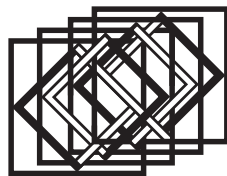


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## **PAK TAK INTERNATIONAL LIMITED**

**(百德國際有限公司)\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2668)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE FACTORING AGREEMENT**

#### **THE FACTORING AGREEMENT**

Reference is made to the Announcements of the Company dated 14 January 2020 and 20 January 2020 in respect of the entering into the Several Reverse Factoring Agreements and the Factoring Facility Agreement with Customer A. Unless otherwise defined, capitalised terms used herein shall have the meanings ascribed to them in the Announcements stated above.

On 19 June 2020 (after trading hours), the Lender entered into the Factoring Agreement with Customer B, pursuant to which the Lender has agreed to provide financing being transferred by accounts receivable of Customer B of approximately RMB9,879,000 (equivalent to approximately HK\$10,867,000) for a period of 1 year from the date of signing of the Factoring Agreement.

#### **LISTING RULES IMPLICATIONS**

As the applicable ratios of the Factoring Agreement is below 5%, the transaction contemplated under the Factoring Agreement did not constitute discloseable transactions of the Company on a standalone basis.

*\* for identification purpose only*

Since Customer A and Customer B are the members of the same group, the Factoring Agreement were made within a 12-month period, and the Several Reverse Factoring Agreements and the Factoring Facility Agreement were entered into by Lender with the same group of customers, the Factoring Agreement would be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

Further, the applicable percentage ratios in respect of the Factoring Agreement on an aggregate basis together with the Several Reverse Factoring Agreements and the Factoring Facility Agreement, exceed 5% but are less than 25%, such transactions contemplated under abovementioned agreements constitute discloseable transactions of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **INTRODUCTION**

Reference is made to the Announcements of the Company dated 14 January 2020 and 20 January 2020 in respect of the entering into the Several Reverse Factoring Agreements and the Factoring Facility Agreement with Customer A. Unless otherwise defined, capitalised terms used herein shall have the meanings ascribed to them in the Announcements stated above.

On 19 June 2020 (after trading hours), the Lender entered into the Factoring Agreement with Customer B, pursuant to which the Lender has agreed to provide financing being transferred by trade receivable of Customer B of approximately RMB9,879,000 (equivalent to approximately HK\$10,867,000) for a period of 1 year from the date of signing of the Factoring Agreement.

## **THE FACTORING AGREEMENT**

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

Date: 19 June 2020

Parties: (i) The Lender; and  
(ii) Customer B

Financing term: 1 year from the date of signing of the Factoring Agreement (or the date on which the factoring principal amount and factoring expenses are fully settled, whichever is the later)

|  |   |
|--|---|
| Transfer of accounts receivable:             | Subject to the terms and conditions of the Factoring Agreement, the accounts receivable of Customer B as referred to in the Factoring Agreement shall be transferred to the Lender  |
| Factoring principal amounts:                 | Approximately RMB9,879,000 (equivalent to approximately HK\$10,867,000)   |
| Interest rate:                               | The interest rate of 14% per annum, and shall be payable by Customer B to the Lender on the expiry of the Factoring Agreement   |
| Service fee:                                 | One-off service fee of approximately RMB395,000   |
| Guarantee deposit:                           | Approximately RMB494,000, shall be payable by Customer B within five business days upon the date of signing of the Factoring Agreement and shall be returned to Customer B within five 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 Factoring Agreement 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 Customer B under the Factoring Agreement. The Guarantee will be effective from the signing date of the Letter of Guarantee.

## **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 Customer B.

## **INFORMATION ABOUT CUSTOMER B AND THE GUARANTOR**

Customer B, is a company established under the laws of the PRC with limited liability. The principal business of Customer B 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 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, Customer B, 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 AGREEMENT**

The Board is of the view that the Factoring 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 Agreement will generate considerable and stable income for the Group from the factoring interest. The provision of factoring principal amount to Customer B 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 are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the applicable ratios of the Factoring Agreement is below 5%, the transaction contemplated under the Factoring Agreement did not constitute discloseable transactions of the Company on a standalone basis.

Since Customer A and Customer B are the members of the same group, the Factoring Agreement were made within a 12-month period, and the Several Reverse Factoring Agreements and the Factoring Facility Agreement were entered into by Lender with the same group of customers, the Factoring Agreement would be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

Further, the applicable percentage ratios in respect of the Factoring Agreement on an aggregate basis together with the Several Reverse Factoring Agreements and the Factoring Facility Agreement, exceed 5% but are less than 25%, such transactions contemplated under the abovementioned agreements 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:

|                       |  |
|-----------------------|--|
| “Announcements”       | the announcements of the Company dated 14 January 2020 and 20 January 2020 in relation to, among other things, the Several Reverse Factoring Agreements and the Factoring Facility Agreement |
| “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 A”          | 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   |

|                       |  |
|-----------------------|--|
| “Customer B”          | 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 B on 19 June 2020, which provides financing being transferred by accounts receivable of Customer B of RMB9,879,000            |
| “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 Customer B under the Factoring Agreement   |
| “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 controlling shareholder of Customer B                  |
| “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  |
| “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 19 June 2020, 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 Macao Special Administrative Region of the People’s Republic of China and Taiwan |
| “RMB”             | Renminbi, the lawful currency of the PRC   |
| “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   |
| “%”               | 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**  
**Wang Jian**  
*Chairman and Chief Executive Officer*

Hong Kong, 19 June 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.*