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六福集團(國際)有限公司

LUK FOOK HOLDINGS (INTERNATIONAL) LIMITED

(Incorporated in Bermuda with Limited Liability)
Stock Code : 0590

PLACING OF EXISTING SHARES AND SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



On 19 January 2012, the Vendor (being a substantial Shareholder), the Company and the Placing Agent entered into the Agreement pursuant to which the Placing Agent has agreed to place, on a fully underwritten basis, 46,600,000 existing Shares (being the Placing Shares), at the Placing Price (being HK\$29.25 per Placing Share) on behalf of the Vendor.

Under the Agreement, the Vendor has also agreed to subscribe for, and the Company has agreed to allot and issue to the Vendor, the Subscription Shares (equivalent to the total number of the Placing Shares placed to and purchased by the Placees) at the Subscription Price (which is equivalent to the Placing Price, being HK\$29.25 per Subscription Share). The Subscription Completion shall take place on the second Business Day after the date upon which the last of conditions set out under the paragraph headed “Conditions of Subscription” have been satisfied, provided that it shall take place on a date no later than a date falling 14 days after the date of the Agreement (or such other time and/or date the Company and the Vendor may agree in writing).

The Placing Shares represent (i) approximately 8.6% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.9% of the issued share capital of the Company as enlarged by the allotment and issue of 46,600,000 Subscription Shares.

The Subscription Price is equivalent to the Placing Price, which represents (i) a discount of approximately 9.6% to the closing price of HK\$32.35 per Share as quoted on the Stock Exchange on 19 January 2012, being the date of the Agreement; (ii) a discount of approximately 7.8% to the average closing price of HK\$31.74 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 19 January 2012; and (iii) a discount of approximately 4.4% to the average closing price of HK\$30.59 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 19 January 2012.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

It is expected that the net proceeds from the Subscription of 46,600,000 Subscription Shares will amount to approximately HK\$1,341 million. The net proceeds from the Subscription will primarily be used for the purchase of inventory, expansion and other general corporate purposes.

THE AGREEMENT

Date

19 January 2012

Parties:

(1) The Company

(2) The Vendor:

Luk Fook (Control) Limited, being a substantial Shareholder, and company in which the Directors Mr. WONG Wai Sheung, Mr. TSE Moon Chuen, Mr. CHAN Wai and Mr. WONG Koon Cheung, together with their associates, collectively control over one-half of the voting shares. As at the date of this announcement, the Vendor is interested in 234,185,672 Shares, representing approximately 43.17% of the issued share capital of the Company as at the date of this announcement.

(3) The Placing Agent:

Goldman Sachs (Asia) L.L.C. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are third parties independent of both the Group and any connected persons (as defined in the Listing Rules) of the Group.

I. The Placing

Number of Placing Shares:

The Placing Shares shall be 46,600,000 existing Shares owned by the Vendor, representing (i) approximately 8.6% of the issued share capital of Company as at the date of this announcement; and (ii) approximately 7.9% of the issued share capital of the Company as enlarged by the allotment and issue of 46,600,000 Subscription Shares. The Placing Shares are to be placed by the Placing Agent on a fully underwritten basis.

Placees:

It is expected that there will be not less than six Placees selected and procured by or on behalf of the Placing Agent.

It is expected that the Placees (and their respective ultimate beneficial owner(s), if applicable) will be third parties independent of the Group and its connected persons (as defined in the Listing Rules), and that no Placee will become a substantial Shareholder immediately after completion of the Placing and the Subscription.

Placing Price:

The Placing Price is HK\$29.25 per Placing Share (exclusive of brokerage, stamp duty, Stock Exchange trading fee and SFC transaction levy). After deducting the commission, professional fees and other expenses incurred by the Company (or in respect of which the Company is liable for) in relation to the Placing and Subscription, the net proceeds from the Subscription are expected to amount to approximately HK\$1,341 million, and the net Placing Price per Placing Share amounts to approximately HK\$28.78.

The Placing Price has been arrived at after arm's length negotiations among the Company, the Vendor and the Placing Agent. The Placing Price represents (i) a discount of approximately 9.6% to the closing price of HK\$32.35 per Share as quoted on the Stock Exchange on 19 January 2012, being the date of the Agreement; (ii) a discount of approximately 7.8% to the average closing price of HK\$31.74 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 19 January 2012; and (iii) a discount of approximately 4.4% to the average closing price of HK\$30.59 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 19 January 2012.

Placing Completion:

The Placing Completion shall take place on the second Stock Exchange Trading Day after the Transaction Date.

II. The Subscription

Number of Subscription Shares:

The Subscription Shares shall be 46,600,000 new Shares, which is equivalent to the Placing Shares. The 46,600,000 Subscription Shares represent (i) approximately 8.6% of the issued share capital of Company as at the date of this announcement; and (ii) approximately 7.9% of the issued share capital of the Company as enlarged by the allotment and issue of 46,600,000 Subscription Shares. The aggregate nominal value of the 46,600,000 Subscription Shares amounts to HK\$4,660,000.

Subscription price:

HK\$29.25 per Subscription Share, which is the same as the Placing Price.

Ranking:

The Subscription Shares shall, when fully paid, rank pari passu in all respects with the other Shares in issue or to be issued by the Company on or after the date of its allotment, including the rights to all dividends and other distributions declared, made or paid at any time after the date of allotment.

Subscription Completion:

Subject to the fulfilment of the conditions for the Subscription as set out below, the Subscription Completion shall take place on the second Business Day after the date upon which the last of the conditions has been satisfied, provided that it shall take place on a date no later than a date falling 14 days after the date of the Agreement (or such other time and/or date as the Vendor and the Company may agree in writing).

Conditions for the Subscription:

Completion of the Subscription is conditional on:

- (a) the Stock Exchange granting the listing of and permission to deal in the Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of the definitive share certificate(s) representing the Subscription Shares);
- (b) the executive director of the corporate finance division of the SFC or any delegate of such executive director granting a waiver from the obligations on the part of the Vendor and parties acting in concert with it to make a mandatory general offer under Rule 26 of the Takeovers Code for all securities of the Company other than those already owned or agreed to be acquired by the Vendor and parties acting in concert with it as a result of the allotment and issue of the Subscription Shares;
- (c) (if required) the Bermuda Monetary Authority granting permission to the Company to allot and issue the Subscription Shares; and
- (d) the Placing Completion having occurred pursuant to the terms of the Agreement.

If the conditions set out above are not fulfilled within 14 days after the date of the Agreement (or such later date as may be agreed between the Company and the Vendor), the obligations and liabilities of the Vendor and the Company under the Subscription shall be null and void and neither the Company nor the Vendor shall have any claim against the other for costs, damages, compensation or otherwise, provided that the Company shall reimburse the Vendor any legal fees and out-of-pocket expenses which the Vendor shall be obliged to pay in connection with the Placing and Subscription.

Expenses:

The Company, Vendor and Placing Agent shall each be liable for the costs and expenses of its own legal and other professional advisors and out-of-pocket expenses incurred in connection with the Placing and the Subscription, provided that the Company shall be liable for its and the Vendor's costs and expenses of legal and other professional advisers and out-of-pocket expenses incurred in connection with the Placing and the Subscription (including the commissions and expenses payable to the Placing Agent).

Lock-up:

The Vendor has undertaken to the Placing Agent that (except for the sale of the Placing Shares pursuant to the Agreement) for the period commencing on the date of the Agreement and ending on and including the date that is 90 days after the date of the Placing Completion, it will not and will procure that none of its nominees and companies controlled by it and trusts associated with it (whether individually or together and whether directly or indirectly) will (without the prior written consent of the Placing Agent): (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares (including the Subscription Shares) or any interests therein beneficially owned or held by the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests; or (ii) enter into any swap, option, derivative or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares; or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise.

The Company has undertaken to the Placing Agent, and the Vendor has undertaken to the Placing Agent to procure, that for the period commencing on the date of the Agreement and ending on and including the date that is 90 days after the date of the Placing Completion, the Company will not (without the prior written consent of the Placing Agent), except for the Subscription Shares and save pursuant to bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its articles of association: (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share(s) or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to Shares or

interest in Shares; (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above; or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

Termination:

Notwithstanding anything contained in the Agreement, if at any time prior to 9:00 a.m. on the date of Placing Completion:

- (i) there develops, occurs or comes into force:
 - (a) any new Law or any change or development involving a prospective change in existing Laws in any relevant jurisdiction which in the reasonable opinion of the Placing Agent has or is likely to have a material adverse effect on the financial position of the Company and/or of the Group as a whole; or
 - (b) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the opinion of the Placing Agent is or would be materially adverse to the success of the Placing; or
 - (c) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the sole judgement of the Placing Agent is or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (d) a general moratorium on commercial banking activities in Hong Kong, the PRC, the European Union (or any member thereof) or New York declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in Hong Kong, the PRC, the European Union (or any member thereof) or the U.S.; or
 - (e) a change or development involving a prospective change in Taxation which constitutes a material adverse effect on the Group as a whole, the Placing Shares and/or the transfer thereof; or
 - (f) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong, the PRC, the European Union (or any member thereof) or the U.S. or the declaration by Hong Kong, the PRC, the European Union (or any member thereof) or the U.S. of a national emergency or war; or
 - (g) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing and the Subscription); or

- (h) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the date of the Placing Completion; or
- (ii) any breach of any of the representations, warranties and undertakings by the Company and/or the Vendor comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Agreement and prior to the date of the Placing Completion which if it had occurred or arisen before the date of the Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect in any respect and any such breach or failure is material or (in the opinion of the Placing Agent) is or would materially and adversely affect the financial position or business of the Company and/or of the Group as a whole or is or would be materially adverse to the success of the Placing, or there has been a breach of, or failure to perform, any other provision of the Agreement on the part of the Vendor and/or the Company; or
- (iii) there is any such adverse change, or development involving a prospective adverse change in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Company and/or of the Group as a whole which in the opinion of the Placing Agent is materially adverse to the success of the Placing;

then, in any such case, the Placing Agent may terminate the Agreement without liability to the Vendor and the Company by giving notice in writing to the Vendor and the Company, which notice may be given at any time prior to 9:00 a.m. on the date of the Placing Completion.

GENERAL MANDATE TO ISSUE THE SUBSCRIPTION SHARES

The Subscription Shares will be allotted and issued under the general mandate (the “**General Mandate**”) granted to the Directors by a resolution of the Shareholders to issue up to 108,501,570 Shares passed at the annual general meeting of the Company held on 29 August 2011. The Subscription will therefore not subject to the Shareholders' approval. As at the date of this announcement, the General Mandate has not been utilized.

SHAREHOLDING STRUCTURE

Assuming the Placees do not hold any Shares immediately before the Placing Completion and there is no other change in the shareholding of the Company after the date of this announcement, the shareholding structure of the Company immediately before and after the Placing Completion and the Subscription Completion are as follows:

Name of Shareholder	Note	Shareholding as at the date of this announcement		Shareholding immediately after the Placing Completion but before the Subscription Completion		Shareholding immediately after the Placing Completion and the Subscription Completion	
		Number	(Approx. %)	Number	(Approx. %)	Number	(Approx. %)
The Vendor	1	234,185,672	43.17%	187,585,672	34.58%	234,185,672	39.75%
Dragon King Investment Ltd.	2	8,634,504	1.59%	8,634,504	1.59%	8,634,504	1.47%
Kwai Kee Cheung Jewellery & Goldsmith Company Limited	3	1,511,050	0.28%	1,511,050	0.28%	1,511,050	0.26%
Wong Wai Sheung	4	3,968,561	0.73%	3,968,561	0.73%	3,968,561	0.67%
Luk Chui Yee	5	290,000	0.05%	290,000	0.05%	290,000	0.05%
Lee Shu Kuan (deceased)		6,370,229	1.17%	6,370,229	1.17%	6,370,229	1.08%
Wah Hang Kimon Investments Limited	6	630,624	0.12%	630,624	0.12%	630,624	0.11%
Wah Hang Kimon Holdings Limited	7	1,956,000	0.36%	1,956,000	0.36%	1,956,000	0.33%
Tse Moon Chuen	4	247,344	0.05%	247,344	0.05%	247,344	0.04%
Wong Koon Cheung	4	2,678,090	0.49%	2,678,090	0.49%	2,678,090	0.45%
Chan Wai	4	3,849,022	0.71%	3,849,022	0.71%	3,849,022	0.65%
Wong Ho Lung, Danny	4	370,000	0.07%	370,000	0.07%	370,000	0.06%
Wong Lan Sze, Nancy	4	209,000	0.04%	209,000	0.04%	209,000	0.04%
Li Hon Hung	4	682,437	0.13%	682,437	0.13%	682,437	0.12%
Wong Hau Yeung	4	50,000	0.01%	50,000	0.01%	50,000	0.01%
Chung Vai Ping	4	309,865	0.06%	309,865	0.06%	309,865	0.05%
Placees		—	0.00%	46,600,000	8.59%	46,600,000	7.91%
Other public Shareholders		<u>276,565,452</u>	<u>50.98%</u>	<u>276,565,452</u>	<u>50.98%</u>	<u>276,565,452</u>	<u>46.95%</u>
Total		<u>542,507,850</u>	<u>100.00%</u>	<u>542,507,850</u>	<u>100.00%</u>	<u>589,107,850</u>	<u>100.00%</u>

Notes:

1. Mr. WONG Wai Sheung, Mr. TSE Moon Chuen, Mr. CHAN Wai and Mr. WONG Koon Cheung, the Directors, and together with their associates collectively controlled over one-half of the voting power of Luk Fook (Control) Limited.
2. Mr. WONG Wai Sheung, Mr. TSE Moon Chuen, Mr. CHAN Wai and Mr. WONG Koon Cheung, the Directors, and together with their associates collectively controlled over one-third of the voting power of Dragon King Investment Ltd.
3. Mr. WONG Wai Sheung, Ms. LUK Chui Yee, Mr. WONG Ho Lung, Danny and Miss WONG Lan Sze, Nancy are discretionary beneficiaries of the WONG's Family Trust (the "Trust"). The Trust was the beneficial owner of the entire issued share capital of Kwai Kee Cheung Jewellery & Goldsmith Company Limited.
4. Mr. WONG Wai Sheung, Mr. TSE Moon Chuen, Mr. WONG Koon Cheung, Mr. CHAN Wai, Mr. WONG Ho Lung, Danny, Miss WONG Lan Sze, Nancy, Mr. LI Hon Hung, Miss WONG Hau Yeung and Miss CHUNG Vai Ping are Directors.

5. Ms. LUK Chui Yee is the spouse of Mr. WONG Wai Sheung, the Director.
6. Mr. LEE Shu Kuan, (deceased, former Director), held 33.3% of the entire issued share capital of Wah Hang Kimon Investments Limited.
7. Mr. LEE Shu Kuan, (deceased, former Director), held 51% of the entire issued share capital of Wah Hang Kimon Holdings Limited.

REASONS FOR THE PLACING AND SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in the retailing and wholesaling of gold jewellery and gold ornaments, gem-set jewellery and gemstones, and other accessory items. The Board believes that the Placing and the Subscription will enhance the capital and shareholders' base of the Company thereby increasing the liquidity of the Shares.

It is expected that the net proceeds from the Subscription of 46,600,000 Subscription Shares will amount to approximately HK\$1,341 million. The net proceeds from the Subscription will primarily be used for the purchase of inventory, expansion and other general corporate purposes.

The Directors consider the terms of the Placing and the Subscription (including the Placing Price and the Subscription Price) are fair and reasonable, on normal commercial terms and believe that the Placing and the Subscription are in the best interests of the Company and the Shareholders.

EQUITY FUND-RAISING CONDUCTED IN THE 12-MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

The Company had not carried out other fund-raising activities during the 12 months immediately preceding the date of this announcement.

APPLICATION FOR LISTING

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in the Subscription Shares.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meaning ascribed to them below:

“Agreement” the placing and subscription agreement dated 19 January 2012 entered into by the Company, the Vendor and the Placing Agent in relation to the Placing and the Subscription

“Authority”	any administrative, governmental or regulatory commission, board, body, organisation, authority or agency, or any stock exchange, self-regulatory organisation or other non-governmental regulatory commission, board, body, authority or agency, or any court, tribunal or arbitrator, in each case whether international, national, central, federal, provincial, state, regional, municipal, local, domestic or foreign
“Board”	the board of Directors for the time being
“Business Day”	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong
“CCASS”	the Central Clearing and Settlement System operated by Hong Kong Securities Clearing Company Limited
“Company”	Luk Fook Holdings (International) Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Stock Exchange
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong for the time being
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Laws”	any and all international, national, central, federal, provincial, state, regional, municipal, local, domestic or foreign laws (including any common law and case law), statutes, ordinances, legal codes, resolutions, regulations, rules (including the Listing Rules), sanctions, orders, judgments, decrees, rulings, opinions, guidelines, measures, notices or circulars of any Authority, including but not limited to those in connection with the Kimberley Process Certification Scheme and/or conflict diamonds
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placees”	any professional, institutional or other investor whom the Placing Agent or its agent(s) has procured to purchase any of the Placing Shares
“Placing”	placing of the Placing Shares pursuant to the Agreement
“Placing Agent”	Goldman Sachs (Asia) L.L.C.

“Placing Completion”	completion of the Placing
“Placing Price”	HK\$29.25 per Placing Share
“Placing Shares”	46,600,000 Shares beneficially owned by the Vendor as at the date of this announcement and to be placed under the Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFC”	the Securities and Futures Commission
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Stock Exchange Trading Day”	means a day (other than a Saturday, Sunday or public holiday) on which (a) the Stock Exchange is opened for trading and settlement business at all times between 9:00 a.m. and 4:00 p.m. and (b) commercial banks in Hong Kong are open for general banking business, in each case without any interruption or suspension
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the Agreement
“Subscription Completion”	completion of the Subscription
“Subscription Price”	HK\$29.25 per Subscription Share
“Subscription Shares”	46,600,000 new Shares to be issued to the Vendor by the Company under the Subscription
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers issued by the SFC
“Taxation”	all forms of taxation whether of Hong Kong or elsewhere in the world whenever imposed and all statutory, governmental, state, provincial, local governmental or municipal impositions, duties and levies and all penalties, charges, costs and interests relating thereto

“Transaction Date”	the date when the sale of the Placing Shares shall be reported as a cross-trade to the Stock Exchange which shall be (i) 20 January 2012; or (ii) if dealings in the Shares on the Stock Exchange are suspended at all times on 20 January 2012, the first day on which dealings resume and the cross-trade can be reported to the Stock Exchange in accordance with its rules, or such other date as the Vendor and the Placing Agent may agree in writing
“U.S.”	the United States of America, its territories and possessions, any state of the United States, and the District of Columbia
“Vendor”	Luk Fook (Control) Limited, a substantial Shareholder and a company in which the Directors Mr. WONG Wai Sheung, Mr. TSE Moon Chuen, Mr. CHAN Wai and Mr. WONG Koon Cheung, collectively control over one-half of the voting shares.

By order of the Board of
Luk Fook Holdings (International) Limited
WONG Wai Sheung
Chief Executive

Hong Kong, 20 January 2012

As at the date of this Announcement, the Company’s executive directors are Mr. WONG Wai Sheung (Chief Executive), Mr. TSE Moon Chuen, Mr. LAW Tim Fuk, Paul, Mr. WONG Ho Lung, Danny, Miss WONG Lan Sze, Nancy, Miss WONG Hau Yeung and Miss CHUNG Vai Ping; the non-executive directors are Mr. WONG Koon Cheung, Mr. Chan Wai, Miss YEUNG Po Ling, Pauline, Mr. HUI King Wai, Mr. HUI Chiu Chung, JP and Mr. LI Hon Hung, MH, JP; the independent non-executive directors are Mr. LO Mun Lam, Raymond (Chairman), Mr. TAI Kwok Leung, Alexander, and Mr. IP Shu Kwan, Stephen, GBS, JP.