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## **PANTRONICS HOLDINGS LIMITED**

**桐成控股有限公司**

*(Incorporated in the British Virgin Islands with limited liability)*

**(Stock Code: 1611)**

### **VOLUNTARY ANNOUNCEMENT**

#### **LEASE IN GUANGMING NEW DISTRICT, SHENZHEN CITY, PRC**

This announcement is made by Pantronics Holdings Limited (the “**Company**”) on a voluntary basis. The purpose of this announcement is to keep the shareholders and potential investors of the Company informed of the latest business development of our Group.

#### **THE FORMAL LEASE AGREEMENT**

Reference is made to the prospectus of the Company dated 9 November 2016 (the “**Prospectus**”), in relation to, among other things, the pre-lease agreement (the “**Pre-lease Agreement**”) dated 24 August 2016 (as amended and supplemented by a supplemental agreement dated 14 October 2016) with Shenzhen Senfeng Vacuum Coating Co., Ltd.\*(深圳森豐真空鍍膜有限公司) (“**Landlord A**”), regarding the lease of a portion of buildings in Senfeng Building located in Time Valley, Fangyuan Road, Gongming Street, Guangming New District, Shenzhen City, the PRC (中國深圳市光明新區公明街道芳園路時間谷內之森豐大廈中的部分廠房) (“**Property A**”), with a total area of approximately 15,878 sq.m.. The Pre-lease Agreement was entered into as part of the Group’s plan for Relocation, which is particularised under the Prospectus. Capitalised terms used herein shall have the same meanings as those defined in the Prospectus unless otherwise stated.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Landlord A and its ultimate beneficial owners are independent third parties of the Company and the connected persons of the Company (as defined under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, (the "**Listing Rules**")).

As disclosed in the Prospectus, under the Pre-lease Agreement, the Directors have agreed to enter into a formal lease agreement with Landlord A once Landlord A has obtained the construction planning acceptance and the construction completion acceptance from the relevant government authorities, prior to the expiry of the Pre-lease Agreement, being 31 December 2016. As of the date of this announcement, Landlord A has obtained the construction planning acceptance and the construction completion acceptance of Property A and therefore on 30 December 2016, Shenzhen Pantai and Landlord A entered into a formal lease agreement in relation to Property A (the "**Formal Lease Agreement**").

In relation to a lease agreement dated 11 October 2016 ("**Lease Agreement B**") in respect of the lease of an industrial complex located in No. 36, Hengzhao Industrial District, Yangchong River Section, Songgang Street, Bao'an District, Shenzhen City, China (中國深圳市寶安區松崗街道洋沖河段恒兆工業區36號) ("**Property B**") entered into between Shenzhen Pantai and an independent third party ("**Landlord B**") as an alternative to Property A, the Company has given a written notice to Landlord B on 30 December 2016 to terminate Lease Agreement B and the deposit of RMB500,000 for Lease Agreement B has been forfeited, which will not materially affect the business of the Group.

The key terms of the Formal Lease Agreement are as follows:

<b>Date</b>	:	30 December 2016
<b>Parties</b>	:	(1) Shenzhen Senfeng Vacuum Coating Co., Ltd.* (深圳森豐真空鍍膜有限公司) — Landlord  (2) 深圳品泰電子有限公司 (Shenzhen Pantai Electronic Co., Ltd.) (" <b>Shenzhen Pantai</b> "), which is an indirect wholly-owned subsidiary of the Company — Lessee
<b>Leased area</b>	:	1st to 3rd floor of Senfeng Building located in Time Valley, Fangyuan Road, Gongming Street, Guangming New District, Shenzhen City, the PRC (中國深圳市光明新區公明街道芳園路時間谷內之森豐大廈1-3樓廠房)
<b>Total area</b>	:	approximately 15,878 sq.m.

**Lease period** : 1 January 2017 to 31 December 2025

**Monthly rent** : From 1 April 2017 to 31 December 2019: RMB436,645.00 (including management fees but excluding value-added tax)

From 1 January 2020 to 31 December 2022: RMB534,890.00 (including management fees but excluding value-added tax)

From 1 January 2023 to 31 December 2025: US\$5.638 per sq.m. (excluding value-added tax), plus additional 10% of the monthly rent as management fees. The monthly rental payment shall be calculated based on the exchange rate at the time of payment.

The Board believes that that the Relocation from the Songgang Factory to Property A will play a pivotal part in the Group's growth strategy for the coming years and that it will (i) enable the production of tailor-made products according to our customers' specific requirements; (ii) increase the overall efficiency and effectiveness of the manufacturing and operational process; and (iii) reduce the production lead time and the production man-hours.

## **GENERAL**

**Further announcement in respect of the Relocation will be made by the Company as and when appropriate in compliance with the Listing Rules. The shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

*\* The English translation is for identification purposes only.*

On behalf of the Board  
**PANTRONICS HOLDINGS LIMITED**  
**Hsu Simon Nai-cheng**  
*Chairman and Non-executive Director*

Hong Kong, 30 December 2016

*As at the date of this announcement, the Board comprises (1) Mr. Henry Woon-hoe Lim and Mr. Ho Hon Ching as the executive Directors; (2) Mr. Hsu Simon Nai-cheng as the non-executive Director; and (3) Mr. Pochin Christopher Lu, Mr. Danny J Lay and Ms. Hui Leung Ching Patricia as the independent non-executive Directors.*