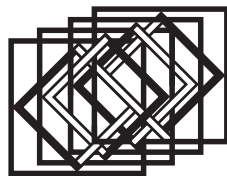


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PAK TAK INTERNATIONAL LIMITED

(百德國際有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2668)

DISCLOSEABLE TRANSACTION IN RELATION TO FACTORING FACILITY AGREEMENT

FACTORING AGREEMENTS

During the period from 22 November 2019 to 30 December 2019, the Lender, an indirect wholly-owned subsidiary of the Company, and the Customer entered into the Several Reverse Factoring Agreements. According to the Several Reverse Factoring Agreements, the Lender agreed to grant a non-revolving financing service in the aggregate principal amount of RMB11,893,000 (equivalent to approximately HK\$13,439,000) for guarantee of the payment obligations of the Customer related to the accounts receivable due from the Customer to the suppliers of the Customer for a period of 5 months from the date of signing of each reverse factoring agreement. The transactions contemplated under the Several Reverse Factoring Agreements did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

On 14 January 2020 (after trading hours), the Lender entered into the Factoring Facility Agreement with the Customer, pursuant to which the Lender has agreed to provide accounts receivable factoring services with non-revolving financing in the maximum aggregate principal amount in a maximum of RMB35,000,000 (equivalent to approximately HK\$39,550,000) to the Customer from the date of signing of the Factoring Facility Agreement to 30 June 2020.

** for identification purpose only*

LISTING RULES IMPLICATIONS

As the applicable percentage ratios for the transactions contemplated under the Several Reverse Factoring Agreements and the Factoring Facility Agreement calculated in accordance with the Listing Rules are more than 5% but less than 25%, the transaction contemplated under the Factoring Facility Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

During the period from 22 November 2019 to 30 December 2019, the Lender, a direct wholly-owned subsidiary of the Company, and the Customer entered into the Several Reverse Factoring Agreements. According to the Several Reverse Factoring Agreements, the Lender agreed to grant a non-revolving financing service in the aggregate principal amount of RMB11,893,000 (equivalent to approximately HK\$13,439,000) for guarantee of the payment obligations of the Customer related to the accounts receivable due from the Customer to the suppliers of the Customer for a period of 5 months from the date of signing of each reverse factoring agreement. The transactions contemplated under the Several Reverse Factoring Agreements did not constitute notifiable transactions under Chapter 14 of the Listing Rules.

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THE FACTORING FACILITY AGREEMENT

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

Date:	14 January 2020 (after trading hours)
Parties:	(i) the Lender; and (ii) the Customer
Financing term:	6 months from the date of signing of each implementation contract, pursuant to the Factoring Facility Agreement (or the date on which the factoring principal amount and factoring expenses are fully settled, whichever is the later), provided that the principal amount under the facility must be drawn down on or before 30 June 2020.

The parties shall enter into separate implementation contract(s) in relation to each drawdown, which shall be in line with the terms of the Factoring Facility Agreement, and the execution of each implementation contract shall be subject to and conditional upon the Factoring Facility Agreement continuing to be in force

Transfer of accounts receivable: Subject to the terms and conditions of the Factoring Facility Agreement, the accounts receivable of the Customer or the Customer's designated supplier as referred to in the underlying transaction documents entered into between the parties pursuant to the Factoring Facility Agreement shall be transferred to the Lender

Aggregate principal amount: Maximum of RMB35,000,000 (equivalent to approximately HK\$39,550,000)

Interest rate: The interest rate to be specified in each implementation contract provided that such rate shall not be lower than 9% per annum which were arrived at by the parties thereto after arm's length negotiations with reference to the prevailing commercial practice, and shall be payable by the Customer to the Lender pursuant to the terms of the Factoring Facility Agreement and the underlying transaction documents entered into between the parties pursuant to the Factoring Facility Agreement

Repayment of the factoring principal amount: The factoring principal amount is repayable upon the expiry of the six-month period from the date of signing of each implementation contract pursuant to the terms and conditions of the Factoring Facility Agreement and the underlying transaction documents entered into between the parties

Guarantee

The Guarantor shall execute the Guarantee in favour of the Lender to secure the performance of obligations of the Customer under each implementation contract. The Guarantee will be effective from the date of signing of guarantee agreement under each implementation contract.

Governing laws and validity

The Factoring Facility Agreement is governed by the laws of the PRC and came into effect upon the execution by the Lender and the Customer.

INFORMATION ABOUT THE CUSTOMER AND THE GUARANTOR

The Customer, is a company established under the laws of the PRC with limited liability. The principal business of the Customer is, among other things, provision of construction, installation and decoration engineering.

The Guarantor, is a company established under the laws of the PRC with limited liability and is the immediate holding company of the Customer and is ultimate beneficially owned by Mr. Huang Shilong . The principal business of the Guarantor is, among other things, construction and decoration engineering, sales and design of home accessories, domestic trading etc.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Customer, the Guarantor and its ultimate beneficial owner are not connected with the Company and its connected persons as defined under the Listing Rules.

INFORMATION ABOUT THE GROUP AND THE LENDER

The Group is principally engaged in supply chain business, leasing business, property investment, money lending business and securities investment.

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

REASONS FOR AND BENEFITS OF ENTERING INTO THE FACTORING FACILITY AGREEMENT

The Board is of the view that the Factoring Facility Agreements were entered into after arm's length negotiations, in the ordinary and usual course of business of the Lender and in line with the development of the supply chain business of the Group. It is expected that the Factoring Facility Agreement will generate considerable and stable income for the Group from the factoring interest. The provision of factoring principal amount to the Customer under the Factoring Facility Agreement will be financed by the internal resources and the borrowings of the Group.

Given the Factoring Facility Agreement was entered into in the ordinary and usual course of business and on normal commercial terms, the Board is of the view that the terms of the Factoring Facility Agreement are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Lender granted to the Customer under the Several Reverse Factoring Agreements were below 5%, the transactions contemplated under the Several Reverse Factoring Agreements did not constitute notifiable transactions of the Company under Chapter 14 of the Listing Rules.

As the Several Reverse Factoring Agreements were entered into with the Customer within a 12-month period prior to and inclusive of the date of the Factoring Facility Agreement, the transactions contemplated under the Several Reverse Factoring Agreement and the Factoring Facility Agreement will be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As the applicable percentage ratios for the transactions contemplated under the Several Reverse Factoring Agreements and the Factoring Facility Agreement calculated in accordance with the Listing Rules are more than 5% but less than 25%, the transaction contemplated under the Factoring Facility Agreement 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:

“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
“Customer”	深圳鴻圖建工有限公司 (Shenzhen Hongtu Construction Engineering Company Limited*), a company established under the laws of the PRC with limited liability

** for identification purpose only*

“Director(s)”	director(s) of the Company
“Factoring Facility Agreement”	the factoring facility agreement entered into between the Lender and the Customer on 14 January 2020, pursuant to which the Lender has agreed to provide accounts receivable factoring services with non-revolving financing in the maximum aggregate principal amount of RMB35,000,000
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee shall be executed by the Guarantor in favour of the Lender to secure the due performance of obligations of the Customer under each implementation contact
“Guarantor”	深圳托吉斯建築有限公司 (Shenzhen Tuoji Construction Company Limited*), a company established under the laws of the PRC with limited liability which is the immediate holding company of the Customer
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lender”	深圳金盛商業保理有限公司 (Shenzhen Jinsheng Commercial Factoring Company Limited*), a company established under the laws of the PRC with limited liability, and an indirect 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 Macao Special Administrative Region of the People’s Republic of China and Taiwan

** for identification purpose only*

“Several Reverse Factoring Agreements”	the reverse factoring agreements entered into between the Lender and the Customer between 22 November 2019 and 30 December 2019, which are the non-revolving factoring agreements in the aggregate principal amount of RMB11,893,000
“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 and Chief Executive Officer

Hong Kong, 14 January 2020

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. Chan Ngai Sang Kenny, Mr. Chan Kin Sang and Mr. Zheng Suijun as Independent Non-executive Directors.