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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 : 590

**PLACING OF EXISTING SHARES,
SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE
AND
RESUMPTION OF TRADING**

Placing Agent



BOC INTERNATIONAL

On 1 December 2010, 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, 42,000,000 existing Shares (being the Initial Placing Shares), together with the Option (being an upsize option to place for a further 8,000,000 existing Shares, exercisable at the discretion of the Placing Agent), at the Placing Price (being HK\$23.15 per Placing Share) on behalf of the Vendor.

Prior to the publication of this announcement, the Option has been exercised in full by the Placing Agent.

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 (the number of which shall be equivalent to the total number of the Placing Shares and the Option Shares (if any) ultimately placed to and purchased by the Placees) at the Subscription Price (which is equivalent to the Placing Price, being HK\$23.15 per Subscription Share). Since the Placing Agent has exercised the Option, the Subscription Shares shall be 50,000,000 new Shares. 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 for the 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 Initial Placing Shares represent (i) approximately 8.53% of the issued share capital of Company as at the date of this announcement; and (ii) approximately 7.86% of the issued share capital of the Company as enlarged by the allotment and issue of 42,000,000 Subscription Shares.

The Placing Shares represent (i) approximately 10.15% of the issued share capital of Company as at the date of this announcement; and (ii) approximately 9.22% of the issued share capital of the Company as enlarged by the allotment and issue of 50,000,000 Subscription Shares.

The Subscription Price is equivalent to the Placing Price, which represents (i) a discount of approximately 11.98% to the closing price of HK\$26.30 per Share as quoted on the Stock Exchange on 30 November 2010, being the last trading day prior to the date of the Agreement; (ii) a discount of approximately 12.61% to the average closing price of HK\$26.49 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 30 November 2010; and (iii) a discount of approximately 10.20% to the average closing price of HK\$25.78 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 30 November 2010.

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 50,000,000 Subscription Shares will amount to approximately HK\$1,134 million. The net proceeds from the Subscription will be used for (i) opening of new stores in the PRC, Hong Kong, Macau and Singapore; (ii) phase two of factory expansion; (iii) expanding and upgrading the inventory profile in existing and new stores; and (iv) general working capital purposes.

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 1 December 2010 pending the publication of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 2 December 2010.

THE AGREEMENT

Date:

1 December 2010

Parties:

- (1) The Company**
- (2) The Vendor:**

Luk Fook (Control) Limited, being a substantial Shareholder and a company controlled over one-half by Mr. WONG Wai Sheung, Mr. TSE Moon Chuen, Mr. CHAN Wai, Mr. LEE Shu Kuan and Mr. WONG Koon Cheung, the Directors. As at the date of this announcement, the Vendor (together with parties acting in concert with it) is interested in 264,549,538 Shares, representing approximately 53.72% of the issued share capital of the Company as at the date of this announcement.

(3) The Placing Agent:

BOCI Asia Limited. 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 the Group and connected person (as defined in the Listing Rules) of the Group.

I. The Placing

Number of Initial Placing Shares and the Option Shares:

- (i) The Initial Placing Shares: 42,000,000 existing Shares owned by the Vendor, representing (i) approximately 8.53% of the issued share capital of Company as at the date of this announcement; and (ii) approximately 7.86% of the issued share capital of the Company as enlarged by the allotment and issue of 42,000,000 Subscription Shares. The Placing Shares are to be placed by the Placing Agent on a fully underwritten basis.
- (ii) The Option Shares: 8,000,000 Option Shares, which, together with the Initial Placing Shares, representing (i) approximately 10.15% of the issued share capital of Company as at the date of this announcement; and (ii) approximately 9.22% of the issued share capital of the Company as enlarged by the allotment and issue of 50,000,000 Subscription Shares.

Pursuant to the Agreement, the Placing Agent has been granted the Option to place the Option Shares, in addition to the Initial Placing Shares, at the Placing Price. The Placing Agent has exercised the Option in full prior to the publication of this announcement.

Placees:

It is expected that there will be not less than six Placees, who are professional, institutional or other investors 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\$23.15 per Placing Share (exclusive of brokerage, Stock Exchange trading fee, SFC transaction levy and any other expenses incidental to the sale of the Placing Shares as may be payable by the Placees). The net Placing Price per Placing Share amounts to approximately HK\$22.68.

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 11.98% to the closing price of HK\$26.30 per Share as quoted on the Stock Exchange on 30 November 2010, being the last trading day prior to the date of the Agreement; (ii) a discount of approximately 12.61% to the average closing price of HK\$26.49 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 30 November 2010; and (iii) a discount of approximately 10.20% to the average closing price of HK\$25.78 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 30 November 2010.

Placing Completion:

The Placing Completion shall take place at or before 11:00 a.m. on the day which is two Business Day after the Transaction Date (or such date as the Vendor and the Placing Agent may agree in writing).

II. The Subscription

Number of Subscription Shares:

The Option has been exercised in full by the Placing Agent prior to the publication of this announcement. Therefore, the Subscription Shares shall be 50,000,000 new Shares, which is equivalent to the Placing Shares. The 50,000,000 Subscription Shares represent (i) approximately 10.15% of the issued share capital of Company as at the date of this announcement; and (ii) approximately 9.22% of the issued share capital of the Company as enlarged by the allotment and issue of 50,000,000 Subscription Shares. The aggregate nominal value of the 50,000,000 Subscription Shares amounts to HK\$5,000,000.

Subscription price:

HK\$23.15 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 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); and
- (b) 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.

Expenses:

The Company shall be responsible for all costs, expenses and disbursements incurred by the Vendor and itself in connection with the Placing and the Subscription.

Lock-up:

The Vendor has undertaken to the Placing Agent that (except for the sale of the Placing Shares pursuant to the Agreement) for a period of three months from 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 agreement of the Placing Agent, such written agreement not to be unreasonably withheld or delayed): (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 any of them (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 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 a period of three months from the date of the Placing Completion, the Company will not (without the prior written agreement of the Placing Agent, such written agreement not to be unreasonably withheld or delayed), except for the Subscription Shares: (i) allot, issue, offer to allot or issue, grant any option, right or warrant to subscribe, offer, pledge, charge, 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, lend

or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share or any interests therein or any securities convertible into or exercisable or exchangeable for any such Shares of the Company; or (ii) enter into any swap or similar agreement that transfers to another, in whole or in part, the economic risk of ownership of such Shares of the Company; 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.

Termination:

Notwithstanding anything contained in the Agreement, if at any time prior to 11:00 a.m. on the date of Placing Completion:

- (i) there shall develop, occur, exist or come into effect:
 - (a) any new law or regulation or any change in existing laws or regulations which in the opinion of the Placing Agent has or may be or is likely to have a material adverse effect on the financial position of the Group as a whole; or
 - (b) any significant change (whether or not permanent) in local, national or international political, military, economic, financial, or market (including stock market) conditions which in the opinion of the Placing Agent is or may be or is likely to be materially adverse to the success of the Placing; or
 - (c) any change (whether or not permanent) in local, national or international financial, political, economic conditions, financial, banking, capital markets, currency exchange rates, credit default swap prices, secondary bond prices, exchange controls, or the occurrence of any event or series of events outside of the Placing Agent's control, in each case, which in the opinion of the Placing Agent is or may be or is likely to materially prejudice the success of the Placing or distribution of the Placing Shares or dealings in the Placing Shares in the secondary market, or makes it impracticable or inadvisable or inexpedient to proceed with the Placing; or
 - (d) any event or series of events (whether or not permanent) in the nature of force majeure (including, without limitation, acts of government, labour disputes strikes, lock-outs, riots, public disorder, fire, explosion, flooding, civil commotion, acts of war, acts of God, acts of terrorism, outbreak of diseases or epidemics, interruption or delay in transportation, economic sanction and any local, national, regional or international outbreak or escalation of hostilities, or other state of emergency or calamity or crisis), in each case, which in the opinion of the Placing Agent is or may be or is likely to materially prejudice the success of the Placing or distribution of the Placing Shares or dealings in the Placing Shares in the secondary market, or makes it impracticable or inadvisable or inexpedient to proceed with the Placing; or
 - (e) trading generally having been suspended or materially limited on, or by, the stock exchanges of New York, London, Hong Kong and the PRC;

- (f) trading of any securities of the Company being suspended on any exchange for a period exceeding five Business Days (other than as a result of the Placing or the Subscription);
- (g) a material disruption in securities settlement, payment or clearance services in the United States, London, Hong Kong or the PRC; or
- (h) any moratorium on commercial banking activities declared by any Federal or New York State, London, Hong Kong or the PRC authorities; or
- (ii) there is any material breach of any of the representations, warranties and undertakings by the Vendor or the Company set out under the Agreement which comes to the knowledge of the Placing Agent or any event occurring or any matter arising 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 undertaking untrue in any material respect in such a manner as in the opinion of the Placing Agent is or may be or is likely to materially and adversely affect the financial position or business of the Group as a whole or there has been a breach of, or failure to perform, any other provision of this Agreement on the part of the Vendor or the Company; or
- (iii) there is any such material adverse change in the general affairs, management, business, shareholders' equity or in the financial or trading position of the Group as a whole which in the opinion of the Placing Agent is or may be or is likely to be materially adverse to the success of the Placing;

then, in any such case, the Placing Agent may terminate this 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 11:00 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 98,501,570 Shares passed at the annual general meeting of the Company held on 31 August 2010. 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 of Shares	% of shareholding (approximate)	Number of Shares	% of shareholding (approximate)	Number of Shares	% of shareholding (approximate)
The Vendor	1	234,185,672	47.55%	184,185,672	37.40%	234,185,672	43.17%
Dragon King Investment Ltd.	2	10,634,504	2.16%	10,634,504	2.16%	10,634,504	1.96%
Kwai Kee Cheung Jewellery & Goldsmith Company Limited	3	1,511,050	0.31%	1,511,050	0.31%	1,511,050	0.28%
Wong Wai Sheung	4	8,005,232	1.63%	8,005,232	1.63%	8,005,232	1.47%
Luk Chui Yee	5	220,000	0.04%	220,000	0.04%	220,000	0.04%
Wah Hang Kimon Investments Limited	6	630,624	0.13%	630,624	0.13%	630,624	0.12%
Wah Hang Kimon Holdings Limited	7	1,956,000	0.40%	1,956,000	0.40%	1,956,000	0.36%
Tse Moon Chuen	4	357,344	0.07%	357,344	0.07%	357,344	0.07%
Wong Koon Cheung	4	2,678,090	0.54%	2,678,090	0.54%	2,678,090	0.49%
Chan Wai	4	3,799,022	0.77%	3,799,022	0.77%	3,799,022	0.70%
Wong Ho Lung, Danny	4	380,000	0.08%	380,000	0.08%	380,000	0.07%
Wong Lan Sze, Nancy	4	192,000	0.04%	192,000	0.04%	192,000	0.03%
Placees		–	–	50,000,000	10.15%	50,000,000	9.22%
Other public Shareholders		227,958,312	46.28%	227,958,312	46.28%	227,958,312	42.02%
Total		492,507,850	100.00%	492,507,850	100.00%	542,507,850	100.00%

Notes:

1. Mr. WONG Wai Sheung, Mr. TSE Moon Chuen, Mr. CHAN Wai, Mr. LEE, Shu Kuan 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, Mr. LEE Shu Kuan 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 and Miss. WONG Lan Sze, Nancy are Directors.
5. Ms. LUK Chui Yee is the spouse of Mr. WONG Wai Sheung, the Director.
6. Mr. LEE Shu Kuan, the Director, held 33.3% of the entire issued share capital of Wah Hang Kimon Investments Limited.
7. Mr. LEE Shu Kuan, the 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 represent a good opportunity to raise additional capital for future business development of the Group as they 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 50,000,000 Subscription Shares will amount to approximately HK\$1,134 million. The net proceeds from the Subscription will be used for (i) opening of new stores in the PRC, Hong Kong, Macau and Singapore; (ii) phase two of factory expansion; (iii) expanding and upgrading the inventory profile in existing and new stores; and (iv) general working capital 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 interest 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.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:30 a.m. on 1 December 2010 pending the publication of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 2 December 2010.

DEFINITIONS

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

“Agreement”	the share placing and subscription agreement dated 1 December 2010 entered into by the Company, the Vendor and the Placing Agent in relation to the Placing and the Subscription
“Board”	the board of Directors for the time being
“Business Day”	any trading day for the Stock Exchange
“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
“Initial Placing Shares”	42,000,000 Shares beneficially owned by the Vendor as at the date of this announcement and to be placed under the Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Option”	the upside option for the Placing Agent to place a further 8,000,000 existing Shares held by the Vendor at the same price for the Initial Placing Shares
“Option Shares”	up to 8,000,000 Shares beneficially owned by the Vendor and to be placed by the Placing Agent upon the exercise of the Option

“Placees”	any person (s) or entity(ies) 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”	BOCI Asia Limited
“Placing Completion”	completion of the Placing
“Placing Price”	HK\$23.15 per Placing Share
“Placing Shares”	the Initial Placing Shares and the Option Shares placed by the Placing Agent 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 the Taiwan
“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
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the Agreement
“Subscription Completion”	completion of the Subscription
“Subscription Price”	HK\$23.15 per Subscription Share
“Subscription Shares”	new Shares to be subscribed by the Vendor in such number as shall be equivalent to the number of the Placing Shares placed by the Placing Agent under the Agreement
“Transaction Date”	(i) the first Business Day after the date of the Agreement or; (ii) where dealings in the Shares on the Stock Exchange are suspended, the first day on which dealings resume, or (iii) such other date as the Vendor and the Placing Agent may agree in writing

“Vendor”

Luk Fook (Control) Limited, a substantial Shareholder and a company controlled over one-half by Mr. WONG Wai Sheung, Mr. TSE Moon Chuen, Mr. CHAN Wai, Mr. LEE Shu Kuan and Mr. WONG Koon Cheung, the Directors.

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

Hong Kong, 1 December 2010

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. LAU Kwok Sum, Mr. WONG Ho Lung, Danny, and Miss WONG Lan Sze, Nancy; the non-executive directors are Mr. WONG Koon Cheung, Mr. CHAN Wai, Mr. LEE Shu Kuan, Ms. YEUNG Po Ling, Pauline and Mr. HUI King Wai; the independent non-executive directors are Mr. HUI Chiu Chung, Mr. LO Mun Lam, Raymond (Chairman), and Mr. TAI Kwok Leung, Alexander.