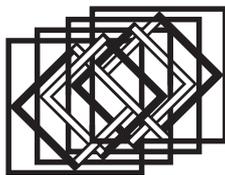


Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



PAK TAK INTERNATIONAL LIMITED

(百德國際有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 2668)

MAJOR TRANSACTION

DISPOSAL OF MINORITY INTEREST IN THE TARGET COMPANY

THE DISPOSAL

The Board is pleased to announce that on 28 January 2022 (after trading hours), the Vendor (a direct wholly-owned subsidiary of the Company), entered into the Share Transfer Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, at a cash consideration of HK\$110,000,000.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the Disposal contemplated under the Share Transfer Agreement reach(es) 25% or above but all are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules.

A SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Transfer Agreement and the transactions contemplated thereunder. A circular containing, among other things, further details of the Share Transfer Agreement, together with a notice convening the SGM, is expected to be despatched to the Shareholders on or before 23 February 2022.

** for identification purpose only*

Shareholders and potential investors of the Company should note that the Share Transfer Agreement and the transactions contemplated thereunder are subject to approval of the Shareholders at the SGM, and hence the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and recommended to consult their professional advisers if they are in any doubt as to their position or the action they should take.

THE DISPOSAL

The Board is pleased to announce that on 28 January 2022 (after trading hours), the Vendor (a direct wholly-owned subsidiary of the Company), entered into the Share Transfer Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Sale Shares, at a cash consideration of HK\$110,000,000.

As at the date of this announcement, the Company, indirectly through the Vendor, holds approximately 14.73% of the equity interest in the Target Company, which is accounted for as financial asset at fair value through other comprehensive income in the consolidated financial statements of the Group. Upon Completion, the Company will not hold any equity interest in the Target Company, which will cease to be classified as financial asset at fair value through other comprehensive income in the Group's consolidated financial statements.

THE SHARE TRANSFER AGREEMENT

The principal terms of the Share Transfer Agreement are set out as follows:

Date: 28 January 2022

Parties: (i) the Vendor; and

(ii) the Purchaser

(The Vendor and the Purchaser shall collectively be referred to as the “**Parties**” and each individually as a “**Party**”).

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

Subject matter

Pursuant to the terms and conditions of the Share Transfer Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire, the Sale Shares, representing approximately 14.73% of the equity interest in the Target Company as at the date of this announcement, at the Consideration of HK\$110,000,000 in cash.

Upon Completion, the Company will not hold any equity interest in the Target Company, which will cease to be classified as financial asset at fair value through other comprehensive income in the Group's consolidated financial statements.

Consideration

Pursuant to the Share Transfer Agreement, the Consideration of HK\$110,000,000 shall be payable by the Purchaser to the Vendor in the following manner:

- (i) a deposit in the sum of HK\$10,000,000 shall be payable within 7 business days after the date of signing of the Share Transfer Agreement;
- (ii) part of the Consideration of HK\$75,000,000 shall be payable within 3 months after the Completion Date; and
- (iii) the remaining balance of the Consideration of HK\$25,000,000 shall be payable within 6 months after the Completion Date.

The Consideration was arrived at after arm's length negotiation between the Vendor and the Purchaser after taking into account (i) the appraised value of the Sale Shares as at 30 November 2021 assessed by an independent valuer using market approach of approximately HK\$108,000,000; (ii) the net asset value of the Target Company as shown in its unaudited consolidated management accounts as at 30 November 2021 of approximately HK\$699,361,000 (net of non-controlling interest); (iii) the historical financial performance of the Target Group for the past two years; and (iv) the factors as set out in the section headed "REASONS FOR AND BENEFITS OF THE DISPOSAL" in this announcement.

Pursuant to the Share Transfer Agreement, the Purchaser shall execute and deliver to the Vendor on the Completion Date a share charge in favour of the Vendor in respect of such shares it holds in the Target Company as are equivalent in number to the Sale Shares, to secure the due and punctual performance of its payment obligations under the Share Transfer Agreement.

Conditions Precedent

Completion of the Disposal is subject to fulfilment or waiver (as applicable) of the following conditions precedent pursuant to the Share Transfer Agreement:

- (a) all necessary authorisations, approvals, clearance, consents and/or waivers from Shareholders, relevant regulatory authorities (including but not limited to the Stock Exchange) and/or other entities or individuals and all acts as may be required under the articles of association, applicable laws, regulations and/or rules (including but not limited to the Listing Rules) and relevant binding agreements in connection with the Share Transfer Agreement and for the consummation of the transactions contemplated thereunder having been obtained and performed by the Vendor, the Purchaser and their respective holding company, and remaining in full force and effect; and
- (b) all representations and warranties made in the Share Transfer Agreement and the information provided to the Purchaser by the Vendor remaining true, accurate and not misleading in all material respects.

The Purchaser may waive condition (b) set forth above in writing at its discretion. Save as aforesaid, none of the parties to the Share Transfer Agreement may waive any of the above conditions. If any of such conditions is not fulfilled or, as the case may be, waived on or before the Long Stop Date, the Share Transfer Agreement shall terminate in accordance with the terms stipulated therein and neither party shall have any claim under the Share Transfer Agreement against the other save in respect of any antecedent breach thereof.

Completion

Completion shall take place on the seventh business day after all the conditions precedent set forth in the Share Transfer Agreement are satisfied and/or, as the case may be, waived, or such other date as the parties may agree in writing.

Upon Completion, the Company will not hold any equity interest in the Target Company.

INFORMATION ABOUT THE GROUP AND THE VENDOR

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

The Vendor is a direct wholly-owned subsidiary of the Company and its principal activity is investment holding.

INFORMATION ABOUT THE PURCHASER AND THE TARGET COMPANY

The Purchaser is an investment holding company incorporated in the Cayman Islands with limited liability. The Purchaser is an indirect wholly-owned subsidiary of Glory Sun Financial Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1282) which is principally engaged in the business of financial services, property investment and development, automation, securities investment and trading of commodities.

The Target Company is a company incorporated in the BVI with limited liability. The Target Company is principally engaged in investment holding and its subsidiaries are principally engaged in provision of financial and bullion services in Hong Kong and private investment management services in the PRC.

FINANCIAL INFORMATION OF THE TARGET COMPANY

The following table summarises the consolidated financial information of the Target Group based on the unaudited consolidated management accounts for the two years ended 31 December 2020 and the eleven months ended 30 November 2021:

| | For the eleven months ended 30 November 2021 | For the year ended 31 December | |
|--------------------------|---|---------------------------------------|-----------------|
| | 2021 | 2020 | 2019 |
| | (Unaudited) | (Unaudited) | (Unaudited) |
| | <i>HK\$'000</i> | <i>HK\$'000</i> | <i>HK\$'000</i> |
| Profit (loss) before tax | (65,149) | 85,737 | 30,527 |
| Profit (loss) after tax | (74,353) | 76,396 | 24,650 |

The unaudited net assets value of the Target Company and its subsidiaries as at 30 November 2021 was approximately HK\$699,361,000 (net of non-controlling interests).

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

As at 30 June 2021, the Group recognised an accumulated unrealised gain on fair value change in respect of the equity investment in the Target Company of approximately HK\$13,245,000 in fair value through other comprehensive income reserve (“**FVOCI reserve**”). Upon Completion, FVOCI reserve will be transferred to retained earnings and will not be reclassified to consolidated statement of profit or loss.

Based on (i) the carrying value of the Sale Shares in the Company’s unaudited consolidated financial statements as at 30 June 2021 of approximately HK\$183,928,000; (ii) the consideration under the Share Transfer Agreement; and (iii) the estimated transaction costs, it is expected that the Group will record in its consolidated statement of profit or loss and other comprehensive income, an estimated loss of approximately HK\$73,928,000 in respect of the Disposal, subject to audit. The net proceeds from the Disposal are expected to be approximately HK\$109,500,000, which will be used by the Group in other future investment and business opportunities that may arise and as general working capital of the Group.

Upon Completion, the Company will not hold any equity interest in the Target Company, which will cease to be classified as financial asset at fair value through other comprehensive income in the Group’s consolidated financial statements.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Reference is made to the announcement of the Company dated 3 June 2018 in relation to the acquisition of the Sale Shares which constituted a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Group acquired 28% of the equity interest of the Target Company from the Purchaser in June 2018 as part of its collaboration with the Purchaser to promote the income of the Group. In July 2021, the Group’s interest in the Target Company was diluted to approximately 14.73% due to the several rounds of issues of shares by the Target Company to the Purchaser for expanding its business during the period from 2019 to 2021. As a result of the continuing dilution of the Group’s ownership in the Target Company the Board is of the view that its investment in the Target Company has become substantially less productive and not congruent with its long-term goal to increase the value of the Group. Furthermore, the Disposal enables the Group to realise cash currently held as financial asset at fair value through other comprehensive income. The Board is of the opinion that the application of the net proceeds from the Disposal in future investment or business opportunities will be beneficial to the overall development of the Group.

Having regard to the reasons for and benefits of the Disposal, the Board is of the view that the terms of the Share Transfer Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in relation to the Disposal contemplated under the Share Transfer Agreement reach(es) 25% or above but all are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules.

A SGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Transfer Agreement and the transactions contemplated thereunder. A circular containing, among other things, further details of the Share Transfer Agreement, together with a notice convening the SGM, is expected to be despatched to the Shareholders on or before 23 February 2022.

Shareholders and potential investors of the Company should note that the Share Transfer Agreement and the transactions contemplated thereunder are subject to approval of the Shareholders at the SGM, and hence the Disposal may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in securities of the Company, and recommended to consult their professional advisers if they are in any doubt as to their position or the action they should take.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

| | |
|-------------------|---|
| “Board” | the board of Directors |
| “BVI” | the British Virgin Islands |
| “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 Date” | the day on which the completion of the Disposal shall take place in accordance with the terms of the Share Transfer Agreement, being the seventh business day after all the conditions precedent set forth in the Share Transfer Agreement are satisfied and/or, as the case may be, waived, or such other date as the parties may agree in writing |

| | |
|----------------------------|---|
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Disposal” | the disposal of the Sale Shares pursuant to the Share Transfer Agreement |
| “Group” | collectively, 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 |
| “Long Stop Date” | 30 June 2022 or such other date as the parties to the Share Transfer Agreement may agree in writing, being the last day on which the conditions precedent to the Disposal shall be fulfilled or, as the case may be, waived prior to the Completion |
| “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” | Glory Sun Financial Holdings Limited (formerly known as Goldjoy Holding Limited), a company incorporated in the Cayman Islands with limited liability, which is an indirect wholly-owned subsidiary of Glory Sun Financial Group Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1282) |
| “Share Transfer Agreement” | the share transfer agreement dated 28 January 2022 entered into between the Purchaser and the Vendor, pursuant to which the Purchaser shall acquire the Sale Shares from the Vendor |

| | |
|-------------------|--|
| “Sale Shares” | 13,921,278 shares, representing approximately 14.73% of the issued share capital of the Target Company as at the date of this announcement |
| “SGM” | the special general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Share Transfer Agreement and the transactions contemplated thereunder |
| “Share(s)” | ordinary share(s) of HK\$0.02 each in the issued share capital of the Company |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “subsidiary(ies)” | has the meaning ascribed to it under the Listing Rules |
| “Target Company” | Golden Affluent Limited, a company incorporated in the BVI with limited liability |
| “Target Group” | collectively, the Target Company and its subsidiaries |
| “Vendor” | Hua Tong Group Limited, a company incorporated in the BVI with limited liability, which is a direct wholly-owned subsidiary of the Company |
| “%” | per cent. |

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

Hong Kong, 28 January 2022

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. Shin Yick Fabian and Mr. Liu Xiaowei as non-executive Directors; and Mr. Chan Ngai Sang Kenny, Mr. Chan Kin Sang and Mr. Zheng Suijun as independent non-executive Directors.