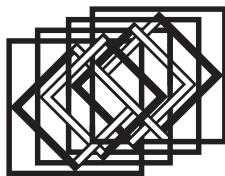


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PAK TAK INTERNATIONAL LIMITED

(百德國際有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2668)

DISCLOSEABLE TRANSACTION IN RELATION TO REVERSE FACTORING AGREEMENT

REVERSE FACTORING AGREEMENT

On 27 May 2021 (after trading hours), the Lender entered into the Reverse Factoring Agreement with the Customer, pursuant to which the Lender has agreed to grant a non-revolving financing service in principal amount of RMB30,000,000 (equivalent to approximately HK\$33,000,000) for guarantee of the payment obligations of the Customer related to the accounts receivable due from the Customer to the supplier of the Customer from the drawdown date under the Reverse Factoring Agreement to 16 May 2022.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Reverse Factoring Agreement exceed 5% but are less than 25%, such transactions contemplated under the Reverse Factoring Agreement constitute discloseable transactions of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

** for identification purpose only*

INTRODUCTION

On 27 May 2021 (after trading hours), the Lender entered into the Reverse Factoring Agreement with the Customer, pursuant to which the Lender has agreed to grant a non-revolving financing service in principal amount of RMB30,000,000 (equivalent to approximately HK\$33,000,000) for guarantee of the payment obligations of the Customer related to the accounts receivable due from the Customer to the supplier of the Customer from the drawdown date under the Reverse Factoring Agreement to 16 May 2022.

THE REVERSE FACTORING AGREEMENT

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

Date:	27 May 2021 (after trading hours)
Parties:	(i) the Lender; and (ii) the Customer
Financing term:	From the drawdown date under the Reverse Factoring Agreement to 16 May 2022
Transfer of accounts receivable:	Subject to the terms and conditions of the Reverse Factoring Agreement, the accounts receivable of the Customer's designated supplier as referred to in the underlying transaction documents entered into between the relevant parties pursuant to the Reverse Factoring Agreement shall be transferred to the Lender
Factoring principal amounts:	RMB30,000,000 (equivalent to approximately HK\$33,000,000)
Interest rate:	The interest rate of 10% per annum, and shall be payable by the Customer to the Lender within 15 business days from the drawdown date under the Reverse Factoring Agreement
Service fee:	One-off service fee of RMB600,000

Guarantee deposit: RMB1,500,000, shall be payable by Customer within 15 business days from the drawdown date under the Reverse Factoring Agreement and shall be returned from the Lender to the Customer within 15 business days upon the date on which the factoring principal amount and factoring expenses are fully settled

Repayment of the factoring principal amount: The factoring principal amount is repayable upon the expiry of the Reverse Factoring Agreement (with 15-day grace period until 31 May 2022) pursuant to the terms and conditions of the Reverse Factoring Agreement

Guarantee

The Guarantor shall execute the Guarantee in favour of the Lender to secure the performance of obligations of the Customer under the Reverse Factoring Agreement. The Guarantee will be effective from the signing date of the Letter of Guarantee.

Governing laws and validity

The Reverse Factoring Agreement is governed by the laws of the PRC and came into effect upon the signing 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 Customer is principally engaged in technical development and sales of computer system and software and the domestic trading.

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 Ms. Yi Ai Ling. The Guarantor is principally engaged in international freight forwarding, leasing and sales of warehouses.

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 REVERSE FACTORING AGREEMENT

The Board is of the view that the Reverse Factoring Agreement 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 finance business of the Group. It is expected that the Reverse Factoring Agreement will generate considerable and stable income for the Group from the factoring interest and service fee. The provision of factoring principal amount to the Customer under the Reverse Factoring Agreement will be financed by the internal resources of the Group.

Given the Reverse Factoring 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 Reverse Factoring 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 in respect of the Reverse Factoring Agreement exceed 5% but are less than 25%, such transactions contemplated under the Reverse Factoring Agreement constitute discloseable transactions of the Company and are therefore subject to the reporting and announcement requirements 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”	深圳市華艾實業發展有限公司 (Shenzhen Huaai Industrial Development Company Limited*), a company established under the laws of the PRC with limited liability
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Guarantee”	the guarantee to be executed by the Guarantor in favour of the Lender to secure the due performance of obligations of the Customer under the Reverse Factoring Agreement
“Guarantor”	深圳粵商物流有限公司 (Shenzhen Yueshang Logistics Company Limited*), a company established under the laws of the PRC with limited liability which is 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
“Letter of Guarantee”	the irrevocable letter of guarantee entered into by the Lender and the Guarantor on 27 May 2021, in relation to the Guarantee
“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 Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Reverse Factoring Agreement”	the reverse factoring agreement entered into between the Lender and the Customer on 27 May 2021, which provides the non-revolving factoring service in the principal amount of RMB30,000,000
“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.

* *the English translation of the Chinese name is for information purposes only, and should not be regarded as the official English translation of such name.*

By Order of the Board of
Pak Tak International Limited
Liao Nangang
Chairman

Hong Kong, 27 May 2021

As at the date of this announcement, the Board comprises Mr. Liao Nangang, Ms. Qian Pu, Mr. Wang Jian and Mr. Ning Jie 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.