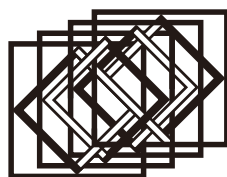


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## **PAK TAK INTERNATIONAL LIMITED**

**( 百德國際有限公司 )\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2668)**

**PLACING OF NEW SHARES UNDER SPECIFIC MANDATE**

**AND**

**CONNECTED TRANSACTION INVOLVING SUBSCRIPTION OF NEW  
SHARES UNDER SPECIFIC MANDATE**

**Placing Agent**



*\* for identification purpose only*

## **PLACING**

On 20 January 2021 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed to procure Placees, on a best effort basis, to subscribe for up to 720,000,000 new Shares at the Placing Price of HK\$0.2 per Placing Share. The Placing is subject to various conditions set forth in the paragraphs headed “Placing — Conditions precedent to the Placing” in this announcement.

The Placing Shares represent (i) approximately 24.83% of the issued share capital of the Company as at the date of this announcement; (ii) upon completion of the Placing (assuming that the Placing Shares are placed in full) but without taking into account completion of the Subscription (and further assuming that there is no other change in the issued share capital of the Company from the date of this announcement to the completion of the Placing), 19.89% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares; and (iii) upon completion of both the Placing (assuming that the Placing Shares are placed in full) and the Subscription (and further assuming that there is no other change in the issued share capital of the Company from the date of this announcement to the completion of the Placing and the Subscription), 18.46% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Subscription Shares.

## **CONNECTED TRANSACTION INVOLVING THE SUBSCRIPTION**

On 20 January 2021 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 280,000,000 new Shares at the Subscription Price of HK\$0.2 per Subscription Share to the Subscriber. The Subscription is subject to various conditions set forth in the paragraphs headed “Connected Transaction Involving the Subscription — Conditions precedent to the Subscription”.

The Subscription Shares represent (i) approximately 9.66% of the issued share capital of the Company as at the date of this announcement; and (ii) upon completion of both the Placing (assuming that the Placing Shares are placed in full) and the Subscription (and further assuming that there is no other change in the issued share capital of the Company from the date of this announcement to the completion of the Placing and the Subscription), approximately 7.18% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Subscription Shares.

As at the date of this announcement, the Subscriber is a substantial shareholder which beneficially owns 812,000,000 Shares, representing 28.00% of the issued share capital of the Company, and hence a connected person of the Company under the Listing Rules. Accordingly, the Subscription constitutes a connected transaction of the Company and is subject to the announcement, circular, Independent Shareholders' approval and reporting requirements under Chapter 14A of the Listing Rules.

### **PLACING PRICE AND SUBSCRIPTION PRICE**

Each of the Placing Price and the Subscription Price is fixed at HK\$0.2 per Placing Share and Subscription Share, respectively, which represents:

- (i) a discount of approximately 1.96% to the closing price of HK\$0.204 per Share as quoted on the Stock Exchange on 20 January 2021, being the date on which the terms of the Placing and the Subscription are fixed and the Placing Agreement and the Subscription Agreement are entered into by the parties therein; and
- (ii) a discount of approximately 10.15% to the average closing price of approximately HK\$0.2226 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to 20 January 2021, being the date on which the Placing Price and the Subscription Price are fixed and the Placing Agreement and the Subscription Agreement are entered into by the parties therein, and the date of this announcement.

### **USE OF PROCEEDS**

The gross proceeds from the Placing and Subscription are expected to be HK\$200 million in aggregate. After deducting related professional fees and all related expenses of about HK\$1.8 million that shall be borne by the Company in connection with the Placing and Subscription, the net proceeds from the Placing and Subscription will amount to approximately HK\$198.2 million, which are expected to be entirely used for repayment of bonds and its accrued interests.

### **GENERAL**

The Placing is subject to Shareholders' approval. The Placing Shares will be allotted and issued under a specific mandate to be proposed for approval by the Shareholders by way of an ordinary resolution at the SGM.

The Subscription is subject to Independent Shareholders' approval. The Subscription Shares will be allotted and issued under a specific mandate to be proposed for approval by the Independent Shareholders by way of an ordinary resolution at the SGM.

The SGM will be convened for the Shareholders or the Independent Shareholders (as the case may be) to consider, and if thought fit, approve the Placing Agreement, the Subscription Agreement, the respective transaction contemplated thereunder and the requisite specific mandates.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders on the Subscription Agreement and the connected transaction contemplated thereunder, and an independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Circular containing, among other things, (i) further details of the Placing Agreement and the Subscription Agreement and the respective transaction contemplated thereunder; (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the Subscription Agreement and the connected transaction contemplated thereunder; (iii) a letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the connected transaction contemplated thereunder; and (iv) a notice convening the SGM and the relevant proxy form, is expected to be despatched to the Shareholders on or before 10 February 2021.

Application will be made by the Company to the Listing Division of the Stock Exchange for the listing of and permission to deal in the Placing Shares and the Subscription Shares.

## **WARNING**

**Shareholders and potential investors of the Company should note that completion of the Placing and the Subscription are subject to the satisfaction of the conditions precedent in the Placing Agreement and the Subscription Agreement (as set forth in the paragraphs headed "Placing — Conditions precedent to the Placing" and "Connected Transaction Involving the Subscription — Conditions precedent to the Subscription" in this announcement) respectively. Accordingly, Shareholders and potential investors of the Company should be aware that there is no assurance as to whether the Placing and the Subscription may proceed and exercise caution when dealing or contemplating any dealing in any securities of the Company.**

## **PLACING**

### **The Placing Agreement**

#### ***Date***

20 January 2021

#### ***Parties***

Issuer : The Company

Placing Agent : CCB International Capital Limited

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

#### **Number of Placing Shares**

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to procure, on a best effort basis and either by itself or through its sub-placing agents, the Placee(s) to subscribe for up to 720,000,000 new Shares having an aggregate nominal value of HK\$14,400,000 at the Placing Price of HK\$0.2 per Placing Share, representing (i) approximately 24.83% of the issued share capital of the Company as at the date of this announcement; (ii) upon completion of the Placing (assuming that the Placing Shares are placed in full) but without taking into account completion of the Subscription (and further assuming that there is no other change in the issued share capital of the Company from the date of this announcement to the completion of the Placing), 19.89% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares; and (iii) upon completion of both the Placing (assuming that the Placing Shares are placed in full) and the Subscription (and further assuming that there is no other change in the issued share capital of the Company from the date of this announcement to the completion of the Placing and the Subscription), 18.46% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Subscription Shares.

## **Placees**

It is expected that the Placing Shares will be placed to the Placees who or which are institutional, professional and/or other investors. The Placees shall not be connected persons of the Company, and shall be independent of, and not connected with or acting in concert (as defined in the Takeovers Code) with the Company, its connected persons and their respective associates. It is expected that none of the Placees will become a controlling shareholder of the Company immediately upon completion of the Placing and completion of the Subscription (which shall take place simultaneously).

As at the date of this announcement, the identities of the Placees have not been confirmed.

## **Conditions precedent to the Placing**

Completion of the Placing under the Placing Agreement is conditional upon, among other things, each of the following conditions being satisfied (or waived to the extent that it is capable of being waived) on or before the Long Stop Date:

- (i) the passing by the Board of the resolution(s) to approve the Placing Agreement and the transactions contemplated thereunder;
- (ii) the passing of the Shareholders' resolution(s) at the SGM to approve the Placing Agreement, the Subscription Agreement and the transactions contemplated thereunder, respectively, and the granting of the requisite specific mandates;
- (iii) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Placing Shares and the Subscription Shares with or without conditions (and such listing and permission not subsequently being revoked);
- (iv) no relevant government, governmental, quasi-governmental, statutory or regulatory body, court or agency having granted any order or made any decision that would make the Placing and the Subscription void, unenforceable or illegal, or restrict or prohibit the implementation of, or impose any additional material conditions or obligations with respect to the Placing and the Subscription (other than such orders or decisions as would not have a material adverse effect on the legal ability of the Company to proceed with the Placing and the Share Subscription);

- (v) there being no halt or suspension in the trading of the Shares for any period from the date of the Placing Agreement until the Completion Date, except for suspension relating to any transactions under the Placing Agreement and the Subscription Agreement;
- (vi) the Subscription Price being the same amount as the Placing Price;
- (vii) the Subscription Agreement having become unconditional pursuant to the terms and conditions set out therein (except for the condition therein relating to the Placing Agreement having become unconditional pursuant to the terms and conditions set out therein);
- (viii) no circumstances where the status of the development in the restructuring of any notes by any member of the Group (or the issuer thereof), or any other circumstances of the Group, having occurred which has or would have a material adverse effect on the liquidity and solvency position of any member of the Group and is required to be publicly disclosed under any applicable laws and regulations, including but not limited to the Listing Rules and the SFO;
- (ix) all representations and warranties of the Company as set forth in the Placing Agreement remaining true, accurate and not misleading in all material aspects as at the Completion Date; and
- (x) the Placing Agreement not being terminated by the Placing Agent pursuant to the terms and conditions thereof.

In the event the above conditions are not fulfilled or, at the sole and absolute discretion of the Placing Agent, waived (to the extent it is capable of being waived) by the Long Stop Date, the Placing Agreement shall terminate, and all rights, obligations and liabilities of the Company and the Placing Agent thereunder in relation to the Placing shall cease and determine and both parties shall be released from all their respective obligations pursuant to the Placing Agreement and neither party shall have any claim against the other party in respect of the Placing save for any antecedent breach.

## **Termination**

The Placing Agent may terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 10:00 a.m. on the Completion Date (Hong Kong time) upon the occurrence of the following events which, in the sole and absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would affect the success of the Placing; or
- (ii) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's sole and absolute opinion, would affect the success of the Placing; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group, if in the Placing Agent's sole and absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (iv) any litigation or claim being instigated against any member of the Group, which has or may have a material adverse effect on the business or financial position of the Group and which in the Placing Agent's sole and absolute opinion would affect the success of the Placing; or



- (v) any breach of any of the representations and warranties of the Company set out in the Placing Agreement coming to the knowledge of the Placing Agent or any event occurring or any matter arising on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there being a material breach by the Company of any other provision of the Placing Agreement; or
- (vi) there being any material change (whether or not forming part of a series of changes) in market conditions which in the sole and absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed; or
- (vii) a change or development occurring which involves a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or the PRC which would, in the sole and absolute opinion of the Placing Agent, have a material adverse effect on the Placing; or
- (viii) the Subscription Agreement having been terminated pursuant to the terms and conditions therein.

Upon the giving of the notice as referred to above, all respective obligations of the Company and the Placing Agent under the Placing Agreement shall cease and determine, and neither party therein shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement, except for any antecedent breach of any obligation under the Placing Agreement and any liabilities relating to commissions and expenses and indemnification under the Placing Agreement.

### **Completion of the Placing**

Completion of the Placing shall take place on the third Business Day after the date on which all the conditions as set forth in the paragraphs headed “Placing — Conditions precedent to the Placing” in this announcement are satisfied (or waived to the extent that they are capable of being waived) (other than any condition which is expressed to be fulfilled on or as at the Completion Date, but subject to the fulfilment or waiver of such condition), or such other date as the Company and the Placing Agent may agree in writing. Completion of the Placing and completion of the Subscription shall take place simultaneously. Further announcement will be made by the Company upon completion of the Placing.

## **Rights and ranking of the Placing Shares**

The Placing Shares, when issued and fully paid up, shall rank *pari passu* in all respects among themselves and with the other Shares in issue as at the date of allotment and issue, together with all rights attaching thereto as at the date of allotment and thereafter (including the right to receive all future dividends and other distributions thereafter declared, made or paid on the Shares).

## **CONNECTED TRANSACTION INVOLVING THE SUBSCRIPTION**

### **The Subscription Agreement**

#### ***Date***

20 January 2021

#### ***Parties***

Issuer : The Company

Subscriber : Tengyue Holding Limited

As at the date of this announcement, the Subscriber is a substantial shareholder which beneficially owns 812,000,000 Shares, representing 28.00% of the issued share capital of the Company, and hence a connected person of the Company under the Listing Rules.

### **Number of Subscription Shares**

Pursuant to the Subscription Agreement, the Subscriber has conditionally agreed to subscribe as principal for, and the Company has conditionally agreed to allot and issue 280,000,000 new Shares having an aggregate nominal value of HK\$5,600,000 at the Subscription Price of HK\$0.2 per Subscription Share, representing (i) approximately 9.66% of the issued share capital of the Company as at the date of this announcement; and (ii) upon completion of both the Placing (assuming that the Placing Shares are placed in full) and the Subscription (and further assuming that there is no other change in the issued share capital of the Company from the date of this announcement to the completion of the Placing and the Subscription), approximately 7.18% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares and the Subscription Shares.

## **Conditions precedent to the Subscription**

Completion of the Subscription is conditional upon, among other things:

- (i) the Placing Agreement having become unconditional pursuant to the terms and conditions set out therein (except for the condition therein relating to the Subscription Agreement having become unconditional pursuant to the terms and conditions set out therein);
- (ii) the listing of and permission to deal in all the Subscription Shares and the Placing Shares being granted by the Listing Committee of the Stock Exchange (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares and/or the Placing Shares);
- (iii) the Independent Shareholders approving the Subscription and the related transactions contemplated thereunder at the SGM;
- (iv) the Subscription Agreement not having been terminated by the parties pursuant to terms and conditions thereof; and
- (v) all representations, warranties and undertakings of the Company and the Subscriber remaining true, accurate and not misleading in all material aspects as at the Completion Date.

If the above conditions are not fulfilled by the Long Stop Date, the Subscription Agreement shall terminate and neither of the parties therein will have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of the Subscription Agreement.

## **Termination**

Each of the Company and the Subscriber shall be entitled by notice given to the other at any time prior to the Completion Date to terminate the Subscription Agreement, whereby the Subscription Agreement shall terminate and be of no further effect and neither party therein shall be under any liability to the other in respect of the Subscription Agreement other than in respect of any liabilities which have arisen prior to such termination.

## **Completion of the Subscription**

Completion of the Subscription shall take place on the third Business Day after the date on which all the conditions as set forth in the paragraphs headed “Connected Transaction Involving the Subscription — Conditions precedent to the Subscription” in this announcement are fulfilled (other than any condition which is expressed to be fulfilled on or as at the Completion Date, but subject to the fulfilment of such condition), or such later time and/or date as the Company and the Subscriber may agree in writing, subject to delivery to the Company of an application for the Subscription Shares signed by the Subscriber or such other person(s) as nominated by the Subscriber. Completion of the Placing and completion of the Subscription shall take place simultaneously. Further announcement will be made by the Company upon completion of the Subscription.

## **Rights and ranking of the Subscription Shares**

The Subscription Shares will, when fully paid, rank *pari passu* in all respects among themselves and with the other Shares in issue as at the Completion Date, including the rights to all dividends and other distributions declared, made or paid at any time on or after the Completion Date.

## **PLACING PRICE AND SUBSCRIPTION PRICE**

Each of the Placing Price and the Subscription Price is fixed at HK\$0.2 per Placing Share and Subscription Share, respectively, which represents:

- (i) a discount of approximately 1.96% to the closing price of HK\$0.204 per Share as quoted on the Stock Exchange on 20 January 2021, being the date on which the terms of the Placing and the Subscription are fixed and the Placing Agreement and the Subscription Agreement are entered into by the parties therein; and
- (ii) a discount of approximately 10.15% to the average closing price of HK\$0.2226 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to 20 January 2021, being the date on which the Placing Price and the Subscription Price are fixed and the Placing Agreement and the Subscription Agreement are entered into by the parties therein, and the date of this announcement.

Taking into account the expenses of the Placing in the amount of approximately HK\$1.4 million, the net price of each Placing Share to the Company is approximately HK\$0.198 per Placing Share.

Taking into account the expenses of the Subscription in the amount of approximately HK\$0.4 million, the net price of each Subscription Share to the Company is approximately HK\$0.199 per Subscription Share.

The Placing Price and the Subscription Price were arrived at after arm's length negotiations between the Company and the Placing Agent or the Subscriber (as the case may be) with reference to the recent market prices of the Shares and the current market conditions.

### **RESTRICTIONS ON DISPOSAL, LOCK-UP AND FURTHER ISSUES**

The Placing Shares and the Subscription Shares are not subject to any lock-up or other disposal restrictions under the terms of the Placing Agreement or the Subscription Agreement (as the case may be).

The Placing Agreement and the Subscription Agreement do not contain any restriction on any further issue of securities by the Company.

### **REASONS FOR THE PLACING AND THE SUBSCRIPTION**

The Directors consider that it is in the interests of the Company to raise capital from the equity market via the Placing and the Subscription in order to maintain the cash flow position of the Group, and to enhance the capital and Shareholder bases of the Company for the long-term development and further strengthening of the financial position of the Group.

The Directors (including the independent non-executive Directors) consider that the Placing Agreement was entered into upon normal commercial terms, following arm's length negotiations between the parties, and that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In addition, the Directors (other than the independent non-executive Directors whose opinions will be set out in the Circular) consider that the Subscription reflects the confidence and commitment of the Subscriber towards the long-term and sustainable development of the Group, and are of the view that (i) the Subscription Agreement was entered into upon normal commercial terms, following arm's length negotiations between the parties, and that the terms of the Subscription Agreement are fair and reasonable and in the interests of the Shareholders as a whole; and (ii) the connected transaction contemplated under the Subscription Agreement, although not being in the ordinary and usual course of business of the Group, is based on normal commercial terms in the interests of the Company and the Shareholders as a whole. The views of the independent non-executive Directors, who will be appointed to the Independent Board Committee, on the terms of the Subscription Agreement and the connected transaction contemplated thereunder will be given after considering the opinions of the independent financial adviser, which are to be set forth in the Circular.

## **USE OF PROCEEDS**

The gross proceeds from the Placing and Subscription are expected to be approximately HK\$200 million in aggregate. After deducting related professional fees and all related expenses of about HK\$1.8 million that shall be borne by the Company in connection with the Placing and the Subscription, the net proceeds from the Placing and Subscription will amount to approximately HK\$198.2 million, which are expected to be entirely used for the repayment of the unlisted bonds with the aggregate principal amount of HK\$190 million which were issued by the Company on 18 July 2019 and 15 October 2019 and will mature on 17 March 2021, and payment of the interests thereon in the aggregate amount of approximately HK\$21.5 million. Any remaining amounts of the principal of the bonds and/or the interests thereon shall be repaid and paid using the Company's internal resources.

## **FUND-RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS**

The Company has not raised any funds through any issue of equity securities during the 12-month period immediately preceding the date of this announcement.

## **CHANGES TO THE SHAREHOLDING AS A RESULT OF THE PLACING AND THE SUBSCRIPTION**

As at the date of this announcement, the Company has 2,900,000,000 Shares in issue. Set forth below is a table showing the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Placing but without taking into account completion of the Subscription; and (iii) immediately after completion of both

the Placing and the Subscription, in each case assuming that all of the Placing Shares will be placed to the Placees and that there is no further change in the issued share capital of the Company from the date of this announcement to the completion of the Placing and the Subscription:

Name of Shareholder	As at the date of this announcement		Immediately after completion of the Placing but without taking into account completion of the Subscription		Immediately after completion of both the Placing and the Subscription	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Substantial Shareholders</b>						
Subscriber (Note 1)	812,000,000	28.00	812,000,000	22.43	1,092,000,000	28.00
Massive Thriving Limited (Note 2)	546,953,000	18.86	546,953,000	15.11	546,953,000	14.02
<b>Public Shareholders</b>						
Placees	—	—	720,000,000	19.89	720,000,000	18.46
Other public Shareholders	1,541,047,000	53.14	1,541,047,000	42.57	1,541,047,000	39.52
	<u>2,900,000,000</u>	<u>100.00</u>	<u>3,620,000,000</u>	<u>100.00</u>	<u>3,900,000,000</u>	<u>100.00</u>

Notes:

- (1) As at the date of this announcement, the Subscriber is wholly owned by Beyond Glory Holdings Limited, which is in turn wholly owned by Mr. Liao Nangang.
- (2) As at the date of this announcement, Massive Thriving Limited is wholly owned by Mr. Wang Jian.
- (3) The information presented in the table above is based on
  - (i) the disclosures of interest made by the relevant shareholders pursuant to the requirements under Part XV of the SFO up to the date of this announcement; and
  - (ii) the assumption that there will be no change in the share capital and shareholding structure of the Company between the date of this announcement and the date of completion of the Placing and the Subscription other than the allotment and issue of the Placing Shares and the Subscription Shares.

## **GENERAL**

### **Information of the parties**

The Company is an investment holding company. The Group as a whole is principally engaged in supply chain business, leasing business, property investment and consultancy, money lending business and securities investment.

To the best of the knowledge of the Directors, the Subscriber, which is a substantial shareholder of the Company as at the date of this announcement, is a private company limited by shares incorporated in Hong Kong that is principally engaged in investment holding. As at the date of this announcement, the Subscriber is wholly owned by Beyond Glory Holdings Limited, which is in turn wholly owned by Mr. Liao Nangang.

### **Shareholders' approval**

The Placing is subject to Shareholders' approval. The Placing Shares will be allotted and issued under a specific mandate to be proposed for approval by the Shareholders by way of an ordinary resolution at the SGM.

The Subscription is subject to Independent Shareholders' approval. The Subscription Shares will be allotted and issued under a specific mandate to be proposed for approval by the Independent Shareholders by way of an ordinary resolution at the SGM.

### **Implications under the Listing Rules**

As at the date of this announcement, the Subscriber is a substantial shareholder which beneficially owns 812,000,000 Shares, representing 28.00% of the issued share capital of the Company, and hence a connected person of the Company under the Listing Rules. Accordingly, the Subscription constitutes a connected transaction of the Company and is subject to the announcement, circular, Independent Shareholders' approval and reporting requirements under Chapter 14A of the Listing Rules.

No Director has or is deemed to have a material interest in the Placing Agreement, the Subscription Agreement or the respective transaction contemplated thereunder and was required to abstain from voting on the resolutions of the Board approving the same in accordance with the Bye-laws of the Company.



## **SGM**

The SGM will be convened for the Shareholders or the Independent Shareholders (as the case may be) to consider, and if thought fit, approve the Placing Agreement, the Subscription Agreement, the respective transaction contemplated thereunder and the requisite specific mandates.

To the best of the knowledge, information and belief of the Directors, no Shareholder has a material interest in the transactions contemplated under the Placing Agreement and will be required to abstain from voting on the resolution(s) to approve the Placing Agreement, the transaction contemplated thereunder and the requisite specific mandate at the SGM.

In accordance with the Listing Rules, the Subscriber and its associates will be required to abstain from voting on the resolution(s) to approve the Subscription Agreement, the connected transaction contemplated thereunder and the requisite specific mandate at the SGM. Save as disclosed above, to the best of the knowledge, information and belief of the Directors, no other Shareholder has a material interest in the connected transaction contemplated under the Subscription Agreement and will be required to abstain from voting on the resolution(s) to approve the Subscription Agreement, the connected transaction contemplated thereunder and the requisite specific mandate at the SGM.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders on the Subscription Agreement and the connected transaction contemplated thereunder, and an independent financial adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

The Circular containing, among other things, (i) further details of the Placing Agreement and the Subscription Agreement and the respective transaction contemplated thereunder; (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the Subscription Agreement and the connected transaction contemplated thereunder; (iii) a letter from the independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Subscription Agreement and the connected transaction contemplated thereunder; and (iv) a notice convening the SGM and the relevant proxy form, is expected to be despatched to the Shareholders on or before 10 February 2021.

### **Application for listing**

Application will be made by the Company to the Listing Division of the Stock Exchange for the listing of and permission to deal in the Placing Shares and the Subscription Shares.

## WARNING

**Shareholders and potential investors of the Company should note that completion of the Placing and the Subscription are subject to the satisfaction of the conditions precedent in the Placing Agreement and the Subscription Agreement (as set forth in the paragraphs headed “Placing — Conditions precedent to the Placing” and “Connected Transaction Involving the Subscription — Conditions precedent to the Subscription” in this announcement) respectively. Accordingly, Shareholders and potential investors of the Company should be aware that there is no assurance as to whether the Placing and the Subscription may proceed and exercise caution when dealing or contemplating any dealing in any securities of the Company.**

## DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Circular”	a circular to be issued and published by the Company together with the notice of the SGM in connection with the Placing and Subscription
“Company”	Pak Tak International Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2668)
“Completion Date”	the date of completion of the Placing and the Subscription, which shall be the third Business Day after the date on which all the conditions as set forth in the paragraphs headed “Placing — Conditions precedent to the Placing” and the paragraphs headed “Connected Transaction Involving the Subscription — Conditions precedent to the Subscription” in this announcement are satisfied (or waived to the extent that they are capable of being waived) (other than any condition

which is expressed to be fulfilled on or as at the completion date, but subject to the fulfilment or waiver of such condition), or such other date as the respective parties to the Placing Agreement and the Subscription Agreement may agree in writing. For the avoidance of doubt, the completion of the Placing and completion of the Subscription shall take place simultaneously on the same date

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	collectively, the Company and its subsidiaries from time to time
“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
“Independent Board Committee”	the independent Board committee comprising all independent non-executive Directors, to advise the Independent Shareholders on the Subscription Agreement and the connected transaction contemplated thereunder
“Independent Shareholders”	the Shareholders other than the Subscriber and its associates
“Long Stop Date”	30 June 2021 (Hong Kong time), or such other date as the respective parties to the Placing Agreement and the Subscription Agreement may agree in writing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person or entity procured by the Placing Agent to subscribe for any of the Placing Shares

“Placing”	the placing of up to 720,000,000 new Shares by the Placing Agent
“Placing Agent”	CCB International Capital Limited, the placing agent appointed by the Company and a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Placing Agreement”	the agreement dated 20 January 2021 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Price”	the placing price of HK\$0.2 per Placing Share
“Placing Shares”	up to 720,000,000 new Shares to be allotted and issued by the Company under the Placing
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“public”	has the meaning ascribed to it under the Listing Rules
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be convened for the Shareholders or the Independent Shareholders (as the case may be) to consider, and if thought fit, approve the Placing Agreement, the Subscription Agreement, the respective transaction contemplated thereunder and the requisite specific mandates
“Share(s)”	ordinary share(s) of HK\$0.02 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Tengyue Holding Limited, a company incorporated in Hong Kong with limited liability, which is an investment holding company and a substantial shareholder which beneficially owns 28.00% of the issued share capital of the Company as at the date of this announcement
“Subscription”	the subscription of the Subscription Shares by the Subscriber at the Subscription Price
“Subscription Agreement”	the subscription agreement dated 20 January 2021 entered into between the Company and the Subscriber in respect of the Subscription
“Subscription Price”	the subscription price of HK\$0.2 per Subscription Share
“Subscription Shares”	280,000,000 new Shares to be allotted and issued by the Company to the Subscriber
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

*\* for identification purpose only*

By order of the Board of  
**Pak Tak International Limited**  
**Wang Jian**  
*Chairman and Chief Executive Officer*

Hong Kong, 20 January 2021

*As at the date of this announcement, the Board comprises Mr. Wang Jian, Ms. Qian Pu 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.*