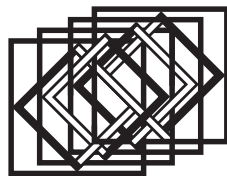


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## **PAK TAK INTERNATIONAL LIMITED**

**( 百德國際有限公司 ) \***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2668)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE DISPOSAL OF SUBSIDIARIES**

#### **THE DISPOSAL**

On 31 May 2019 (after trading hours), the Company, as vendor and the Purchaser entered into the Agreement, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares at the consideration of RMB10,000 (equivalent to approximately HK\$11,364), which shall be settled by cash.

Completion took place immediately upon the execution of the Agreement. Upon Completion, the Target Group has ceased to be a subsidiary of the Company.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in relation to the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

#### **INTRODUCTION**

On 31 May 2019 (after trading hours), the Company, as vendor and the Purchaser entered into the Agreement, pursuant to which the Company has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares at the consideration of RMB10,000 (equivalent to approximately HK\$11,364), which shall be settled by cash.

*\* for identification purpose only*

## **THE DISPOSAL**

### **The Agreement**

Date: 31 May 2019

Parties: (i) the Company; and  
(ii) an individual person, as the Purchaser

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser is third parties independent of and not connected with the Company and its connected persons as defined under the Listing Rules.

### **Assets to be disposed of**

Pursuant to the Agreement, the Company has agreed to sell, and the Purchaser has agreed to purchase, the Sale Shares, representing the entire issued share capital of the Target Company.

### **Consideration**

The Consideration payable for the sale and purchase of Sale Shares shall be RMB10,000 (equivalent to approximately HK\$11,364), which shall be settled by cash upon Completion.

The Consideration was determined after arm's length negotiations between the parties with reference to (i) the net liabilities of the Target Group as at 31 December 2018, (ii) the valuation report on the Target Group prepared by the independent valuer; and (iii) the Target Group's loss making position.

Accordingly, the Directors consider that the Consideration and the terms and conditions of the Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

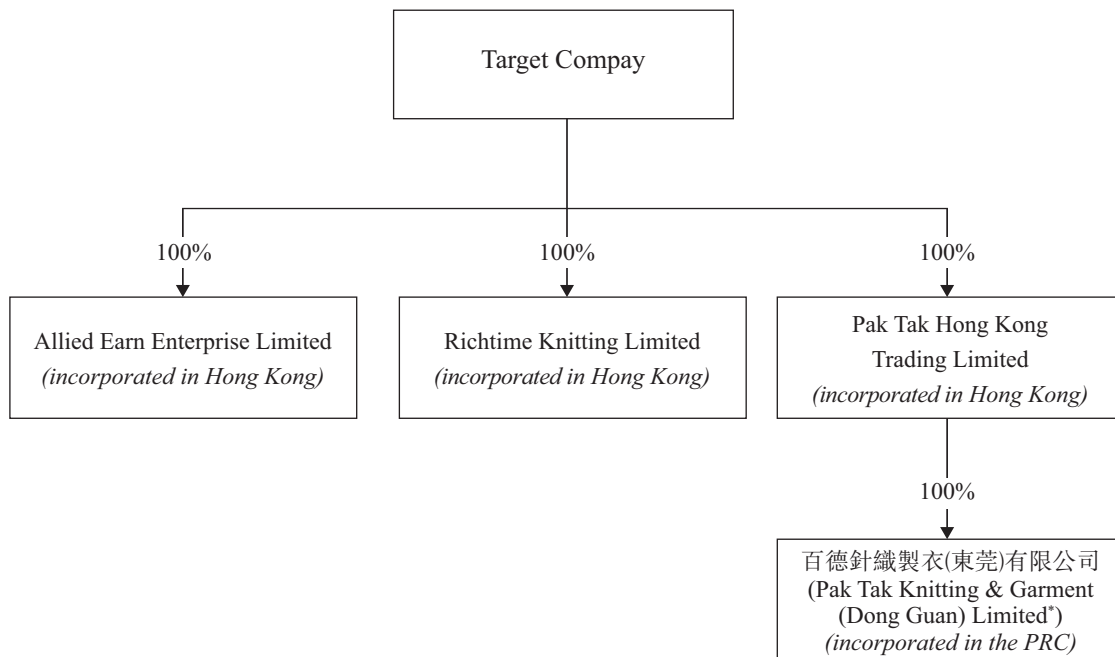
## Completion

Completion took place immediately upon the execution of the Agreement.

On Completion, the Company transferred the entire issued share capital of Target Company to the Purchaser. Since then, the Company no longer holds any interest in Target Company and its subsidiaries, which all ceased to be subsidiaries of the Company.

## INFORMATION OF THE TARGET GROUP

The Target Company is a limited liability company incorporated in the British Virgin Islands. The Target Company is an investment holding company and its subsidiaries are principally engaged in the manufacture and trading of garments. Below is the corporate structure of the Target Group:



*\* for identification purpose only*

The combined unaudited revenue and net loss attributable to the Target Group for the previous two financial years ended are as follows:

	<b>For the year ended 31 December 2018 <i>HK\$'000</i> (unaudited)</b>	<b>For the nine months ended 31 December 2017 <i>HK\$'000</i> (unaudited)</b>
Revenue	278,304	191,401
Loss before taxation	11,502	14,632
Loss after taxation	12,103	14,990

The unaudited consolidated total asset value and net liability value (excluding the amount due to the Company) of the Target Group as at 31 December 2018 were approximately HK\$87,731,000 and HK\$26,664,000 respectively.

## **INFORMATION OF THE GROUP**

The Group is principally engaged in the i) manufacture of and trading in garments; ii) money lending; iii) leasing business; iv) general trading; v) property investment and consultancy; and vi) securities investment.

## **FINANCIAL IMPACT OF THE DISPOSAL ON THE GROUP**

The expected gain from Disposal is approximately HK\$23.2 million, representing the difference between the consideration for the Disposal, the net liabilities and the accumulated exchange differences of the Target Group as at 31 December 2018.

The aforesaid estimation is for illustrative purpose only and does not represent the financial position of the Group, which is subject to review and confirmation by the Company's auditors. The net proceeds from the Disposal will be used for general working capital of the Group after Completion.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The Directors have been constantly reviewing the performance of the businesses of the Group and aiming to strive for the best interests for the Company and the Shareholders. The environment of garment business was getting worse and the Target Group recorded loss in the past few years. Although the net proceeds of the Disposal were nominal, the Board considers that the Disposal will enable the Company to reallocate its resources to other existing businesses of the Group. In addition, the Disposal will enable the Group to reduce its liabilities and improve its financial positions. The Directors believe that it is more commercially favourable to dispose of the Target Group. After the Completion, the Group will no longer be engaged in the business in manufacture and trading in garments.

The terms of the Disposal were determined after arm's length negotiations between the Vendor and the Purchaser, and the Directors are of the view that the terms of the Disposal are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in relation to the Disposal exceed 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company 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:

“Agreement”	the share transfer agreement dated 31 May 2019 entered into between the Company and the Purchaser in respect of the Disposal
“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

“Completion”	completion of the Disposal pursuant to the terms and conditions of the Agreement
“Consideration”	the consideration payable by the Purchaser to the Company in the amount of RMB10,000 (equivalent to approximately HK\$11,364) in respect of the Disposal
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Company to the Purchaser under the Agreement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	an individual person, which is third party independent of and not connected with the Company and its connected persons
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	50,000 fully paid ordinary shares in the issued share capital of the Target Company which are legally and beneficially owned by the Company immediately prior to Completion, representing the entire number of issued shares of the Target Company

“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“Target Company”	Mega Grade Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company immediately prior to Completion
“Target Group”	The Target Company and its subsidiaries
“%”	per cent.

For the purpose of this announcement, the exchange rate of RMB1.00 = HK\$0.88 has been used. This is for the purpose of illustration only and does not constitute a representation that any amount in RMB or HK\$ has been or may be converted at such rate or any other exchange rate.

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

Hong Kong, 31 May 2019

*As at the date of this announcement, the Board comprises Mr. Wang Jian, Ms. Qian Pu and Mr. Feng Guoming as Executive Directors; Mr. Law Fei Shing and Mr. Shin Yick Fabian as Non-executive Directors; and Mr. Liu Kam Lung, Mr. Chan Kin Sang and Mr. Zheng Suijun as Independent Non-executive Directors.*