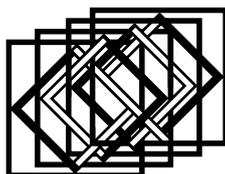


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PAK TAK INTERNATIONAL LIMITED

(百德國際有限公司) *

(Incorporated in Bermuda with limited liability)

(Stock Code: 2668)

DISCLOSEABLE TRANSACTION IN RELATION TO FACTORING AGREEMENT

FACTORING AGREEMENT

On 24 May 2023, the Lender entered into the Factoring Agreement with the Customer, pursuant to which the Lender has agreed to provide financing being transferred by accounts receivable of the Customer of approximately RMB23,000,000 (equivalent to approximately HK\$25,990,000) from the drawdown date under the Factoring Agreement to 18 May 2024.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios in respect of the Factoring Agreement exceed 5% but less than 25%, the transaction contemplated under the Factoring Agreement constitutes a discloseable transaction of the Company and is therefore subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

On 24 May 2023, the Lender entered into the Factoring Agreement with the Customer, pursuant to which the Lender has agreed to provide financing being transferred by accounts receivable of the Customer of approximately RMB23,000,000 (equivalent to approximately HK\$25,990,000) from the drawdown date under the Factoring Agreement to 18 May 2024.

* *for identification purpose only*

THE FACTORING AGREEMENT

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

Date:	24 May 2023
Parties:	(i) the Lender; and (ii) the Customer
Financing term:	From the drawdown date under the Factoring Agreement to 18 May 2024
Transfer of accounts receivable:	Subject to the terms and conditions of the Factoring Agreement, the accounts receivable of the Customer as referred to in the underlying transaction documents entered into between the parties pursuant to the Factoring Agreement shall be transferred to the Lender
Factoring principal amounts:	RMB23,000,000 (equivalent to approximately HK\$25,990,000)
Interest rate:	The interest rate of 8% per annum, and shall be payable by the Customer to the Lender within a month upon the drawdown date
Service fee:	One-off service fee of RMB115,000 and shall be payable by the Customer to the Lender within a month upon the date of signing of the Factoring Agreement
Guarantee deposit:	RMB1,150,000, shall be payable by the Customer within a month upon the date of signing of the Factoring Agreement and shall be returned to the Customer within a month 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 Factoring Agreement (with 15-day grace period until 2 June 2024) pursuant to the terms and conditions of the 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 Factoring Agreement. The Guarantee will be effective from the date of signing of guarantee agreement.

Governing laws and validity

The 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 principal business of the Customer is, among other things, provision of architectural and interior decoration design services.

The Guarantor, is a company established under the laws of the PRC with limited liability and is the 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, its ultimate beneficial owner and the Guarantor 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, hotel management and catering services, 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 financing services to its customers in its ordinary and usual course of business.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FACTORING AGREEMENT

The Board is of the view that the Factoring Agreement was 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 Factoring 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 Agreement will be financed by the internal resources of the Group.

Given the 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 Factoring Agreement is 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 Factoring Agreement exceed 5% but less than 25%, the transaction contemplated under the Factoring Agreement constitutes a discloseable transaction of the Company and is therefore subject to the notification 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”	深圳鴻業裝飾有限公司 (Shenzhen Hongye Decoration Company Limited)*, a company established under the laws of the PRC with limited liability
“Director(s)”	director(s) of the Company
“Factoring Agreement”	the factoring agreement entered into between the Lender and the Customer on 24 May 2023, which provides financing being transferred by accounts receivable of the Customer of RMB23,000,000
“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 Factoring Agreement
“Guarantor”	深圳托吉斯建築有限公司 (Shenzhen Tuojisi Construction Company Limited)*, a company established under the laws of the PRC with limited liability which is the 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 Macau Special Administrative Region of the People’s Republic of China and Taiwan
“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, 24 May 2023

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. Liu Xiaowei as non-executive Director; and Ms. Chan Ching Yi, Mr. Chan Kin Sang and Mr. Zheng Suijun as independent non-executive Directors.