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太 睿 國 際 控 股 有 限 公 司

PacRay International Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 1010)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
THE LEASE AGREEMENT
AND
CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG**

THE LEASE AGREEMENT

The Board is pleased to announce that on 21 June 2019 (after trading hours), the Company as the Tenant entered into the Lease Agreement with the Landlord in respect of the lease of the Premises for a term of 2 years commencing from 3 June 2019 to 2 June 2021 (both days inclusive) for use as office premises of the Group.

LISTING RULES IMPLICATIONS

Upon implementation of HKFRS 16 effective from 1 January 2019, the Group if entering into lease transaction as a lessee should recognise the right-of-use asset in the consolidated financial statements of the Company according to HKFRS 16. Under the Listing Rules, the entering into lease transaction by the Group as lessee effective from 1 January 2019 will be regarded as an acquisition of asset under the definition of transaction set out in Rule 14.04(1)(a) of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the lease transaction contemplated under the Lease Agreement exceed 5% but are less than 25%, such transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

CHANGE OF PRINCIPAL PLACE OF BUSINESS IN HONG KONG

The Board is pleased to announce that with the entering into of the Lease Agreement, the principal place of business of the Company in Hong Kong has been changed to 28/F, Agricultural Bank of China Tower, 50 Connaught Road Central, Hong Kong with effect from the date of this announcement.

INTRODUCTION

The Board is pleased to announce that on 21 June 2019 (after trading hours), the Company as the Tenant entered into the Lease Agreement with the Landlord in respect of the lease of the Premises for a term of 2 years commencing from 3 June 2019 to 2 June 2021 (both days inclusive) for use as office premises of the Group.

THE LEASE AGREEMENT

Summarised below are the principal terms of the Lease Agreement:

Date: 21 June 2019

The Landlord: Agricultural Bank of China Limited

The principal activities of the Landlord include RMB and foreign currency deposits, loans, clearing and settlement services, assets custodian services, fund management, financial leasing services, insurance services and other services as approved by relevant regulators, and the provision of related services by its overseas establishments as approved by the respective local regulators.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Landlord and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Tenant: The Company

The Premises: The whole of the 28th floor of Agricultural Bank of China Tower, 50 Connaught Road Central, Hong Kong.

Terms: Two (2) years commencing from 3 June 2019 to 2 June 2021 (both days inclusive).

The Tenant has an option to renew for a further term of one (1) year at a revised rent to be determined in accordance with the terms of the Lease Agreement.

The aggregate value of consideration payable: The aggregate value of consideration payable under the Lease Agreement by the Tenant is approximately HK\$21,423,480 which will be satisfied by internal resources of the Group.

The rent under the Lease Agreement is determined after arm's length negotiations between the Landlord and the Tenant, after taking into consideration the prevailing market price for comparable office premises in the vicinity of the Premises.

Payable term: The monthly rent shall be payable monthly in advance on the first day of each calendar month.

INFORMATION OF THE GROUP

The Group is principally engaged in the design and sales of integrated circuits and semi-conductor parts in the PRC, Hong Kong and Taiwan; trading of construction materials; financial leasing in the PRC; money lending in Hong Kong and investments holding.

REASONS FOR THE LEASE AGREEMENT

The lease agreement of the current principal place of business of the Company in Hong Kong expired in 20 June 2019. The Directors chose to rent the Premises as the office premises of the Group because its size and location suit the Group's business needs. In addition, the terms of the Lease Agreement, including the rent, were determined after arm's length negotiations between the parties and with reference to the open market rent of comparable office properties. Therefore, the Board considers that the terms of the Lease Agreement are on normal commercial terms and fair and reasonable and entering into of the Lease Agreement is in the interest of the Company and the Shareholders as a whole.

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DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors;
“Company” or “Tenant”	PacRay International Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares are listed on the Main Board of the Stock Exchange (stock code: 1010);
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;

“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Landlord”	Agricultural Bank of China Limited, a joint stock limited company incorporated in the PRC and its domestic shares of RMB1.00 each and overseas listed foreign shares of RMB1.00 each are listed on the Shanghai Stock Exchange and the Stock Exchange, respectively;
“Lease Agreement”	the lease agreement dated 21 June 2019 entered into between the Tenant and the Landlord in relation to the lease of the Premises;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	The People’s Republic of China;
“Premises”	The whole of the 28th floor of Agricultural Bank of China Tower, 50 Connaught Road Central, Hong Kong;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholder(s)”	holder(s) of shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

By order of the Board
PacRay International Holdings Limited
Yang Lin
Chairman and Executive Director

Hong Kong, 21 June 2019

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