forma Financial Information”) of the Group attributable to owners of the Company has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as if the Rights Issue had been completed on 30 September 2016.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purpose only and, because of its hypothetical nature, it may not reflect a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company upon completion of the Rights Issue as at 30 September 2016 or at any future date.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2016, as extracted from the published interim report of the Company for the six months ended 30 September 2016, and is adjusted for the effect of the Rights Issue described below.

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2016 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2016 immediately after completion of the Rights Issue <i>HK\$'000</i>	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2016 per Share <i>HK cents</i> <i>(Note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2016 immediately after completion of the Rights Issue per Share <i>HK cents</i> <i>(Note 4)</i>
Based on 2,390,312,650 Rights Shares at Subscription Price of HK\$0.126 per Rights Share	<u>110,173</u>	<u>290,459</u>	<u>400,632</u>	<u>4.61</u>
	<u>8.38</u>			

Notes:

- (1) The amount is determined based on the unaudited consolidated net tangible assets attributable to owners of the Company of approximately HK\$110,173,000 as at 30 September 2016, which is extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 September 2016 included in the published interim report of the Company for the six months ended 30 September 2016.
- (2) The estimated net proceeds from the Rights Issue of approximately HK\$290,459,000 are calculated based on 2,390,312,650 Rights Shares to be issued at the Subscription Price of HK\$0.126 per Rights Share and after deduction of the estimated related expenses, including among others, underwriting commission, financial advisory fee and other professional fees, which are directly attributable to the Rights Issue, of approximately HK\$10,720,000.
- (3) The calculation of the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2016 per Share is determined based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company of HK\$110,173,000 divided by the number of shares in issue of 2,390,312,650 as at 30 September 2016.
- (4) The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2016 immediately after the completion of the Rights Issue per Share has been arrived at on the basis that 4,780,625,300 Shares, which represent 2,390,312,650 Shares in issue as at 30 September 2016 and 2,390,312,650 Rights Shares to be allotted and issued pursuant to the Rights Issue, were in issue assuming that the Rights Issue had been completed on 30 September 2016.
- (5) No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 30 September 2016.

The following is the text of the independent reporting accountants' assurance report dated 16 February 2017, prepared for the sole purpose of inclusion in this Prospectus, received from the independent reporting accountants, Deloitte Touche Tohmatsu, in respect of the unaudited Pro Forma Financial Information of the Group.

Deloitte.**德勤**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL INFORMATION
TO THE DIRECTORS OF TACK FIORI INTERNATIONAL GROUP LIMITED**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Tack Fiori International Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company as at 30 September 2016 and related notes as set out on pages 33 to 34 of the prospectus issued by the Company dated 16 February 2017 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described on pages 33 to 34 of the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the rights issue on the basis of one rights share for every one share held on the Record Date (as defined in the Prospectus) at a subscription price of HK\$0.126 per rights share (the "Rights Issue") on the Group's consolidated net tangible assets attributable to owners of the Company as at 30 September 2016 as if the Rights Issue had taken place on 30 September 2016. As part of this process, information about the Group's consolidated net tangible assets has been extracted by the Directors from the Group's unaudited condensed consolidated financial statements for the six months ended 30 September 2016, on which no auditor's report or review conclusion has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Prospectus" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 September 2016 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors

in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related unaudited pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
16 February 2017

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

(i) Share capital as at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>50,000,000,000</u>	Shares	<u>500,000,000</u>
<i>Issued and fully paid:</i>		
<u>2,390,312,650</u>	Shares	<u>23,903,126.5</u>

(ii) Share capital upon completion of the Rights Issue

<i>Authorised:</i>		<i>HK\$</i>
<u>50,000,000,000</u>	Shares	<u>500,000,000</u>
<i>Issued and fully paid:</i>		
2,390,312,650	Shares	23,903,126.5
<u>2,390,312,650</u>	Rights Shares allotted and issued under the Rights Issue	<u>23,903,126.5</u>
<u>4,780,625,300</u>	Shares in issue immediately upon completion of the Rights Issue	<u>47,806,253</u>

All the Rights Shares to be issued will rank *pari passu* in all respect with each other, including, in particular, as to dividends, voting rights and capital, and once issued and fully paid, with all the Shares in issue as at the date of allotment and issue of the Rights Shares.

The Company has applied to the Listing Committee for the listing of and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in

on any other stock exchange. As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived. As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

3. DIRECTORS' INTERESTS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at the Latest Practicable Date, the interests and short positions of the Directors in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) pursuant to the Model Code of Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) contained in Appendix 10 to the Listing Rules to be notified to the Company and the Stock Exchange were as follows:

Long position in the Shares

Name of Director	Capacity	Number of Shares held	Approximate % of the issued share capital of the Company
Mr. Hua Yunbo ^(Note)	Interest of controlled corporation	319,688,000	13.37%
Ms. Shan Hua ^(Note)	Interest of controlled corporation	319,688,000	13.37%

Note: These interests are held by Powerful Software which is owned as to 65% and 35% by Merry Cycle Enterprises Limited and Gorgeous Moment Holdings Limited respectively. Merry Cycle Enterprises Limited is wholly-owned by Mr. Hua Yunbo while Gorgeous Moment Holdings Limited is wholly-owned by Ms. Shan Hua. Mr. Hua Yunbo and Ms. Shan Hua are therefore deemed to be interested in the Shares held by Powerful Software.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

4. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS

- (i) None of the Directors had any direct or indirect interest in any assets which had been, since 31 March 2016 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired, disposed of by, or leased to, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and
- (ii) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which is significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, there were no existing or proposed service contracts between the Directors and any member of the Group which were not determinable by the Group within one year without payment of compensation, other than statutory compensation.

6. SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, so far as was known to the Directors, the persons (other than a director or chief executive of the Company) who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO were as follows:

(a) Interest in the Shares

Name	Capacity	Number of Shares interested in	Approximate percentage of interest
Powerful Software (<i>Note 1</i>)	Beneficial owner	319,688,000	13.37%
Wang Liang (<i>Note 2</i>)	Interest of controlled corporation	304,610,860	12.74%
Cherrie Holdings Limited (<i>Note 2</i>)	Beneficial owner	304,610,860	12.74%
Emperor Capital Group Limited (<i>Note 3</i>)	Interest of controlled corporation	2,070,624,650	43.31%
Albert Yeung Holdings Limited (<i>Note 4</i>)	Interest of controlled corporation	2,070,624,650	43.31%
STC International Limited (<i>Note 5</i>)	Trustee	2,070,624,650	43.31%
Dr. Yeung Sau Shing, Albert (<i>Note 6</i>)	Founder of discretionary trust	2,070,624,650	43.31%
Luk Siu Man, Semon (<i>Note 7</i>)	Interest of spouse	2,070,624,650	43.31%

Notes:

1. Powerful Software is owned as to 65% and 35% by Merry Cycle Enterprises Limited and Gorgeous Moment Holdings Limited respectively. Merry Cycle Enterprises Limited is wholly-owned by Mr. Hua Yunbo while Gorgeous Moment Holdings Limited is wholly-owned by Ms. Shan Hua.
2. Cherrie Holdings Limited is wholly-owned by Wang Liang.
3. Emperor Capital Group Limited was a controlling shareholder of Emperor Securities Limited.
4. Albert Yeung Holdings Limited was a controlling shareholder of Emperor Capital Group Limited.
5. STC International Limited was the trustee of the Albert Yeung Discretionary Trust and a controlling shareholder of Albert Yeung Holdings Limited.
6. Dr. Yeung Sau Shing, Albert was the founder of the Albert Yeung Discretionary Trust.
7. Luk Siu Man, Semon was the spouse of Dr. Yeung Sau Shing, Albert.

(b) Interest in the equity interest of other members of the Group

Other members of the Group	Name of Shareholder	Percentage of shareholding
LifeHealthcare (Hangzhou) Co., Ltd.* (杭州蓮和醫學檢驗所有限公司)	Manrui Biotech	40%

Save as disclosed above, as at Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or, who is, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group.

7. LITIGATION

As at the Latest Practicable Date, there were no litigation or claims of material importance, known to the Directors, pending or threatened against any member of the Group.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within the two years immediately preceding and including the Latest Practicable Date and were or might be material:

1. a sale and purchase agreement dated 18 November 2015 between Master Goal Holdings Limited (a wholly-owned subsidiary of the Company, as purchaser), BJ Tianya (as target company) and 北京網秦天下科技有限公司 (as vendor) in relation to the acquisition of the entire equity interest in BJ Tianya at a consideration of US\$40,000,000. The agreement was terminated on 15 December 2015;
2. a placing and subscription agreement dated 21 December 2015 between Mr. Feng Xiaogang, a Director (as vendor), the Company (as issuer) and Haitong International Securities Company Limited (as placing agent) pursuant to which Mr. Feng has, inter alia, conditionally agreed to subscribe up to 85,000,000 new Shares, at the price of HK\$1.90 per share. On 4 January 2016, the Directors decided not to proceed with the proposed subscription;
3. an agreement dated 18 February 2016 between Tack Fiori International Group Limited (a wholly-owned subsidiary of the Company, as vendor) and Mr. Hua Tao (as purchaser) for disposal of the entire issued share capital of Victoria Victor Limited (an indirect wholly-owned subsidiary of the Company). The agreement was terminated on 29 February 2016;
4. a conditional sale and purchase agreement dated 29 February 2016 between Link-Hospital International Limited (“LHIL”, a wholly-owned subsidiary of the Company, as purchaser), Mr. Li Guanghui (“Mr. Li”) (as vendor) and the Company pursuant to which LHIL or its nominee has conditionally agreed to acquire, and Mr. Li has conditionally agreed to sell, the subject equity, which is between 33% and 55% of the equity interest in 長春吉科生物技術有限公司 at a consideration ranging from approximately RMB81 million to approximately RMB135 million depending on the percentage of equity interest acquired. The agreement was terminated on 19 March 2016;
5. an exclusive cooperation agreement, an exclusive call option agreement, a power of attorney and a share pledge agreement (collectively, the “VIE Agreements”) all dated 5 April 2016 between Beijing Lianhe (a wholly-owned subsidiary of the Company), LifeHealthcare and the two registered shareholders of LifeHealthcare who hold all the equity capital of LifeHealthcare, through which the Group is to provide services to LifeHealthcare and receive services fees accordingly, and pursuant to which Beijing Lianhe has obtained effective control over LifeHealthcare and the right to receive substantially all of LifeHealthcare’s economic benefits. The VIE Agreements were superseded by a new set of agreements dated 10 November 2016;

6. an agreement dated 1 August 2016 between the Company, LifeHealthcare (as purchaser), Manrui Biotech (as target company), Mr. Wang Xiaogang, Hangzhou Yayun Investment Management Company Limited* (杭州雅韵投资管理有限公司) (together with Mr. Wang Xiaogang as sellers) and Super High Global Limited pursuant to which, inter alia, LifeHealthcare conditionally agreed to purchase from the sellers 30% equity interest in Manrui Biotech at a total consideration of RMB60,000,000;
7. a new set of VIE Agreements dated 10 November 2016 between Beijing Lianhe, LifeHealthcare and the two registered shareholders of LifeHealthcare who hold all the equity capital of LifeHealthcare, which superseded the VIE Agreements dated 5 April 2016; and
8. the Underwriting Agreement.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given its opinion, letter or advice which is contained in this Prospectus:

Name	Qualifications
Deloitte Touche Tohmatsu	Certified Public Accountants

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter, advice or report, as the case may be, and reference to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any shareholding in any member of the Group nor any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had been, since 31 March 2016 (the date to which the latest published audited financial statements of the Group were made up), acquired, disposed of by or leased to, or were proposed to be acquired, disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office	Cricket Square, Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands
Principal Office In Hong Kong	Room 2201, 22/F Kwan Chart Tower No. 6 Tonnochy Road Wanchai, Hong Kong
Authorised Representatives	Ms. Shan Hua Room 2201, 22/F Kwan Chart Tower No. 6 Tonnochy Road Wanchai, Hong Kong Mr. Chung Yau Tong Room 2201, 22/F Kwan Chart Tower No. 6 Tonnochy Road Wanchai, Hong Kong
Company Secretary	Mr. Chung Yau Tong (<i>a certified public accountant of the Hong Kong Institute of Certified Public Accountants</i>)
Auditor/Reporting Accountants	Deloitte Touche Tohmatsu 35/F One Pacific Place 88 Queensway Hong Kong
Principal Banker	The Hongkong and Shanghai Banking Corporation Limited
Cayman Islands Principal Share Registrar And Transfer Office	Royal Bank of Canada Trust Company (Cayman) Limited 4th Floor, Royal Bank House 24 Shedden Road, George Town Grand Cayman KY1-1110 Cayman Islands
Hong Kong Branch Share Registrar And Transfer Office	Tricor Tengis Limited Level 22, Hopewell Centre 183 Queen's Road East Hong Kong

Legal Adviser to the Company as to the Rights Issue	<i>as to Hong Kong Law:</i> Vincent T.K. Cheung, Yap & Co 11th Floor, Central Building 1–3 Pedder Street Central Hong Kong
Underwriter	Emperor Securities Limited 23–24/F, Emperor Group Centre 288 Hennessy Road Wanchai Hong Kong
Financial Adviser to the Company as to the Rights Issue	Emperor Capital Limited 28/F, Emperor Group Centre 288 Hennessy Road Wanchai Hong Kong

11. PARTICULARS OF DIRECTORS

Executive Directors

Mr. Hua Yunbo (“**Mr. Hua**”), aged 40, holds a Bachelor degree in computer software from Beijing University. Mr. Hua was appointed as an executive director of the Company, the President of the Company and Chairman of the Board of Directors of the Company in February 2016. He is also a member of the nomination committee of the Company. Mr. Hua has over 15 years experience in medical and healthcare online platform related industry. He was the founder, director and general manager of BJ Tianya.

Ms. Shan Hua (“**Ms. Shan**”), aged 39, holds a Bachelor of Law degree from the SouthWest Jiaotong University and a Master of Civil Procedure Law degree from the SouthWest University of Political Science and Law. Ms. Shan was appointed as an executive director and chief executive officer of the Company in December 2015. She has been a member of the remuneration committee of the Company since February 2016. Ms. Shan has over 10 years experience working as senior management at listed companies. She had worked as senior management in NQ Mobile Inc., a company whose shares are listed on New York Stock Exchange and AsiaInfo-Linkage Inc.

Non-Executive Director

Dr. Feng Xiaogang (“**Dr. Feng**”), aged 51, holds a Bachelor degree in Law from the Tianjin Normal University, a Master degree in Business Administration from the University of Science and Technology Beijing and a Doctor of Philosophy degree in Management from Twintech International University College of Technology. Dr. Feng was appointed as an executive director of the Company in December 2014 and was re-designated as a non-executive director in February 2016. Dr. Feng has extensive

experience in investment and management. Dr. Feng currently acts as an investment consultant for various companies in the PRC and overseas. During the period from 2001 to 2013, he was a senior management of Ambow Education Holding Ltd. (“**Ambow Education**”), a company whose shares are listed on New York Stock Exchange. During the period at Ambow Education, Dr. Feng was involved in various fund raising projects, mergers and acquisitions involving educational institutions in PRC. Prior to joining Ambow Education, Dr. Feng also worked in a PRC government entity and various international companies mainly responsible for investment and business management.

Independent Non-Executive Directors

Mr. Liu Xinghua (“**Mr. Liu**”), aged 60, was appointed as an independent non-executive Director and the chairman of the nomination committee of the Company with effect from 12 September 2016. Mr. Liu is currently a senior management of a fund company. Mr. Liu was with Industrial Bank Co., Ltd. since August 2001 to August 2016, where he held the position of president of Beijing Dongdan sub-branch, Shijingshan Science & Technology Park sub-branch and Fengtai sub-branch. Mr. Liu has approximately 30 years’ experience in the financial services industry. Mr. Liu holds a bachelor degree in Chinese language and literature from Beijing Normal University in the PRC.

Mr. Zhou Jian (“**Mr. Zhou**”), aged 43, was appointed as an independent non-executive Director, the chairman of the remuneration committee and a member of the audit committee of the Company with effect from 12 September 2016. Mr. Zhou is currently an executive director and the Chief Operating Officer of Yuan Heng Gas Holdings Limited (Stock code: 332). Mr. Zhou was also a senior manager in the oil storage and distribution divisions of Titan Petrochemicals Group Limited (Stock code: 1192). Mr. Zhou has over 15 years of extensive working experience in the operation and management of companies, and many years working experience of senior management in Hong Kong listed companies, and is familiar with the operation, compliance and governance of Hong Kong listed companies. Mr. Zhou holds a Master’s degree in Economics from the Central University of Finance and Economics, the PRC.

Mr. Zheng Chunlei (“**Mr. Zheng**”), aged 41, holds a Master degree in computer science and technology from Peking University. Mr. Zheng was appointed as an independent non-executive director of the Company in December 2014 and is a member of each of the audit committee and the nomination committee of the Company. Mr. Zheng has over 10 years experience in information technology industry and has extensive experience in management and product development in information technology and mobile game industry.

Ms. Zhang Xuyang (“**Ms. Zhang**”), aged 38, holds a Master degree of management and bachelor degree of economics from Tsinghua University. Ms. Zhang was appointed as an independent non-executive Director, the chairman of audit committee and a member of remuneration committee with effect from 22 August 2016. Ms. Zhang has over 14 years of working experience in auditing, accounting, corporate finance and financial management, in both private and listed companies and also international audit firm.

Business address of the Directors

The business address of the Directors is the same as the Company's principal office in Hong Kong at Room 2201, 22/F., Kwan Chart Tower, No. 6 Tonnochy Road, Wanchai, Hong Kong.

12. EXPENSES

The expenses in connection with the Rights Issue, including underwriting commission, financial advising fees, printing, registration, translation, legal and accounting fees are estimated to be approximately HK\$11 million and are payable by the Company.

13. LEGAL EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed "Expert and Consent" in this Appendix have been registered by the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the head office and principal place of business of the Company in Hong Kong at Room 2201, 22/F, Kwan Chart Tower, No. 6 Tonnochy Road, Wanchai, Hong Kong on any weekday, other than public holidays, up to and including the Latest Time for Acceptance:

- (i) the memorandum of association and the articles of association of the Company;
- (ii) the annual reports of the Company for the two financial years ended 31 March 2015 and 31 March 2016;
- (iii) the independent reporting accountants' assurance report on the unaudited pro forma financial information of the Group issued by Deloitte Touche Tohmatsu set out in Appendix II to this Prospectus;
- (iv) the written consent referred to in the paragraph under the heading "Expert and Consent" in this Appendix;
- (v) the material contracts disclosed in the paragraph under the heading "Material Contracts" in this Appendix; and
- (vi) this Prospectus.

16. GENERAL

In case of inconsistency, the English text of the Prospectus Documents shall prevail over its Chinese text.