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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)**

**MEMORANDUM OF UNDERSTANDING  
IN RESPECT OF THE POSSIBLE ACQUISITION OF  
THE ENTIRE EQUITY INTERESTS IN WIT SKY LIMITED**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

The Board announces that on 27 October 2017 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into a non-legally binding Memorandum with the Vendor in relation to the Possible Acquisition. Upon the signing of the Memorandum, the Purchaser has paid to the Vendor the sum of HK\$30,000,000 as Earnest Money, which will be applied as part payment of the consideration for the Possible Acquisition or will be fully refunded subject to the terms and conditions of the Memorandum.

**The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into by the Vendor and the Purchaser as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialised, it will constitute a notifiable transaction on the part of the Company pursuant to the Listing Rules. Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company.**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

**MEMORANDUM OF UNDERSTANDING IN RESPECT OF THE POSSIBLE  
ACQUISITION**

The Board announces that on 27 October 2017 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, entered into a non-legally binding Memorandum with the Vendor in relation to the Possible Acquisition.

**THE MEMORANDUM**

Date: 27 October 2017 (after trading hours)

Parties:

- (i) Vendor: Fortune Favour International Limited
- (ii) Purchaser: Sunny Fast International Investment Limited, a wholly-owned subsidiary of the Company

The Vendor is a company incorporated in BVI with limited liability and is principally engaged in investment holding. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor and its ultimate beneficial owner(s) is an Independent Third Party.

### **Subject matter**

Pursuant to the Memorandum, the Purchaser intends to acquire the Sale Shares, representing the entire issued share capital of the Target Company.

### **Consideration**

The consideration for the Possible Acquisition will be subject to further negotiations and will be determined in the Formal Agreement.

### **Earnest Money**

Pursuant to the Memorandum, the Earnest Money of HK\$30,000,000 has been paid by the Purchaser to the Vendor upon signing of the Memorandum.

The Earnest Money shall be applied as part payment of the consideration for the Possible Acquisition as determined in the Formal Agreement.

In the event that the Formal Agreement is not entered into between the Vendor and the Purchaser prior to the expiry of the Exclusivity Period, the Earnest Money shall be fully refunded to the Purchaser by the Vendor without interest within ten days after the expiry of the Exclusivity Period.

### **Share Charge**

As security for the refund of the Earnest Money, the Vendor, as chargor, has executed a share charge in favour of the Purchaser concurrently with the execution of the Memorandum, pursuant to which the Vendor has agreed to charge the Sale Shares in favour of the Purchaser to secure, among other things, the due and punctual performance of the Vendor of its refund obligations in respect of the Earnest Money.

### **Formal Agreement**

The parties to the Memorandum shall negotiate in good faith towards the other in ensuring that the Formal Agreement be entered into as soon as possible and in any event, on or before the date falling 90 days from the date of the Memorandum or such later date as the Purchaser and the Vendor may agree.

The Formal Agreement will be conditional upon, among others, the obtaining of a legal opinion from a PRC legal adviser designated by the Purchaser in such form and substance to the satisfaction of the Purchaser in respect of the affairs of the Target Group and the matters relating to the Formal Agreement.

### **Due Diligence**

The Purchaser shall and shall procure that its advisers and agents shall, forthwith upon the signing of the Memorandum, conduct such review of the assets, liabilities, operations and affairs of the Target Group as it may consider appropriate and the Vendor shall provide and procure the Target Group and its agents to provide such assistance as the Purchaser and its advisers and agents may require in connection with such review.

### **Exclusivity**

Pursuant to the Memorandum, the Vendor agrees that it will not, and will procure that the Target Group and their respective directors, officers, employees, representatives and agents will not, directly or indirectly, for the Exclusivity Period (i) solicit, initiate or encourage inquiries or offers from, or (ii) initiate or continue negotiations or discussions with or furnish any information to, or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Purchaser or its subsidiaries with respect to the sale or other disposition of the Sale Shares or any assets of the Target Group.

### **INFORMATION OF THE TARGET GROUP**

The Target Company was incorporated in BVI with limited liability and is legally and beneficially owned by the Vendor. The Target Company owns the entire equity interests in the Hong Kong Company, which in turn owns the entire equity interests in the PRC Company. The PRC Company was established in the PRC on 14 October 2011 and is principally engaged in industrial equipment, medical equipment, transportation equipment (aircraft, ships, vehicles, etc.), household products, product upstream and downstream supply chain and various types of financial leasing such as direct leasing, sublease, hire purchase, leveraged leasing, entrusted leasing and joint leasing the sale and dealing of the residual value of lease items, and leasing consultation business.

### **REASONS FOR THE POSSIBLE ACQUISITION**

The Company is an investment holding company. The Group is principally engaged in design and distribution of integrated circuits and semi-conductor parts in the PRC and investments holding.

The Directors believe that the Possible Acquisition represents a good opportunity for the Group to expand into the finance leasing business in the PRC. The Directors consider that the finance leasing sector is expected to maintain a steady growth in the future and the Possible Acquisition will diversify the Group's business and broaden its revenue base.

In consideration of the above, the Directors are of the view that the terms of the Memorandum are fair and reasonable and the Possible Acquisition is in the interests of the Company and Shareholders as a whole.

## GENERAL

The Memorandum does not constitute legally-binding commitment in respect of the Possible Acquisition. The Possible Acquisition is subject to, among others, the execution and completion of the Formal Agreement.

**The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into by the Vendor and the Purchaser as at the date of this announcement. As such, the Possible Acquisition may or may not proceed. If the Possible Acquisition is materialised, it will constitute a notifiable transaction on the part of the Company pursuant to the Listing Rules. Shareholders and investors of the Company are urged to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

|                                |   |
|--------------------------------|---|
| “Board”                        | the board of Directors  |
| “BVI”                          | the British Virgin Islands  |
| “Company”                      | 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 persons”            | has the meaning ascribed to it under the Listing Rules  |
| “Director(s)”                  | the director(s) of the Company  |
| “Earnest Money”                | a refundable earnest money in the sum of HK\$30,000,000 payable by the Purchaser to the Vendor pursuant to the Memorandum   |
| “Exclusivity Period”           | the period from the date of the Memorandum to the date falling 90 days from the date of the Memorandum (or such later date as the Purchaser and the Vendor may agree)             |
| “Formal Agreement”             | the formal sale and purchase agreement which may or may not be entered into in relation to the Possible Acquisition   |
| “Group”                        | the Company and its subsidiaries  |
| “Hong Kong”                    | The Hong Kong Special Administrative Region of the PRC  |
| “Hong Kong Company”            | AST 3G Limited, a company incorporated in Hong Kong with limited liability  |
| “Independent Third Party(ies)” | third party(ies) independent of and not connected with the Company and its connected persons  |

|                        |   |
|------------------------|---|
| “Listing Rules”        | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Memorandum”           | the non-legally binding memorandum of understanding dated 27 October 2017 and entered into between the Vendor and the Purchaser setting out the preliminary understanding in relation to the Possible Acquisition |
| “Possible Acquisition” | the possible acquisition by the Purchaser of the Sale Shares as contemplated under the Memorandum   |
| “PRC”                  | The People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan  |
| “PRC Company”          | 索羅門國際租賃(天津)有限公司 (Solomon International Leasing (Tianjin) Company Limited*), a company established in the PRC with limited liability   |
| “Purchaser”            | Sunny Fast International Investment Limited, a company incorporated in BVI with limited liability and a wholly-owned subsidiary of the Company  |
| “Sale Shares”          | 100 issued shares of US\$1.00 each in the share capital of the Target Company, representing the entire issued share capital of the Target Company   |
| “SFO”                  | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)   |
| “Stock Exchange”       | The Stock Exchange of Hong Kong Limited   |
| “Target Company”       | Wit Sky Limited, a company incorporated in BVI with limited liability   |
| “Target Group”         | the Target Company and its subsidiaries   |
| “Vendor”               | Fortune Favour International Limited, a company incorporated in BVI with limited liability  |
| “%”                    | per cent  |
| “HK\$”                 | Hong Kong dollars, the lawful currency of Hong Kong   |

By order of the Board  
**PacRay International Holdings Limited**  
**Liew Fui Kiang**  
*Chairman*

Hong Kong, 27 October 2017

*As at the date of this announcement, the Board comprises six Directors. The executive Directors are Mr. Liew Fui Kiang, Mr. Leung Pok Man and Ms. Lau Mei Ying and the independent non-executive Directors are Ms. Chow Chui Ying, Mr. Zhou Danqing and Dr. Yang Yung-Ming.*

*\* For identification purposes only*