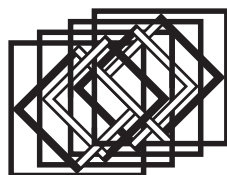


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PAK TAK INTERNATIONAL LIMITED

(百德國際有限公司) *

(Incorporated in Bermuda with limited liability)

(Stock Code: 2668)

DISCLOSEABLE TRANSACTION IN RELATION TO FINANCE LEASE AGREEMENTS

FINANCE LEASE AGREEMENTS

On 30 October 2019, the Lessor, a direct wholly-owned subsidiary of the Company, and Lessee A entered into the 1st Finance Lease Agreement, pursuant to which the Lessor had agreed to purchase the 1st Leased Asset from Lessee A at a consideration of RMB25,000,000 (equivalent to approximately HK\$28,250,000) and to lease back the 1st Leased Asset to Lessee A for a term of 24 months.

On 30 October 2019, the Lessor and Lessee B entered into the 2nd Finance Lease Agreement, pursuant to which the Lessor had agreed to purchase the 2nd Leased Asset from Lessee B at a consideration of RMB5,000,000 (equivalent to approximately HK\$5,650,000) and to lease back the 2nd Leased Asset to Lessee B for a term of 24 months.

** for identification purpose only*

LISTING RULES IMPLICATIONS

Since Lessee A and Lessee B are the members of the same group, the Finance Lease Arrangements were made within a 12-month period, and the Finance Lease Agreements were entered into by Lessor with the same group of customers, the Finance Lease Arrangements would be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Finance Lease Arrangements exceeds 5% but is below 25%, which constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

On 30 October 2019, the Lessor, a direct wholly-owned subsidiary of the Company, and Lessee A entered into the 1st Finance Lease Agreement, pursuant to which the Lessor had agreed to purchase the 1st Leased Asset from Lessee A at a consideration of RMB25,000,000 (equivalent to approximately HK\$28,250,000) and to lease back the 1st Leased Asset to Lessee A for a term of 24 months.

On 30 October 2019, the Lessor and Lessee B entered into the 2nd Finance Lease Agreement, pursuant to which the Lessor had agreed to purchase the 2nd Leased Asset from Lessee B at a consideration of RMB5,000,000 (equivalent to approximately HK\$5,650,000) and to lease back the 2nd Leased Asset to Lessee B for a term of 24 months.

THE 1ST FINANCE LEASE AGREEMENT

The principal terms of the 1st Finance Lease Agreement are set out as follows:

Date

30 October 2019

Parties

- (i) The Lessor, as the purchaser and the lessor; and
- (ii) Lessee A, as the seller and the lessee.

Finance Lease Arrangement

Purchase of the 1st Leased Asset from Lessee A

Pursuant to the 1st Finance Lease Agreement, Lessee A has agreed to sell, and the Lessor has agreed to purchase, the 1st Leased Asset owned by Lessee A at a consideration of RMB25,000,000 (equivalent to approximately HK\$28,250,000) (the “**1st Lease Consideration**”). The 1st Lease Consideration was determined after arm’s length negotiations between the Lessor and Lessee A with reference to the initial purchase price of the 1st Leased Asset. The 1st Lease Consideration shall be paid by the Lessor to Lessee A on the commencement date of the lease period.

Payment of the 1st Lease Consideration to be made by the Lessor to Lessee A under the 1st Finance Lease Agreement will be funded by internal resources.

Lease back of the Leased Asset by Lessee A

Pursuant to the 1st Finance Lease Agreement, the 1st Leased Asset will then be leased back to Lessee A for a period of 24 months.

Lease Payments

The aggregate lease payments payable by Lessee A to the Lessor under the 1st Finance Lease Agreement shall be approximately RMB28,491,000 (equivalent to approximately HK\$32,195,000), comprising (i) the 1st Lease Consideration of RMB25,000,000 (equivalent to approximately HK\$28,250,000), and (ii) an aggregate interest of approximately RMB3,491,000 (equivalent to approximately HK\$3,945,000), payable on a quarterly basis in eight (8) equal installments during the lease period.

The lease payments to be made by Lessee A under the 1st Finance Lease Agreement were determined after arm’s length negotiations between the Lessor to the Lessee A with reference to the prevailing market rates for finance lease of the 1st Leased Asset.

Handling fee

A handling fee in the sum of RMB1,500,000 (equivalent to approximately HK\$1,695,000) will also be payable by Lessee A to Lessor within three business days from the date of commencement of the lease period.

Ownership of the 1st Leased Asset

During the lease period, the ownership of the 1st Leased Asset vests in the Lessor pursuant to the 1st Finance Lease Agreement.

Lessee A's Right to Repurchase the 1st Leased Asset

Subject to Lessee A having settled all the outstanding lease payments and all the amounts payable under the 1st Finance Lease Agreement, the Lessor has agreed to transfer the ownership of the 1st Leased Asset to the Lessee A at an agreed nominal consideration of RMB1,000 (equivalent to approximately HK\$1,130) on the date of expiry of the lease period.

Guarantee

The Guarantor shall execute the 1st Guarantee in favour of the Lessor to secure the performance of obligations of Lessee A under the 1st Finance Lease Agreement. The 1st Guarantee will be effective from the date of signing of the 1st Guarantee.

Security Deposit

Pursuant to the 1st Finance Lease Agreement, a refundable security deposit of RMB2,500,000 (equivalent to approximately HK\$2,825,000) is to be payable by Lessee A to the Lessor within three business days of the date of commencement of the lease period, and to be deductible from the purchase price to be paid by the Lessor to Lessee A under the 1st Finance Lease Agreement.

The Lessor is entitled to withhold the security deposit if there is any outstanding payment or penalty resulting from any breach caused by Lessee A and thereafter, Lessee A is required to replenish the security deposit. At the expiry of the lease period, the Lessor is entitled to deduct the security deposit (or any part thereof) for the purpose of offsetting the last installment of the lease payments.

Governing laws and validity

The 1st Finance Lease Agreement is governed by the laws of the PRC and came into effect upon the signing by the Lessor and Lessee A.

THE 2ND FINANCE LEASE AGREEMENT

The principal terms of the 2nd Finance Lease Agreement are set out as follows:

Date

30 October 2019

Parties

- (i) The Lessor, as the purchaser and the lessor; and
- (ii) Lessee B, as the seller and the lessee.

Finance Lease Arrangement

Purchase of the 2nd Leased Asset from Lessee B

Pursuant to the 2nd Finance Lease Agreement, Lessee B has agreed to sell, and the Lessor has agreed to purchase, the 2nd Leased Asset owned by Lessee B at a consideration of RMB5,000,000 (equivalent to approximately HK\$5,650,000) (the “**2nd Lease Consideration**”). The 2nd Lease Consideration was determined after arm’s length negotiations between the Lessor and Lessee B with reference to the initial purchase price of the 2nd Leased Asset. The 2nd Lease Consideration shall be paid by the Lessor to Lessee B on the commencement date of the lease period.

Payment of the 2nd Lease Consideration to be made by the Lessor to Lessee B under the 2nd Finance Lease Agreement will be funded by internal resources.

Lease back of the Leased Assets by Lessee B

Pursuant to the 2nd Finance Lease Agreement, the 2nd Leased Asset will then be leased back to Lessee B for a period of 24 months.

Lease Payments

The aggregate lease payments payable by Lessee B to the Lessor under the 2nd Finance Lease Agreement shall be approximately RMB5,698,000 (equivalent to approximately HK\$6,439,000), comprising (i) the 2nd Lease Consideration of RMB5,000,000 (equivalent to approximately HK\$5,650,000), and (ii) an aggregate interest of approximately RMB698,000 (equivalent to approximately HK\$789,000), payable on a quarterly basis in eight (8) equal installments during the lease period.

The lease payments to be made by Lessee B under the 2nd Finance Lease Agreement were determined after arm's length negotiations between the Lessor to Lessee B with reference to the prevailing market rates for finance lease of 2nd Leased Asset.

Handling fee

A handling fee in the sum of RMB300,000 (equivalent to approximately HK\$339,000) will also be payable by Lessee B to Lessor within three business days from the date of commencement of the lease period.

Ownership of the 2nd Leased Asset

During the lease period, the ownership of the 2nd Leased Asset vests in the Lessor pursuant to the 2nd Finance Lease Agreement.

Lessee B's Right to Repurchase the 2nd Leased Asset

Subject to Lessee B having settled all the outstanding lease payments and all the amounts payable under the 2nd Finance Lease Agreement, the Lessor has agreed to transfer the ownership of the 2nd Leased Asset to Lessee B at an agreed nominal consideration of RMB1,000 (equivalent to approximately HK\$1,130) on the date of expiry of the lease period.

Guarantee

The Guarantor shall execute the 2nd Guarantee in favour of the Lessor to secure the performance of obligations of the Lessee B under the 2nd Finance Lease Agreement. The 2nd Guarantee will be effective from the date of signing of the 2nd Guarantee.

Security Deposit

Pursuant to the 2nd Finance Lease Agreement, a refundable security deposit of RMB500,000 (equivalent to approximately HK\$565,000) is to be payable by Lessee B to the Lessor within three business days of the date of commencement of the lease period, and to be deductible from the purchase price to be paid by the Lessor to Lessee B under the 2nd Finance Lease Agreement.

The Lessor is entitled to withhold the security deposit if there is any outstanding payment or penalty resulting from any breach caused by Lessee B and thereafter, Lessee B is required to replenish the security deposit. At the expiry of the lease period, the Lessor is entitled to deduct the security deposit (or any part thereof) for the purpose of offsetting the last installment of the lease payments.

Governing laws and validity

The 2nd Finance Lease Agreement is governed by the laws of the PRC and came into effect upon the signing by the Lessor and Lessee B.

INFORMATION ABOUT THE LESSEE A AND LESSEE B

The Lessee A is a company established under the laws of the PRC with limited liability. The principal business of Lessee A is, among other things, the solar power station investment and development of the solar power generation in the PRC.

The Lessee B is a company established under the laws of the PRC with limited liability. The principal business of Lessee B is, among other things, the solar power station investment and development of the solar power generation in the PRC.

Lessee A and Lessee B are the members of the same group.

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

INFORMATION ABOUT THE GROUP AND THE LESSOR

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

The Lessor is a company established under the laws of the PRC with limited liability and is a direct wholly-owned subsidiary of the Company. The principal business of the Lessor 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 FINANCE LEASE AGREEMENTS

The Board is of the view that the Finance Lease Agreements were entered into after arm's length negotiations, in the ordinary and usual course of business of the Lessor. It is expected that the Finance Lease Agreements will generate considerable and stable income for the Group in the next two years. The terms of the Finance Lease Agreements are normal commercial terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In addition, the Board considers that both, the 1st Lease Consideration, 2nd Lease Consideration and the lease payments under the Finance Lease Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Since Lessee A and Lessee B are the members of the same group, the Finance Lease Arrangements were made within a 12-month period, and the Finance Lease Agreements were entered into by Lessor with the same group of customers, the Finance Lease Arrangements would be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Finance Lease Arrangements exceeds 5% but is below 25%, which constitutes a discloseable transaction for the Company 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:

“1st Finance Lease Agreement”	the finance lease agreement dated 30 October 2019 entered into between Lessor and Lessee A in relation to the 1st Finance Lease Arrangement
“1st Finance Lease Arrangement”	the finance lease arrangement as contemplated under the 1st Finance Lease Agreement

“1st Leased Asset”	renewable energy equipment purchased by Lessor and leased back to Lessee A under the 1st Finance Lease Agreement
“1st Lease Consideration”	the consideration of RMB25,000,000 (equivalent to approximately HK\$28,250,000) payable by Lessor to Lessee A pursuant to the 1st Finance Lease Arrangement
“2nd Finance Lease Agreement”	the finance lease agreement dated 30 October 2019 entered into between Lessor and Lessee B in relation to the 2nd Finance Lease Arrangement
“2nd Finance Lease Arrangement”	the finance lease arrangement as contemplated under the 2nd Finance Lease Agreement
“2nd Leased Asset”	renewable energy equipment purchased by Lessor and leased back to Lessee B under the 2nd Finance Lease Agreement
“2nd Lease Consideration”	the consideration of RMB5,000,000 (equivalent to approximately HK\$5,650,000) payable by Lessor to Lessee B pursuant to the 2nd Finance Lease Arrangement
“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
“Director(s)”	director(s) of the Company
“Finance Lease Agreements”	the 1st Finance Lease Agreement and 2nd Finance Lease Agreement
“Finance Lease Arrangements”	the finance lease arrangements as contemplated under the 1st Finance Lease Arrangement and 2nd Finance Lease Arrangement

“Group”	the Company and its subsidiaries
“1st Guarantee”	the guarantee dated 30 October 2019 executed by the Guarantor in favour of the Lessor to secure the due performance of obligations of Lessee A under the 1st Finance Lease Agreement
“2nd Guarantee”	the guarantee dated 30 October 2019 executed by the Guarantor in favour of the Lessor to secure the due performance of obligations of Lessee B under the 2nd Finance Lease Agreement
“Guarantor”	a company established under the laws of the PRC with limited liability and is the ultimate holding company of the Lessee A and Lessee B;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lessee A”	a company established under the laws of the PRC with limited liability
“Lessee B”	a company established under the laws of the PRC with limited liability
“Lessor”	深圳金盛融資租賃有限公司 (Shenzhen Jinsheng Finance Lease Company Limited*), a company established under the laws of the PRC with limited liability, and is a direct 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.

For the purpose of this announcement and for illustrative purpose only, amounts denominated in RMB in this announcement have been converted into HK\$ at an exchange rate of RMB1.00: HK\$1.13. Such conversions should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

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

Hong Kong, 30 October 2019

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.