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PAK TAK INTERNATIONAL LIMITED

(百 德 國 際 有 限 公 司)*

(incorporated in Bermuda with limited liability)

(Stock Code: 2668)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 15 September 2017 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, the Subscription Shares at the Subscription Price.

The Subscription Shares represent (i) 20% of the existing issued share capital of the Company of 1,698,000,000 Shares as at the date of this announcement; and (ii) approximately 16.67% of the enlarged issued share capital of the Company of 2,037,600,000 Shares immediately following the Completion, assuming that there will be no change in the issued share capital of the Company (other than the issue of the Subscription Shares) between the date of this announcement and the Completion.

The gross proceeds and net proceeds to be raised from the Subscription will be HK\$78,108,000 and approximately HK\$78,058,000, respectively. The net price of each Subscription Share will be approximately HK\$0.23. The net proceeds from the Subscription are intended to be applied as follows:

- (i) approximately HK\$50 million for the expansion of the Group's existing businesses including the money lending, leasing business, securities trading and investment, and general trading;
- (ii) approximately HK\$20 million for repayment of loans; and
- (iii) approximately HK\$8 million as general working capital of the Group.

Completion of the Subscription is subject to fulfillment of the conditions precedent set forth in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

* for identification purpose only

INTRODUCTION

The Board is pleased to announce that on 15 September 2017 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue, the Subscription Shares at the Subscription Price.

THE SUBSCRIPTION AGREEMENT

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

Date

15 September 2017 (after trading hours)

Parties:

Issuer : The Company

Subscriber : Tengyue Holding Limited

The Subscriber is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, as at the date of this announcement, the Subscriber and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons.

Subscription Shares

Pursuant to the Subscription Agreement, subject to the fulfilment or waiver (where applicable) of the conditions referred to in the paragraph headed "Conditions Precedent of the Subscription" below, the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to allot and issue 339,600,000 Subscription Shares at the Subscription Price. The aggregate nominal value of the Subscription Shares will be HK\$6,792,000.

The Subscription Shares represent (i) 20% of the existing issued share capital of the Company of 1,698,000,000 Shares as at the date of this announcement; and (ii) approximately 16.67% of the enlarged issued share capital of the Company of 2,037,600,000 Shares immediately following the Completion, assuming that there will be no change in the issued share capital of the Company (other than the issue of the Subscription Shares) between the date of this announcement and the Completion. The Subscription Shares will be allotted and issued under General Mandate.

Subscription Price

The Subscription Price of HK\$0.23 per Subscription Share represents:

1. a discount of approximately 16.36% to the closing price of HK\$0.275 per Share as quoted on the Stock Exchange on 15 September 2017, being the date of the Subscription Agreement; and
2. a discount of approximately 19.01% to the average closing price of approximately HK\$0.284 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to the date of the Subscription Agreement.

The Subscription Price was determined with reference to the prevailing market price of the Shares and was arrived at after arm's length negotiation between the Company and the Subscriber. The Directors consider that the Subscription Price and the terms and condition of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Ranking of the Subscription Shares

The Subscription Shares, when issued and fully paid-up, will rank *pari passu* in all respects among themselves and with the Shares in issue at the date of allotment and issue of the Subscription Shares.

Conditions Precedent of the Subscription

Completion of the Subscription is conditional upon:

1. the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subscription Shares;
2. all necessary corporate approvals and consents and third party consents, including the approval of the Bermuda Monetary Authority to the issue of the Subscription Shares (if necessary) for the transactions contemplated under the Subscription Agreement being obtained on or before the Completion;
3. the Subscriber being satisfied that the warranties set out in the Subscription Agreement are true and accurate in all respects as at the date of the Subscription Agreement and the Completion; and
4. there is no indication from the Stock Exchange that the listing status of the securities of the Company will be revoked by the Stock Exchange as a result of the implementation of the transactions contemplated under the Subscription Agreement.

The Subscription Agreement does not provide for either party to waive any of the above conditions.

Completion

Completion shall take place within 3 Business Days following the satisfaction of all the conditions precedent referred to in the Subscription Agreement (which shall be no later than 6 October 2017 or such later date as may be agreed by all the parties hereto in writing) at the principal place of business of the Company, or other such place as may be agreed between the parties in Hong Kong.

The Subscriber and its associates will become a substantial Shareholder (as defined under the Listing Rules) of the Company immediately after the Completion.

GENERAL MANDATE TO ALLOT AND ISSUE THE SUBSCRIPTION SHARES

The allotment and issue of the Subscription Shares is not subject to the Shareholders' approval. The Subscription Shares will be allotted and issued pursuant to the General Mandate. Under the General Mandate, the Directors are authorised to allot and issue up to 339,600,000 Shares, being 20% of the issued share capital of the Company as at the date of the AGM, which was 1,698,000,000 Shares.

As at the date of this announcement, the Company has not allotted and issued any new Shares under the General Mandate.

APPLICATION FOR LISTING

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

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the date of this announcement, and (ii) immediately after the Completion (assuming there is no change in the share capital of the Company) are set out as below:

Shareholders	As at the date of this announcement		Immediately after the Completion	
	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>	<i>Number of Shares</i>	<i>Approximate % of shareholding</i>
Wang Jian <i>(Note 1)</i>	396,200,000	23.33	396,200,000	19.44
Tai He Financial Group Limited <i>(Note 2)</i>	283,377,950	16.69	283,377,950	13.91
Huang Shilong	212,250,000	12.50	212,250,000	10.42
Subscriber	–	–	339,600,000	16.67
Public Shareholders	806,172,050	47.48	806,172,050	39.56
Total	1,698,000,000	100.00	2,037,600,000	100.00

Note:

1. *Mr. Wang Jian is the substantial Shareholder, chairman, executive Director and chief executive officer of the Company.*
2. *Tai He Financial Group Limited is wholly-owned by Mr. Chua Hwa Por. Accordingly, Mr. Chua is deemed to be interested in all the Shares held by Tai He Financial Group Limited under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).*

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The following is the equity fund raising activity conducted by the Group in the past twelve (12) months immediately preceding the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds	Proposed use of the net proceeds	Actual use of the net proceeds
26 May 2017	Placing of 283,000,000 new shares under general mandate	Approximately HK\$78.4 million	as to (i) approximately HK\$39.2 million for the expansion of the Group's existing businesses including the money lending business, finance leasing business and general trading, and (ii) approximately HK\$39.2 million for the general working capital of the Group and for investments opportunities as may be identified from time to time.	Used as intended except for the HK\$29.2 million had been reallocated for the identified investment as disclosed to the Company's announcement dated 1 August 2017

Save as disclosed herein, the Company has not carried out any equity fund raising activities in the past twelve months proceeding the date of this announcement.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in manufacturing of and trading in garments, money lending, leasing business, general trading and property and securities investment.

The gross proceeds and net proceeds to be raised from the Subscription will be HK\$78,108,000 and approximately HK\$78,058,000, respectively. The net price of each Subscription Share will be approximately HK\$0.23. The net proceeds from the Subscription are intended to be applied as follows:

- (i) approximately HK\$50 million for the expansion of the Group's existing businesses including the money lending, leasing business, securities trading and investment, and general trading;
- (ii) approximately HK\$20 million for repayment of loans; and
- (iii) approximately HK\$8 million as general working capital of the Group.

The Directors are of the view that the Subscription will provide a good opportunity to raise additional funds to broaden the shareholder and capital base, and strengthen the financial position of the Group so as to facilitate the future development of the Group. Accordingly, the Directors consider that the terms of the Subscription Agreement and transactions contemplated thereunder are normal commercial terms, fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

Completion of the Subscription is subject to fulfillment of the conditions precedent set forth in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“AGM”	the annual general meeting of the Company held on 21 July 2017
“Board”	the board of Directors
“Business Day”	any day (not being a Saturday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“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

“Completion”	the completion of the Subscription pursuant to the Subscription Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholder passed at AGM, to allot, issue and deal with up to 339,600,000 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	the 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
“Subscriber”	Tengyue Holding Limited, a company incorporated in Hong Kong with limited liability
“Subscription”	the subscription for the Subscription Shares by the Subscriber pursuant to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 15 September 2017 entered into between the Company and the Subscriber

“Subscription Price”	HK\$0.23 per Subscription Share
“Subscription Share(s)”	339,600,000 new Shares to be issued by the Company, credited as fully paid up, to the Subscriber
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board of
Pak Tak International Limited
Wang Jian
Chairman and Chief Executive Officer

Hong Kong, 15 September 2017

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