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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)

DISCLOSEABLE TRANSACTION ACQUISITION OF MACHINES

On 30 January, 2013, the Purchaser, a wholly-owned subsidiary of the Company, entered into the Contract with the Seller to purchase computerized knitting machines from the Seller for a total consideration of US\$900,000 (equivalent to HK\$7,020,000). US\$90,000 (equivalent to HK\$702,000) of the consideration will be paid in cash within 5 days after signing of the Contract with the remaining US\$810,000 (equivalent to HK\$6,318,000) to be satisfied in cash within 30 days after installation of the machines which is expected to be within 60 days after the shipment date. Payment of the consideration will be funded by credit facilities granted by bank.

As the applicable percentage ratio for the Acquisition under the Listing Rules is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the disclosure requirement under Chapter 14 of the Listing Rules.

THE CONTRACT DATED 30 JANUARY, 2013

Parties to the Contract

Seller: Chemtax (Stoll) Company Limited, a company incorporated in Hong Kong with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Seller and its ultimate beneficial owners are not connected with the directors, the chief executives or the substantial shareholders of the Company or any of its subsidiaries or their respective associates and are third parties independent of the Company and connected persons of the Company.

Purchaser: Pak Tak Knitting & Garment Factory Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company.

Subject matter of the Contract

Pursuant to the Contract, the Purchaser agreed to purchase and the Seller agreed to sell computerized knitting machines for the production of knitted garments to the Purchaser for a total consideration of US\$900,000 (equivalent to HK\$7,020,000). The machines acquired by the Purchaser are all brand new machines and no revenue or profit has been generated by these machines in the past. No valuation on the machines has been done. The machines are expected to be shipped to the Purchaser in or around mid of March, 2013.

Consideration

US\$90,000 (equivalent to HK\$702,000) of the consideration will be paid in cash within 5 days after signing of the Contract with the remaining US\$810,000 (equivalent to HK\$6,318,000) to be satisfied in cash within 30 days after installation of the machines which is expected to be within 60 days after the shipment date. Payment of the consideration will be funded by credit facilities granted by bank.

The Directors have compared the price offered by the Seller with that of other companies selling similar machines. The consideration is arrived at after arm's length negotiation with the Seller by reference to the price offered by such other companies.

The Board considers that the terms of the Contract are of normal commercial terms and are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE SELLER

The Seller is principally engaged in the sale of computerized knitting machines in PRC, Hong Kong and certain South-East Asian countries.

REASONS FOR THE ACQUISITION

The Company is an investment holding company incorporated in Bermuda and the principal activities of the Group include manufacturing, on an OEM basis, and trading of men's, ladies' and children's knitted garments mainly to the United States and Europe.

Due to the increase in labour cost in Pan Pearl River Delta, the Directors believe that the Acquisition is in the interests of the Company as it will reduce the demand for labour force and allow the Group to have better control over labour cost which is in line with the Group's overall business objective to enhance cost effectiveness.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratio for the Acquisition under the Listing Rules is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the disclosure requirements under Chapter 14 of the Listing Rules.

GENERAL

As at the date of this announcement, the Board comprises Mr. Cheng Kwai Chun, John, Mr. Lin Chick Kwan, Mr. Lin Wing Chau, who are executive Directors, Mr. Victor Robert Lew who is the non-executive Director and the Chairman and Ms. Ko Hay Yin, Karen, Mr. Chow Chan Lum, Ms. Ho Man Yee, Esther and Mr. Yuen Chi King, Wyman who are independent non-executive Directors.

DEFINITIONS

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| “Acquisition” | the acquisition of computerized knitting machines by the Purchaser from the Seller for a total consideration of US\$900,000 (equivalent to HK\$7,020,000) pursuant to the Contract |
| “associates” | shall have the meanings as prescribed under the Listing Rules |
| “Board” | the board of Directors (including the independent non-executive Directors) of the Company |
| “Company” | Pak Tak International Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Stock Exchange |
| “connected persons” | shall have the meanings as prescribed under the Listing Rules |
| “Contract” | the unconditional contract entered into between the Purchaser and the Seller on 30 January, 2013 in relation to the Acquisition |
| “Directors” | the directors of the Company |
| “Group” | the Company and its subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong from time to time |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “OEM” | original equipment manufacturing, under which products are manufactured in whole or in part in accordance with a customer’s specifications and are marked under the customer’s own brand name |
| “PRC” | People’s Republic of China (and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan) |
| “Purchaser” | Pak Tak Knitting & Garment Factory Limited, a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of the Company |
| “Seller” | Chemtax (Stoll) Company Limited, a company incorporated in Hong Kong with limited liability |
| “Shareholders” | holders of Share(s) |

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| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary” | shall have the meaning as prescribed under the Companies Ordinance (Cap. 32) of the Laws of Hong Kong and “subsidiaries” shall be construed accordingly |
| “US\$” | United States dollars, the lawful currency of the United States of America from time to time |
| “%” | per cent. |

By order of the Board
Victor Robert Lew
Chairman

Hong Kong, 30 January, 2013

* *For identification purposes only*

Unless otherwise specified, conversion of United States dollars into Hong Kong dollars is based on the exchange rate of US\$1.00 = HK\$7.80. The conversion is for the purpose of illustration only and does not constitute a representation that any amount in US\$ or HK\$ have been, could have been or may be converted at the above rate or any other rates at all.