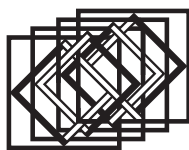


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



PAK TAK INTERNATIONAL LIMITED

(百 德 國 際 有 限 公 司)*

(incorporated in Bermuda with limited liability)

(Stock Code: 2668)

DISCLOSEABLE TRANSACTION IN RELATION TO FINANCE LEASE AGREEMENT

The Board is pleased to announce that on 23 January 2017 (after trading hours), the Lessor, a direct wholly-owned subsidiary of the Company, and the Lessee entered into the Finance Lease Agreement, pursuant to which the Lessor has agreed, among other things, to (i) purchase the Leased Assets from the Lessee at a consideration of RMB43,055,000 (equivalent to approximately HK\$48,652,000), and (ii) lease back the Leased Assets to the Lessee for a period of 36 months with an aggregate lease payments of approximately RMB48,855,000 (equivalent to approximately HK\$55,206,000), which is to be payable by the Lessee to the Lessor on a quarterly basis.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Finance Lease Arrangement contemplated under the Finance Lease Agreement are more than 5% but less than 25%, the Finance Lease Arrangement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the requirements of notification and announcement under Chapter 14 of the Listing Rules, but is exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

1. INTRODUCTION

The Board is pleased to announce that on 23 January 2017 (after trading hours), the Lessor, a direct wholly-owned subsidiary of the Company, and the Lessee entered into the Finance Lease Agreement, pursuant to which the Lessor has agreed, among other things, to (i) purchase the Leased Assets from the Lessee at a consideration of RMB43,055,000 (equivalent to approximately HK\$48,652,000), and (ii) lease back the Leased Assets to the Lessee for a period of 36 months with an aggregate lease payments of approximately RMB48,855,000 (equivalent to approximately HK\$55,206,000), which is to be payable by the Lessee to the Lessor on a quarterly basis.

* *for identification purpose only*

2. FINANCE LEASE AGREEMENT

The principal terms of the Finance Lease Agreement are set out as follows:

Date

23 January 2017 (after trading hours)

Parties

- (i) the Lessor, as the purchaser and the lessor; and
- (ii) the Lessee, as the seller and the lessee.

(The Lessor and the Lessee shall collectively be referred to as the “**Parties**”.)

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Lessee and its ultimate beneficial owner(s) are third parties independent of and not connected with the Company and its connected persons.

Finance Lease Arrangement

Purchase of the Leased Assets from the Lessee

Pursuant to the Finance Lease Agreement, the Lessee has agreed to sell, and the Lessor has agreed to purchase, the Leased Assets owned by the Lessee at a consideration of RMB43,055,000 (equivalent to approximately HK\$48,652,000) (the “**Purchase Price**”). The Purchase Price was determined after arm’s length negotiations between the Parties with reference to the initial purchase price of the Leased Assets, the book value of which, as at the date of this announcement, is RMB43,055,000 (equivalent to approximately HK\$48,652,000).

The Purchase Price shall be paid by the Lessor to the Lessee within five (5) business days from the date of the Finance Lease Agreement.

Payment of the Purchase Price to be made by the Lessor to the Lessee under the Finance Lease Agreement will be funded by internal resources of the Group and bank borrowing.

Lease back of the Leased Assets by the Lessee

Pursuant to the Finance Lease Agreement, the Leased Assets will then be leased back to Lessee for a period of 36 months.

Lease Payments

The aggregate lease payments (the “**Lease Payments**”) payable by the Lessee to the Lessor under the Finance Lease Agreement shall be approximately RMB48,855,000 (equivalent to approximately HK\$55,206,000), comprising (i) the Purchase Price of RMB43,055,000 (equivalent to approximately HK\$48,652,000), and (ii) an aggregate interest of approximately RMB5,800,000 (equivalent to approximately HK\$6,554,000), payable on a quarterly basis in twelve (12) equal installments during the Leased Period.

The Lease Payments to be made by the Lessee under the Finance Lease Agreement were determined after arm’s length negotiations between the Parties with reference to the prevailing market rates for finance lease of comparable vehicles.

Ownership of the Leased Assets

During the Lease Period, the ownership of the Leased Assets vests in the Lessor pursuant to the Assets Transfer Agreement.

Lessee’s Right to Transfer the Leased Assets

Pursuant to the Finance Lease Agreement, the Lessee may, with the prior consent of the Lessor, transfer any Leased Assets to third party, having (i) notified the Lessor in writing 30 days in advance of such transfer and listed out the details of the vehicle(s) proposed to be transferred, and (ii) settled all the amounts payable under the Finance Lease Agreement.

Lessee’s Right to Repurchase the Leased Assets

Subject to the Lessee having settled all the outstanding Lease Payments and all the amounts payable under the Finance Lease Agreement, the Lessor has agreed to transfer the ownership of the Leased Assets to the Lessee at an agreed nominal consideration of RMB1.00 (equivalent to approximately HK\$1.13) on the date of expiry of the Lease Period.

Early termination of the Finance Lease Agreement

Pursuant to the Finance Lease Agreement, the Lessee is entitled to early termination of the whole or part of the Finance Lease Agreement by submitting a written application to the Lessor 30 days in advance and the Lessor shall review and inform the Lessee on such early termination within one (1) business day upon receipt of such written application.

In the event of early termination the whole or part of the Finance Lease Agreement, the Lessee is required to settle (i) unpaid rent, (ii) unpaid balance of the Purchase Price, (iii) losses incurred by the Lessor as a result of the early termination (if any), (iv) accrued penalties, and (v) any other outstanding amounts.

If the Lessee settles all the foregoing amounts when there is an early termination of the Finance Lease Arrangement, the ownership of the Leased Assets will be vested in the Lessee. However, if the Lessee is unable to settle all the foregoing amounts, the ownership of the Leased Assets will be vested in the Lessor when there is an early termination of the Finance Lease Arrangement.

Security Deposit

Pursuant to the Finance Lease Agreement, a refundable security deposit (the “**Security Deposit**”) of RMB430,550 (equivalent to approximately HK\$487,000) is to be payable by the Lessee to the Lessor within three (3) business days of the Finance Lease Agreement, and to be deductible from the Purchase Price to be paid by the Lessor to the Lessee under the Finance Lease Agreement.

The Lessor is entitled to withhold the Security Deposit if there is any outstanding payment or penalty resulting from any breach caused by the Lessee and thereafter, the Lessee is required to replenish the Security Deposit within five (5) business days. At the expiry of the Lease Period, the Lessor is entitled to deduct the Security Deposit (or any part thereof) for the purpose of offsetting the last installment of the Lease Payments.

Governing laws and validity

The Finance Lease Agreement is governed by the laws of the PRC and came into effect upon the signing by the Parties.

3. INFORMATION ABOUT THE LESSEE

The Lessee is a company established under the laws of the PRC with limited liability. The principal business of the Lessee is, among other things, provision of cars rental services and driver services.

4. INFORMATION ABOUT THE GROUP AND THE LESSOR

The Group is principally engaged in manufacturing, on an OEM basis, and trading of men’s, ladies’ and children’s knit-to-shape garments for export, money lending, and development of new energy business.

The Lessor is a company established under the laws of the PRC with limited liability and is a direct wholly-owned subsidiary of the Company. The principal business of the Lessor is, among other things, provision of financing services to its customers in its ordinary and usual course of business.

5. REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AGREEMENT

The Board is of the view that the Finance Lease Agreement (including the Assets Transfer Agreement) was entered into after arm's length negotiations, in the ordinary and usual course of business of the Lessor. It is expected that the Finance Lease Agreement will generate considerable and stable income for the Group in the next three (3) years as the Group will earn an income of approximately RMB5,800,000 (equivalent to approximately HK\$6,554,000) over the Leased Period. The terms of the Finance Lease Agreement (including the Assets Transfer Agreement) are normal commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In addition, the Board considers that both the Purchase Price and the Lease Payments are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Finance Lease Arrangement contemplated under the Finance Lease Agreement are more than 5% but less than 25%, the Finance Lease Arrangement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the requirements of notification and announcement under Chapter 14 of the Listing Rules, but is exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Assets Transfer Agreement”	the assets transfer agreement dated 23 January 2017 entered into between the Lessor and the Lessee, which has been contained in the Finance Lease Agreement to form part of it, in relation to the transfer of ownership of the Leased Assets from the Lessee to the Lessor
“Board”	the board of Directors
“Company”	Pak Tak International Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Finance Lease Agreement”	the finance lease agreement dated 23 January 2017 entered into between the Lessor and the Lessee in relation to the Finance Lease Arrangement
“Finance Lease Arrangement”	(i) purchase of the Leased Assets by the Lessor from the Lessee, and (ii) lease back of the Leased Assets by the Lessee from the Lessor as contemplated under the Finance Lease Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lease Period”	a period of 36 months commencing from the date on which the Lessee executing the acknowledgement receipt of the Leased Assets
“Leased Assets”	an aggregate of 500 vehicles, as set out in a schedule to the Finance Lease Agreement, and to be leased by the Lessor to the Lessee pursuant to the Finance Lease Agreement
“Lessee”	深圳前海聯動雲汽車租賃有限公司 (Shenzhen Qianhai Liandongyun Car Rental Co., Ltd.*), a company established under the laws of the PRC with limited liability and a third party independent of the Company and its connected persons
“Lessor”	深圳金盛融資租賃有限公司 (Shenzhen Jinsheng Finance Lease Company Limited*), a company established under the laws of the PRC with limited liability, and is a direct wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purposes of this announcement only (unless otherwise indicated) excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan

“Share(s)”	ordinary share(s) of HK\$0.02 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

For the purpose of this announcement and for illustrative purpose only, amounts denominated in RMB in this announcement have been converted into HK\$ at an exchange rate of RMB1.00: HK\$1.13. Such conversions should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

By Order of the Board of
Pak Tak International Limited
Wang Jian
Chairman

Hong Kong, 23 January 2017

As at the date of this announcement, the Board comprises Mr. Wang Jian, Mr. Shang Yong and Ms. Qian Pu as executive Directors, Mr. Law Fei Shing as non-executive Director and Mr. Liu Kam Lung, Mr. Xie Xiaobiao and Mr. Zheng Suijun as independent non-executive Directors.