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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 ACQUISITION OF MINORITY INTEREST IN FINANCIAL SERVICES COMPANIES**

#### **THE ACQUISITION**

The Board is pleased to announce that on 3 June 2018, the Purchaser (a direct wholly-owned subsidiary of the Company) and the Vendor entered into the Share Transfer Agreement, pursuant to which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell, the Sale Shares, representing 28% of the issued share capital of the Target Company at the Consideration of HK\$168,200,000 (subject to as disclosed in the section headed “Consideration” below).

Upon Completion, the Company will indirectly hold 28% of issued share capital of the Target Company and the Target Company will be treated as an associated company of the Company and its results will be accounted for as interests in associates.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in relation to the Acquisition contemplated under the Share Transfer Agreement exceed 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company, which is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Completion of the Acquisition is subject to the fulfillment of the Conditions Precedent under the Share Transfer Agreement. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.**

\* *for identification purpose only*

Principal terms of the Share Transfer Agreement are set out below:

## **SHARE TRANSFER AGREEMENT**

### **Date**

3 June 2018

### **Parties**

- (i) Hua Tong Group Limited, a direct wholly-owned subsidiary of the Company, as the Purchaser;  
and
- (ii) Goldjoy Holding Limited, as the Vendor

(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 Vendor 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.

### **Assets to be acquired**

Pursuant to the Share Transfer Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire, the Sale Shares, representing the 28% of the issued share capital of the Target Company at the Consideration of HK\$168,200,000 (subject to as disclosed in the section headed “Consideration” below).

For details of the Target Company, please refer to the section headed “Information of the Target Group”.

### **Consideration**

Pursuant to the Share Transfer Agreement, the Consideration of HK\$168,200,000 shall be payable by the Purchaser to the Vendor in the following manners:

- (i) Deposit in the sum of HK\$10,000,000 shall be payable within 7 business days after the date of signing the Share Transfer Agreement (the “**First Payment**”); and

- (ii) the remaining balance of the Consideration shall be payable upon within 2 months after the date of Completion (the “**Final Payment**”).

It is expected that the First Payment will be funded by internal resources and the Final Payment will be funded by internal resources, external borrowing, or by equity fund raising including placing new shares by the Company.

The Consideration was arrived at after arm’s length negotiations between the Vendor and the Purchaser on normal commercial terms principally with reference to (i) the net asset value of the Target Group as at 31 December 2017 of HK\$461,874,000 (net of non-controlling interests); (ii) the historical financial performance of the Target Group; (iii) the future business prospects of the Target Group; (iv) a premium with reference of comparable companies listed on the Stock Exchange; and (v) the reasons for and benefits of the Acquisition as described under the paragraph headed “Reasons for and benefits of the Acquisition” below.

The Consideration shall be subject to downward or upward adjustment after comparing the difference between the net asset value of the Target Group as of the date of Completion (to be certified a true and correct by the director of the Target Company) to that of 31 December 2017, and the Consideration shall only be adjusted if the difference is HK\$5 million or above, and any downward or upward adjustment of the Consideration shall not exceed a maximum amount of HK\$2 million.

### **Conditions Precedent**

Completion is conditional upon, and subject to the fulfilment or waiver (where applicable) of, the following conditions precedent:

- a) (if required) all necessary approvals from the SFC and other relevant regulatory authorities having been obtained and all statutory registration procedures having been completed including without limitation all necessary approvals from the Shareholders, the Stock Exchange, the SFC and other relevant authorities in accordance with the Listing Rules and other applicable laws and regulations;
- b) the Purchaser having being reasonably satisfied with the results of the due diligence review of the Target Group, including but not limited to all businesses, operations and financial aspects of each of the Target Group companies;
- c) each of the licenses of each of the Target Group companies held as at the date of the Share Transfer Agreement (including but not limited to those licenses for the regulated activities under the SFO) not having been revoked, terminated or suspended as at the date of Completion;

- d) no event that would have a material adverse impact on the business, operation and financial position or assets of the Target Group having arisen during the period from the date of the Share Transfer Agreement;
- e) the declarations, warranties, undertakings and indemnities under Share Transfer Agreement remaining true, accurate and not misleading in all material respects; and
- f) the necessary consent if any from any third party in respect of the transfer of the Sale Shares contemplated under the Share Transfer Agreement having been obtained by the Vendor in accordance with any agreements entered into between the Vendor and/or the Target Group and any third party.

The Purchaser may (but not obliged to) waive any of the above conditions (save for item (a) above). If any of the conditions set out above is not fulfilled or, as the case may be, waived by the Purchaser in writing on or before the Long Stop Date, the Share Transfer Agreement shall be terminated in accordance with the terms stipulated therein.

### **Completion**

Completion shall take place on the third business day (or such other later date as agreed between the Parties) after the fulfillment (or waiver, where applicable) of the Conditions Precedent. It is expected that Completion shall take place no later than the Long Stop Date.

Upon Completion, the Company will indirectly hold 28% of issued share capital of the Target Company and the Target Company will be treated as an associated company of the Company and its results will be accounted for as interests in associates.

### **INFORMATION OF THE COMPANY AND THE PURCHASER**

The Group is principally engaged in manufacturing of and trading in garments, money lending, leasing business, general trading and property and securities investment.

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

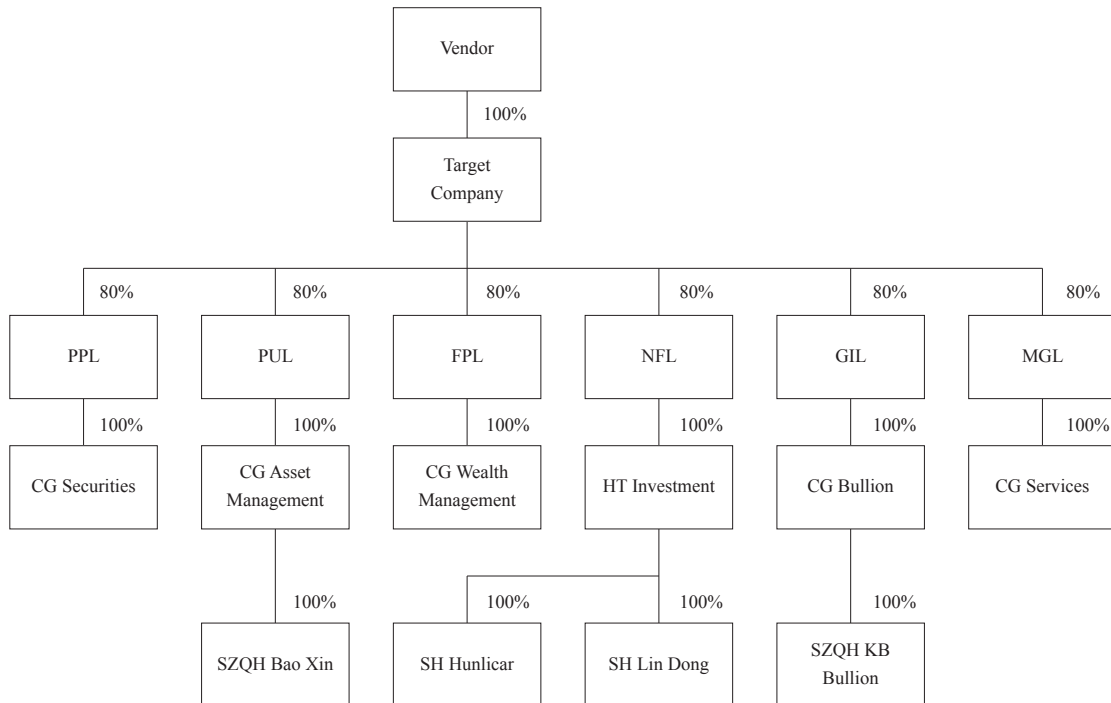
### **INFORMATION OF THE VENDOR**

The Vendor is an investment holding company incorporated in the Cayman Islands with limited liability.

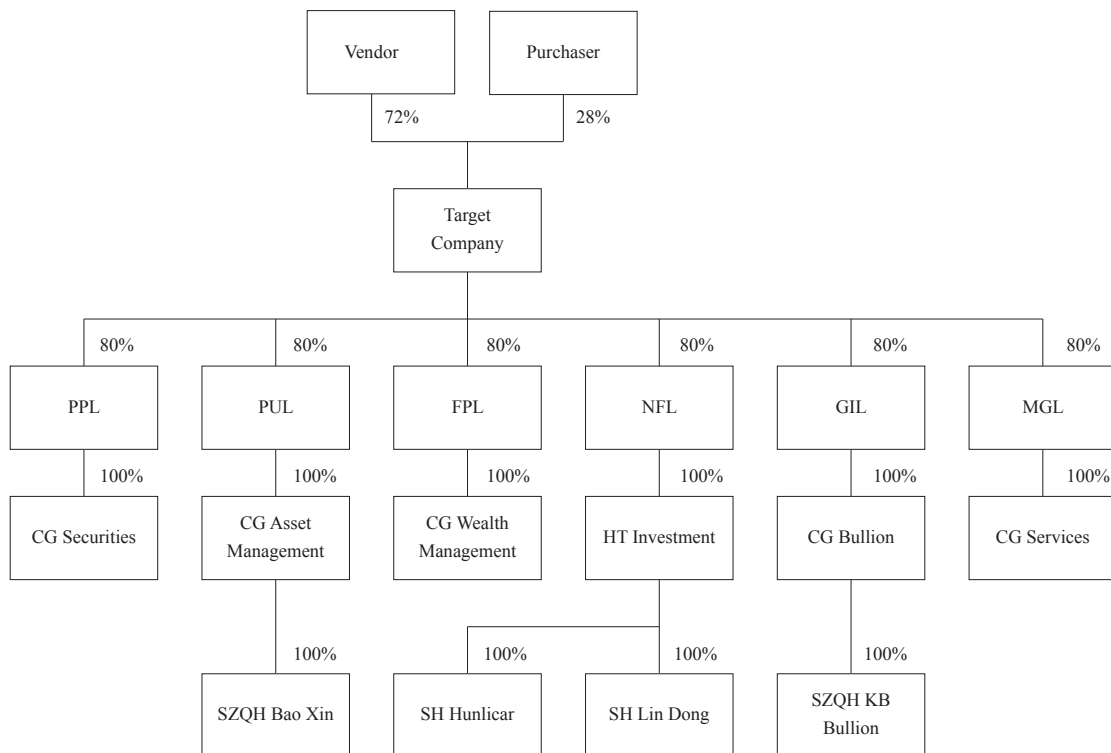
## INFORMATION OF THE TARGET GROUP

The following diagram illustrates the shareholding structures of the Target Group (i) as at the date of this announcement, and (ii) immediately after the Completion:

### Shareholding structure of the Target Group as at the date of this announcement



### Shareholding structure of the Target Group immediately after the Completion



**(i) The Target Company**

The Target Company is a company incorporated in the BVI with limited liability. As advised by the Vendor, the principal business of the Target Company is investment holding. As at the date of this announcement, the Target Company is directly wholly-owned by the Vendor.

**(ii) PPL, PUL, FPL, NFL, GIL AND MGL**

Each of PPL, PUL, FPL, NFL, GIL and MGL is a company incorporated in the BVI with limited liability. As advised by the Vendor, the principal business of these companies are investment holding. As at the date of this announcement, these companies are directly non-wholly owned by the Target Company.

**(iii) CG Securities**

CG Securities is a company incorporated in Hong Kong with limited liability and is principally engaged in Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO. It principally provides stock and futures broking and foreign exchange trading services in Hong Kong.

**(iv) CG Asset Management**

CG Asset Management is a company incorporated in Hong Kong with limited liability and is principally engaged in Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. Its subsidiary, SZQH Bao Xin, is a company established in the PRC with limited liability and principally engaged in provision of investment management services.

**(v) CG Wealth Management**

CG Wealth Management is a company incorporated in Hong Kong with limited liability and is principally engaged in the provision of wealth management and insurance services in Hong Kong. Its business includes providing one-stop investment immigration, tax planning, family trusts, wealth management, life insurance, investment-linked savings plans, critical illness and health insurance and general insurance services.

**(vi) HT Investment**

HT Investment is a company incorporated in Hong Kong with limited liability and is an investment holding company. Its subsidiaries, include SH Hunlicar, a company established in the PRC with limited liability which is principally engaged in provision of investment management services, and SH Lin Dong, a company established in the PRC with limited liability which is principally engaged in provision of consultation services in respect of corporate management.

**(vii) CG Bullion**

CG Bullion is a company incorporated in Hong Kong with limited liability and is principally engaged in the trading of precious metals in Hong Kong. Its subsidiary, SZQH KB Bullion, is a company established in the PRC with limited liability and is principally engaged in provision of investment management services.

**(viii) CG Services**

The CG Services is a company incorporated in Hong Kong with limited liability and is principally engaged in the provision of back office support to the Target Group.

**Financial Information of the Target Group**

Set out below are the financial information of all the companies in the Target Group based on the unaudited management accounts for the two years ended 31 December 2016 and 2017:

	<b>For the year ended 31 December</b>	
	<b>2017</b>	<b>2016</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	82,801	104,417
Profit before tax	13,253	52,929
Profit after tax	7,772	40,443

As at 31 December 2017, the unaudited net asset value of the Target Group was approximately HK\$461,874,000 (net of non-controlling interests).

## REASONS FOR AND BENEFITS OF THE ACQUISITION

As disclosed in the annual report of the Company for the nine months ended 31 December 2017, the Company has implemented the diversification strategy to enhance the profitability and competitiveness of the Group. As such, the Group has, on a continual basis, been seeking and identifying new investment opportunities in the different business fields, including securities trading and asset management industries in Hong Kong and the PRC.

The Target Group is principally engaged in the provision of financial and bullion services in Hong Kong; and private investment management services in the PRC. As Hong Kong is one of the important global financial hubs, and the main bridge between the PRC and international markets, the Directors consider that these businesses of the Target Group can enhance the income for the Group through the Acquisition. The Board is the view that the Acquisition is expected to add the value of the Group, and also benefit the interests of the Company and the Shareholders as a whole.

The Directors (including the independent non-executive Directors) consider that the Acquisition is on normal commercial terms, that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interests of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in relation to the Acquisition contemplated under the Share Transfer Agreement exceed 5% but all are less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**Completion of the Acquisition is subject to the fulfillment of the Conditions Precedent under the Share Transfer Agreement. Accordingly, the Acquisition may or may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares.**

## DEFINITIONS

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

“Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Share Transfer Agreement
“Board”	the board of Directors
“BVI”	the British Virgin Islands



“CG Asset Management”	China Goldjoy Asset Management Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation for Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO and a direct wholly owned subsidiary of PUL
“CG Bullion”	China Goldjoy Bullion Limited, a company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of GIL
“CG Securities”	China Goldjoy Securities Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation for Type 1 (dealing in securities), Type 2 (dealing in future contract), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO and a direct wholly owned subsidiary of PPL
“CG Services”	China Goldjoy Services Limited, a company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of MGL
“CG Wealth Management”	China Goldjoy Wealth Management Limited, a company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of FPL
“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”	completion of the Acquisition in accordance with the terms of the Share Transfer Agreement
“Conditions Precedent”	the conditions precedent to Completion pursuant to the Share Transfer Agreement
“Consideration”	the consideration for Acquisition in the amount of HK\$168,200,000 (subject to adjustment as disclosed in the section headed “Consideration” in this announcement) payable by the Purchaser in cash to Vendor pursuant to the Share Transfer Agreement
“Director(s)”	director(s) of the Company

“FPL”	Fast Prestige Limited, a company incorporated in the BVI with limited liability and a direct non-wholly owned subsidiary of the Target Company
“GIL”	Gigantic Increase Limited, a company incorporated in the BVI with limited liability and a direct non-wholly owned subsidiary of the Target Company
“Group”	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
“HT Investment”	Hua Tong (HK) Investment Limited, formerly known as China Goldjoy Investment Limited, a company incorporated in Hong Kong with limited liability and a direct wholly owned subsidiary of NFL
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling six months from the date of the Share Transfer Agreement or such other date as the Parties may agree in writing
“MGL”	Metro Grow Limited, a company incorporated in the BVI with limited liability and a direct non-wholly owned subsidiary of the Target Company
“NFL”	Novel Forward Limited, a company incorporated in the BVI with limited liability and a direct non-wholly owned subsidiary of the Target Company
“PPL”	Proficient Power Limited, a company incorporated in the BVI with limited liability and a direct non-wholly owned subsidiary of the Target Company
“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

“PUL”	Prominent Up Limited, a company incorporated in the BVI with limited liability and a direct non-wholly owned subsidiary of the Target Company
“Purchaser”	Hua Tong Group Limited, a company incorporated in the BVI with limited liability, and is a direct wholly-owned subsidiary of the Company
“Sale Shares”	28% of the issued share capital of the Target Company
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“SH Hunlicar”	上海雄愉投資管理有限公司 (Shanghai Hunlicar Investment Management Company Limited)*, a company established in the PRC with limited liability and a direct wholly owned subsidiary of HT Investment
“SH Lin Dong”	霖動企業管理諮詢(上海)有限公司 (Lin Dong Corporate Management Consulting (Shanghai) Company Limited)*, a company established in the PRC with limited liability and a direct wholly owned subsidiary of HT Investment
“Share Transfer Agreement”	a share transfer agreement dated 3 June 2018 and entered into between the Vendor and the Purchaser in relation to the Acquisition
“Share(s)”	the 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 thereto under the Listing Rules
“SZQH Bao Xin”	深圳前海寶新股權投資基金管理有限公司 (Shenzhen Qianhai Bao Xin Equity Investment Fund Management Company Limited)*, a company established in the PRC with limited liability and a direct wholly owned subsidiary of CG Asset Management

“SZQH KB Bullion”	深圳前海宏基金業有限公司 (Shenzhen Qianhai KB Bullion Limited)*, a company established in the PRC with limited liability and a direct wholly owned subsidiary of CG Bullion
“Target Company”	Golden Affluent Limited, a company incorporated in the BVI with limited liability, which is a direct wholly-owned subsidiary of the Vendor
“Target Group”	the Target Company and its subsidiaries, namely, PPL, PUL, FPL, NFL, GIL, MGL, CG Securities, CG Asset Management, CG Wealth Management, HT Investment, CG Bullion, CG Services, SZQH Bao Xin, SH Hunlicar, SH Lin Dong and SZQH KB Bullion
“Vendor”	Goldjoy Holding Limited, a company incorporated in the Cayman Islands with limited liability, which is an indirect wholly-owned subsidiary of a company listed on the Main Board of the Stock Exchange
“%”	per cent.

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

Hong Kong, 3 June 2018

*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. Liu Kam Lung, Chan Kin Sang and Mr. Zheng Suijun as Independent Non-executive Directors.*