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Zhongying Int'l Holding Group Limited
(Incorporated in Hong Kong with limited liability)



太 睿 國 際 控 股 有 限 公 司

PacRay International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1010)

JOINT ANNOUNCEMENT

**(1) AGREEMENT IN RELATION TO
THE ACQUISITION OF SALE SHARES BY THE PURCHASER;
(2) POSSIBLE CONDITIONAL MANDATORY CASH OFFER BY**



**FOR AND ON BEHALF OF THE OFFEROR TO
ACQUIRE ALL THE ISSUED SHARES OF
PACRAY INTERNATIONAL HOLDINGS LIMITED
(OTHER THAN THOSE ALREADY OWNED BY OR
AGREED TO BE ACQUIRED BY THE OFFEROR AND
THE PARTIES ACTING IN CONCERT WITH IT)**

AND

(3) RESUMPTION OF TRADING

Financial adviser to the Offeror



Independent Financial Adviser to the Independent Board Committee



SPA

The Board has been informed by the Vendor that the Vendor and the Purchaser entered into the SPA on 22 December 2020, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase 127,992,770 Sale Shares, representing approximately 34.57% of the existing issued share capital of the Company as at the date of this joint announcement. The total consideration for the Sale Shares is HK\$172,150,275.65, equivalent to HK\$1.345 per Sale Share.

POSSIBLE CONDITIONAL MANDATORY CASH OFFER

As at the date of this joint announcement and prior to the Completion, the Offeror and parties acting in concert with it were interested in an aggregate of 33,658,000 Shares, representing approximately 9.09% of the existing issued share capital of the Company as at the date of this joint announcement.

Immediately following Completion, the Offeror and parties acting in concert with it will be interested in an aggregate of 161,650,770 Shares, representing approximately 43.66% of the existing issued share capital of the Company as at the date of this joint announcement.

Subject to the Completion taking place, the Offeror will be required to make a conditional mandatory cash offer for all the issued Shares not already owned by the Offeror and parties acting in concert with it pursuant to Rule 26.1 of the Takeovers Code.

As at the date of this joint announcement, the Company has 370,245,142 Shares in issue. The Company has no other outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares as at the date of this joint announcement.

Subject to Completion, SPDB International, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

Offer

For each Offer Share HK\$1.345 in cash

The principal terms of the Offer are set out in the section headed “Possible Conditional Mandatory Cash Offer” in this joint announcement.

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer. The Offer, if and when made, will be conditional upon the Offeror having received valid acceptances in respect of Offer Shares which, together with the Shares acquired or agreed to be acquired by the Offeror and parties acting in concert with it, will result in the Offeror and parties acting in concert with it holding more than 50% of the voting rights of the Company.

The Offeror intends to finance the Sale Shares Purchase Price and the consideration payable under the Offer from its internal resources. SPDB International, as the financial adviser to the Offeror, are satisfied that sufficient resources are available to the Offeror to satisfy the amount of funds required for (i) Completion; and (ii) full acceptance of the Offer.

WARNING: THE OFFER WILL ONLY BE MADE IF COMPLETION TAKES PLACE. THE OFFER MAY OR MAY NOT BE MADE. THE ISSUE OF THIS JOINT ANNOUNCEMENT DOES NOT IN ANY WAY IMPLY THAT THE OFFER WILL BE MADE. SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY ARE ADVISED TO EXERCISE EXTREME CAUTION WHEN DEALING IN THE RELEVANT SECURITIES OF THE COMPANY. PERSONS WHO ARE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE SHOULD CONSULT A LICENSED SECURITIES DEALER OR REGISTERED INSTITUTION IN SECURITIES, BANK MANAGER, SOLICITOR, PROFESSIONAL ACCOUNTANT OR OTHER PROFESSIONAL ADVISERS.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee has been established by the Company to advise the Offer Shareholders in respect of the Offer pursuant to Rule 2.1 of the Takeovers Code.

With the approval by the Independent Board Committee, Shenwan Hongyuan has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code.

DESPATCH OF THE COMPOSITE DOCUMENT

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, inter alia, the terms of the Offer, together with the acceptance and transfer form, should be posted to the Shareholders within 21 days of the date of this joint announcement.

Subject to Completion, the Offeror and the Company intend that the Composite Document in connection with the Offer setting out, inter alia, details of the Offer (including the expected timetable and terms of the Offer and accompanied by the acceptance and transfer form), a letter from the Independent Board Committee and a letter from the Independent Financial Adviser in relation to the Offer will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code in due course.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 11:40 a.m. on 22 December 2020 pending the release of this joint announcement. An application will be made by the Company to the Stock Exchange for the resumption of trading in Shares with effect from 9:00 a.m. on 23 December 2020.

THE SPA

On 22 December 2020 (after trading hours), the Vendor and the Purchaser entered into the SPA. A summary of the major terms of the SPA is set out below.

Date	22 December 2020 (after trading hours)
Parties	(i) the Vendor (as the vendor of the Sale Shares); and (ii) the Offeror (as the purchaser of the Sale Shares).

The Offeror is ultimately owned by Mr. Duan Hongtao and Mr. Duan Chunchao as to 99% and 1% respectively. As at the date of this joint announcement, Ever Digital Limited, a wholly owned subsidiary of the Offeror, owns 33,658,000 Shares, representing approximately 9.09% of the existing issued share capital of the Company.

Subject matter

Subject to the provisions of the SPA, the Vendor shall sell the Sale Shares as set out as the legal and beneficial owners free from all Encumbrances and the Purchaser shall purchase the Sale Shares together with all rights and benefits attaching or accruing thereto including, without limitation, all dividends and distributions declared, made or paid, on or after the Completion Date. The Purchaser shall not be obliged to complete the purchase of any of the Sale Shares unless the sale of all of the Sale Shares is completed simultaneously.

Purchase Price for the Sale Shares

The purchase price payable for each Sale Share shall be HK\$1.345, and the Sale Shares Purchase Price payable for the Sale Shares by the Purchaser to be sold by the Vendor shall be HK\$172,150,275.65.

Completion

Completion shall take place on the seventh Business Day following the date of the SPA (or such other date as the Purchaser and the Vendor may agree in writing). There is no condition precedent to completion under the SPA.

POSSIBLE CONDITIONAL MANDATORY CASH OFFER

The Offer

As at the date of this joint announcement and prior to the Completion, the Offeror and parties acting in concert with it were interested in an aggregate of 33,658,000 Shares, representing approximately 9.09% of the existing issued share capital of the Company as at the date of this joint announcement.

Immediately following Completion, the Offeror and parties acting in concert with it will be interested in a total of 161,650,770 Shares, representing approximately 43.66% of the existing issued share capital of the Company as at the date of this joint announcement.

Subject to the Completion taking place, the Offeror will be required to make a conditional mandatory cash offer for all the issued Shares not already owned by the Offeror and parties acting in concert with it pursuant to Rule 26.1 of the Takeovers Code.

As at the date of this joint announcement, the Company has 370,245,142 Shares in issue. The Company has no other outstanding convertible securities, warrants, options or derivatives in issue which may confer any rights to subscribe for, convert or exchange into Shares as at the date of this joint announcement.

Subject to Completion, SPDB International, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

The Offer Price

For each Offer Share. HK\$1.345 in cash

The Offer Price of HK\$1.345 per Offer Share is equal to the per Sale Share Purchase Price under the SPA which was arrived at after arm's length negotiation between the parties to the SPA.

Condition

The Offer, if and when made, will be conditional upon the Offeror having received valid acceptances in respect of Offer Shares which, together with the Shares acquired or agreed to be acquired by the Offeror and the parties acting in concert with it, will result in the Offeror and the parties acting in concert with it holding more than 50% of the voting rights of the Company.

Comparisons of value

The Offer Price of HK\$1.345 per Offer Share represents:

- (i) a premium of approximately 49.44% to the closing price of HK\$0.9 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 71.12% to the average closing price of approximately HK\$0.786 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (iii) a premium of approximately 79.57% to the average closing price of approximately HK\$0.749 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (iv) a premium of approximately 95.49% to the average closing price of approximately HK\$0.688 per Share as quoted on the Stock Exchange for the last 30 consecutive trading days up to and including the Last Trading Day;

- (v) a premium of approximately 371.93% over the audited consolidated net asset value of the Company of approximately HK\$0.285 per Share (based on 336,587,142 Shares in issue) as at 31 December 2019 (being the date to which the latest audited financial results of the Group were made up); and
- (vi) a premium of approximately 378.65% over the unaudited consolidated net assets of the Company of approximately HK\$0.281 per Share (based on 336,587,142 Shares in issue) as at 30 June 2020.

Highest and lowest Share prices

During the six-month period immediately prior to and including the Last Trading Day, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$2.5 per Share on 19 August 2020 and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.295 per Share on 7 July 2020.

Value of the Offer

As at the date of this joint announcement, there are 370,245,142 Shares in issue. Assuming that there is no change in the issued share capital of the Company and on the basis of the Offer Price of HK\$1.345 per Share, the entire issued share capital of the Company is valued at approximately HK\$497,979,715.99. As the Offeror will hold 161,650,770 Shares upon Completion, 208,594,372 Shares will be subject to the Offer, and the aggregate cash consideration payable by the Offeror under the Offer will be approximately HK\$280,559,430.34.

Confirmation of financial resources

The Offeror intends to finance the Sale Shares Purchase Price and the consideration payable under the Offer from its internal resources. SPDB International, as the financial adviser to the Offeror, is satisfied that sufficient resources are available to the Offeror to satisfy the amount of funds required for (i) Completion; and (ii) full acceptance of the Offer.

Dealing and interest in the Company's securities

As at the date of this joint announcement, Ever Digital Limited, a wholly owned subsidiary of the Offeror, owns 33,658,000 Shares, representing approximately 9.09% of the existing issued share capital of the Company pursuant to a discloseable transaction involving the issue of consideration shares at an issue price of HK\$0.77 per consideration share under the general mandate in relation to the acquisition of 20.2% equity interest in Red Power Developments Limited by the Company from Ever Digital Limited. For further details, please refer to the announcements of the Company dated 1 September 2020, 14 August 2020, 15 July 2020, 8 June 2020, 1 June 2020, 29 April 2020, 31 March 2020 and 14 February 2020.

Save for the SPA and the above, the Offeror, its ultimate beneficial owner and parties acting in concert with it have not dealt in nor do they have any shareholding interest in or control any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period prior to the date of this joint announcement.

The Offeror confirms that, save for the SPA and the above, as at the date of this joint announcement:

- (i) none of the Offeror, any of its ultimate beneficial owners and/or parties acting in concert with it owns or has control or direction over any voting rights or rights over the Shares or convertible securities, warrants, options or derivatives of the Company;
- (ii) the Offeror, any of its ultimate beneficial owners, and/or parties acting in concert with it have not received any irrevocable commitment to accept the Offer;
- (iii) there is no outstanding derivative in respect of the securities in the Company which has been entered into by the Offeror, any of its ultimate beneficial owners and/or any person acting in concert with it;
- (iv) there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (v) there is no agreement or arrangement to which the Offeror, any of its ultimate beneficial owners and/or parties acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (vi) there is no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, any of its ultimate beneficial owners and/or parties acting in concert with it has borrowed or lent;
- (vii) there is no consideration, compensation or benefit in whatever form paid or to be paid by the Offeror or the parties acting in concert with it to the Vendor or any parties acting in concert with it in connection with the sale and purchase of the Sale Shares, save for the Sale Shares Purchase Price to be paid by the Offeror to the Vendor;
- (viii) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and the parties acting in concert with it on one hand, and the Vendor and parties acting in concert with it on the other hand; and
- (ix) there is no understanding, arrangement, agreement or special deal between (a) any Shareholder; and (b)(1) the Offeror and the parties acting in concert with it, or (2) the Company, its subsidiaries or associated companies.

Effect of accepting the Offer

By accepting the Offer, the Shareholders will sell their tendered Shares to the Offeror free from all encumbrances and together with all rights attaching to them including the right to receive in full all dividends and other distributions, if any, declared, made or paid on or after the date on which the Offer is made, being the date of despatch of the Composite Document. The Company has no intention to declare any dividends or other distributions prior to the close of the Offer. In the event that the Company decides to declare any dividends or other distributions after the date of this joint announcement and prior to the close of the Offer, the Offeror intends to reduce the Offer Price by such equivalent amount.

Acceptance of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Payment

Provided that the Offer has become, or has been declared, unconditional in all respects, payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event, within seven Business Days of the date on which (i) the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid; or (ii) when the Offer has become or are declared unconditional, whichever is later.

Hong Kong stamp duty

Seller's Hong Kong ad valorem stamp duty arising in connection with acceptances of the Offer will be payable by the relevant Shareholders at a rate of 0.1% of (i) the market value of the Offer Shares; or (ii) the consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is higher, and the amount of such duty will be deducted from the cash amount payable by the Offeror to the relevant Shareholders accepting the Offer. The Offeror will arrange for payment of the seller's Hong Kong ad valorem stamp duty on behalf of the relevant Shareholders accepting the Offer and will pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Overseas Shareholders

The Overseas Shareholders should observe any applicable legal or regulatory requirements and, where necessary, seek legal advice. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) upon Completion but before the Offer is made:

	As at the date of this joint announcement		Immediately upon Completion but before the Offer is made	
	<i>Number of Shares</i>	<i>(approximately) %</i>	<i>Number of Shares</i>	<i>(approximately) %</i>
<i>Substantial Shareholder(s)</i>				
The Vendor	127,992,770 <i>(Note 1)</i>	34.57	–	–
Vision2000 Venture Ltd.	106,043,142 <i>(Note 2)</i>	28.64	106,043,142	28.64
The Offeror and its concert parties	33,658,000 <i>(Note 3)</i>	9.09	161,650,770	43.66
Public Shareholders	102,551,230	27.70	102,551,230	27.70
Total	370,245,142	100.00	370,245,142	100.00

Notes:

- (1) The Vendor is owned as to 95% by Mr. Tong Liang and 5% by Ms. Chu Yung-Yi, Mr. Tong Liang and Ms. Chu Yung-Yi are therefore deemed to be interested in the shares held by Glory Genius International Holdings Limited.
- (2) According to the form of disclosure of interests submitted by Mosel Vitelic Inc. on 27 June 1997, Vision2000 Venture Ltd. is the controlled corporation of Mosel Vitelic Inc., which is listed on the Taiwan Stock Exchange (stock code: 2342). Accordingly, Mosel Vitelic Inc. is deemed to be interested in the 106,043,142 shares of the Company held by Vision2000 Venture Ltd. Given that Vision2000 Venture Ltd. and the Vendor each owns more than 20% of the existing issued share capital of the Company, Vision2000 Venture Ltd. is therefore presumed to be acting in concert with the Vendor in accordance with class 1 of the definition of “acting in concert” in the Takeovers Code. An application has been made by the Offeror to the Executive for the rebuttal of the presumed concert party relationship between the Offeror and Vision2000 Venture Ltd. which would arise upon Completion.
- (3) The Offeror is ultimately owned by Mr. Duan Hongtao and Mr. Duan Chunchao as to 99% and 1% respectively. As at the date of this joint announcement, Ever Digital Limited, a wholly owned subsidiary of the Offeror, owns 33,658,000 Shares, representing approximately 9.09% of the existing issued share capital of the Company.

INFORMATION ON THE PARTIES

The Group

The Company is incorporated in Bermuda with limited liability and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in (i) the design and sales of integrated circuits and semi-conductor parts; (ii) financial leasing in the PRC; (iii) money lending in Hong Kong; (iv) property investment; (v) aircraft business management; and (vi) investment holding.

The following table is a summary of certain consolidated financial information of the Group for the two financial years ended 31 December 2018 and 31 December 2019 respectively:

	Year ended 31 December 2018	Year ended 31 December 2019
	(audited)	(audited)
	<i>(HK\$'000)</i>	<i>(HK\$'000)</i>
Revenue	60,709	74,339
Profit/(loss) before taxation	(40,167)	(22,353)
Profit/(loss) and total comprehensive income/(loss) for the year	<u>(42,755)</u>	<u>(23,663)</u>
Net assets	<u>118,348</u>	<u>95,911</u>

Further financial information of the Group will be set out in the Composite Document.

The Offeror

The Offeror is a company incorporated in Hong Kong with limited liability on 3 August 2017. It is an investment holding company. As at the date of this joint announcement, its ordinary share capital is wholly owned by Mr. Duan Hongtao and Mr. Duan Chunchao as to 99% and 1% respectively. Mr. Duan Hongtao is engaged in various businesses including trading, yacht-related business, and investment, and is also a director of Bank of Huludao Co., Ltd (葫蘆島銀行股份有限公司). Mr. Duan Chunchao is engaged in the business of manufacturing and sales of yachts. There is no family relationship between Mr. Duan Hongtao and Mr. Duan Chunchao.

FUTURE INTENTIONS OF THE OFFEROR REGARDING THE GROUP

The Offeror intends to continue the existing principal businesses of the Group and maintain the employment of the operational and administrative employees of the Group.

As at the date of this joint announcement, the Offeror has no intention to dispose or downsize the business or the assets of the Group, and has no plan for any acquisition of assets and/or business of the Group. However, the Offeror will, following completion of the Offer, conduct a detailed review of the operations of the Group and formulate feasible business strategies with a view to developing a sustainable corporate strategy to broaden its income stream, which may include rebalancing the resources of the Group should appropriate opportunities arise.

The Board is currently made up of five executive Directors, one non-executive Director and three independent non-executive Directors. As at the date of this Announcement, the Offeror does not intend to nominate any new Directors to the Board immediately after the Offer. Any changes to the Board composition (if any) will be announced by the Company as and when appropriate in compliance with the Listing Rules.

Public float and maintaining the listing status of the Company

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer and will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares.

If, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public at all time, or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

then, it will consider exercising its discretion to suspend dealings in the Shares until the prescribed level of public float is restored.

GENERAL

Independent Board Committee and Independent Financial Adviser

The Independent Board Committee comprising the non-executive Director and all independent non-executive Directors, namely Mr. Zhou Danqing, Ms. Ching Ching, Ms. Weng Yuzhen and Dr. Zhang Shengdong, who have no direct or indirect interest in the Offer, has been established by the Company pursuant to Rule 2.1 of the Takeovers Code to advise the Offer Shareholders in respect of the Offer, as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

With the approval by the Independent Board Committee, Shenwan Hongyuan has been appointed as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

Despatch of the Composite Document

Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, inter alia, the terms of the Offer, together with the acceptance and transfer form, should be posted to the Shareholders within 21 days of the date of this joint announcement.

Subject to Completion, the Offeror and the Company intend that the Composite Document in connection with the Offer setting out, inter alia, details of the Offer (including the expected timetable and terms of the Offer and accompanied by the acceptance and transfer form), a letter from the Independent Board Committee and a letter from the Independent Financial Adviser in relation to the Offer will be issued and despatched by the Offeror and the Company jointly to the Shareholders in accordance with the Takeovers Code in due course.

Disclosure of dealings

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company and the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in paragraphs (a) to (d) in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are hereby reminded to disclose their dealings in any securities of the Company pursuant to the requirements of the Takeovers Code.

The full text of Note 11 of Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted from 11:40 a.m. on 22 December 2020 pending the release of this joint announcement. An application will be made by the Company to the Stock Exchange for the resumption of trading in Shares with effect from 9:00 a.m. on 23 December 2020.

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

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DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	a business day is a day on which the Stock Exchange is open for the transaction of business
“BVI”	the British Virgin Islands
“Company”	PacRay International Holdings Limited (太睿國際控股有限公司), 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 sale and purchase of the Sale Shares in accordance with the provisions of the SPA

“Completion Date”	the date on which Completion is required to take place
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company to the Shareholders in connection with the Offer in compliance with the Takeovers Code
“Director(s)”	the director(s) of the Company
“Encumbrance(s)”	(i) any mortgage, charge, pledge, lien, hypothecation, encumbrances or other security arrangement of any kind; (ii) any option, equity, claim, adverse interest or other third party right of any kind; (iii) any arrangement by which any right is subordinated to any right of such third party; or (iv) any contractual right of set-off, including any agreement or commitment to create or procure to create, or to permit or suffer to be created or subsisted any of the above
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Board, comprising Mr. Zhou Danqing, Ms. Ching Ching, Ms. Weng Yuzhen and Dr. Zhang Shengdong formed for the purpose of advising the Offer Shareholders in respect of the Offer
“Independent Financial Adviser” or “Shenwan Hongyuan”	Shenwan Hongyuan Capital (H.K.) Limited, 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, being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee in respect of the Offer
“Last Trading Day”	22 December 2020, the last trading day for the Shares prior to the halt of trading in the Shares at 11:40 a.m. on 22 December 2020 pending publication of this joint announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the main board maintained and operated by the Stock Exchange

“Offer”	the mandatory conditional cash offer to be made by SPDB International on behalf of the Offeror (and parties acting in concert with it) in accordance with the Takeovers Code for the Offer Shares subject to Completion having taken place
“Offer Price”	HK\$1.345 per Offer Share in respect of the Offer
“Offer Share(s)”	all the Share(s) in issue, other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offer Shareholder(s)”	holder(s) of Offer Share(s)
“Offeror” or “Purchaser”	Zhongying Int’l Holding Group Limited, a company incorporated in Hong Kong on 3 August 2017 with limited liability, a company wholly-owned by Mr. Duan Hongtao and Mr. Duan Chunchao as to 99% and 1% respectively
“Overseas Shareholders”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“PRC”	the People’s Republic of China but excluding Hong Kong, Taiwan and the Macau Special Administrative Region of the People’s Republic of China
“Sale Share(s)”	127,992,770 Shares, representing approximately 34.57% of the total issued share capital of the Company as at the date of this joint announcement, to be sold by the Vendor to the Purchaser subject to the provisions of the SPA, and each a Sale Share
“Sale Share(s) Purchase Price”	the total consideration in the sum of HK\$172,150,275.65 for the Sale Shares
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“SPA”	the agreement dated 22 December 2020 entered into among the Vendor and the Purchaser in respect of the transactions contemplated thereunder
“SPDB International”	SPDB International Capital Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, the financial adviser to the Offeror
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“trading day(s)”	means days on which the Stock Exchange is open for the business of dealing in securities
“Vendor”	Glory Genius International Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“%”	per cent

By order of the sole director of
Zhongying Int’l Holding Group Limited
Duan Chunchao
Director

By order of the Board of
PacRay International Holdings Limited
Lau Mei Ying
Executive Director

Hong Kong, 22 December 2020

As at the date of this announcement, the Board of the Company comprises nine Directors. The executive Directors are Mr. Yang Lin, Ms. Lau Mei Ying, Mr. Leung Pok Man, Ms. Li Wei Na and Mr. Xu Yinsheng; the non-executive Director is Mr. Zhou Danqing; and the independent non-executive Directors are Ms. Ching Ching, Ms. Weng Yuzhen and Dr. Zhang Shengdong.

All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Offeror and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omissions of which would make any statement in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Duan Chunchao.

The sole director of the Offeror and Mr. Duan Hongtao, who owns 99% of the issued shares in the Offeror, jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Group, the Vendor and parties acting in concert with any of them) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Group, the Vendor and parties acting in concert with any of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement in this joint announcement misleading.

In the case of inconsistency, the English text of this joint announcement shall prevail over the Chinese text.