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PT INTERNATIONAL DEVELOPMENT CORPORATION LIMITED

保 德 國 際 發 展 企 業 有 限 公 司 *

(Incorporated in Bermuda with limited liability)

(Stock code: 372)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
SUBSCRIPTION OF PREFERENCE SHARES**

THE SUBSCRIPTION

The Board is pleased to announce that on 16 April 2018 (after trading hours), the Subscriber entered into the Subscription Agreement with the Issuer and the Guarantor, pursuant to which the Subscriber has agreed to subscribe for, and the Issuer has agreed to allot and issue, the Preference Shares at the total subscription price of HK\$200,000,000. Completion of the Subscription took place on the same date of the Subscription Agreement, and the subscription price has been satisfied by offsetting the Loan due by the Issuer (as novated from the Guarantor to the Issuer pursuant to the Deed of Novation) to the Lender.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Subscription Agreement and the transaction contemplated thereunder is/are more than 5% but less than 25%, the Subscription Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

References are made to the Company's announcements dated (i) 20 July 2017 in relation to the Loan Agreement; and (ii) 9 January 2018 in relation to the Supplemental Agreement.

* *For identification purpose only*

THE SUBSCRIPTION

The Board is pleased to announce that on 16 April 2018 (after trading hours), the Subscriber has entered into the Subscription Agreement with the Issuer and the Guarantor, pursuant to which the Subscriber has agreed to subscribe for, and the Issuer agreed to allot and issue, the Preference Shares in the total subscription price of HK\$200,000,000.

The Subscription Agreement

- Date:** 16 April 2018 (after trading hours)
- Parties:**
- (i) PT OBOR Financial Holdings Limited (as the Subscriber)
 - (ii) Thousand Vantage Investment Limited (as the Issuer)
 - (iii) Zhu Bin (as the Guarantor for the Issuer)
- Preference Shares:** Pursuant to the Subscription Agreement, the Subscriber will subscribe for, and the Issuer will allot and issue 100 Preference Shares which represent all the preference shares of the Issuer in issue as at completion of the Subscription Agreement.
- Subscription price:** The total subscription price for the Preference Shares is HK\$200,000,000.
- Guarantee:** The Guarantor, as guarantor for the Issuer, guarantees to the Subscriber the due performance and discharge of the obligations and liabilities of the Issuer under the Subscription Agreement, and agrees to indemnify the Subscriber from and against all losses, costs, expenses and damages sustained or which may be sustained by Subscriber arising from any failure of the Issuer to observe, perform and discharge any such obligations and liabilities.

Exclusivity: The Guarantor granted to the Group an exclusive right, during the period commencing from the date of the issue of the Preference Shares up to the full payment of the Redemption Price, as may be extended by agreement between the parties from time to time (“**Revised Exclusivity Period**”), to purchase all or part of the issued ordinary shares of and all or part of shareholder’s loans due by the Issuer or to subscribe for new Ordinary Shares (“**Possible Transaction**”). During the Revised Exclusivity Period, the Guarantor and the Issuer shall not, and shall procure that each Issuer Group Company shall not, whether directly or indirectly enter into any agreement with or participate in any discussion, negotiation or arrangement similar to the Possible Transaction and/or disposal of any of Issuer Group Company and/or any assets of any Issuer Group Company and/or any proposed investment in the Issuer Group with any party other than the Group or provide any information to any other party which would be inconsistent with or would hinder or impede the Possible Transaction.

Principal terms of the Preference Shares

Dividend: Each Preference Share will confer on the Preference Shareholder thereof the right to receive out of profits of the Issuer lawfully available for distribution and resolved by the board of director(s) of the Issuer to be distributed a cumulative fixed preferential dividend at the rate of 2% per annum of the subscription price thereof.

Redemption Date:

- (i) The date falling on the second anniversary of the issue of the Preference Shares (i.e. 16 April 2020); or
- (ii) if certain event(s) of default (“**Event of Default**”) has occurred, an earlier date specified by the Subscriber in writing. Such Events of Default include the Issuer and/or the Guarantor in material breach of the warranties given under the Subscription Agreement and/or any provisions of the Subscription Agreement and/or any of the other Transaction Documents to which it/he as a party, and insolvency events of the Issuer and/or the Guarantor.

Redemption Price: The Redemption Price payable by the Issuer for the redemption of the Preference Shares will be the aggregate of the subscription price and the Accrued Amount.

Liquidation Preference: On a Liquidation Event, before any payment or distribution of the Issuer's property or assets (whether capital or surplus) will be made or set apart for the holders of Ordinary Shares, the Preference Shareholders will be paid out of the assets of the Issuer legally available for distribution to its members a liquidation preference in an amount equal to the Redemption Price before any distribution is made to holders of any Ordinary Shares, which payment will be made prior to the Issuer making any liquidating distribution on the Ordinary Shares.

Completion and settlement of the subscription price

As at the date of the Subscription Agreement, the Guarantor is indebted to the Lender in the amount of HK\$200,000,000 under the Loan Agreement. Upon the signing of the Subscription Agreement, the Guarantor, the Issuer and the Lender entered into the Deed of Novation, pursuant to which the Guarantor novated to the Issuer, and the Issuer assumed, the obligations of the Guarantor as borrower under the Loan Agreement.

Completion of the Subscription took place after the signing of the Subscription Agreement on the same date. The subscription price for the Preference Shares has been settled on completion by way of offsetting the Loan due by the Issuer (as novated from the Guarantor to the Issuer pursuant to the Deed of Novation) to the Lender. Consequently, upon the settlement of subscription price, the Loan has been fully repaid.

Shareholders' Agreement

On completion, the Issuer, the Subscriber and the Guarantor also entered into the Shareholders' Agreement, which regulates the rights and obligations between the Issuer and the Subscriber in respect of their shareholdings in the Issuer and the operation and management of the Issuer Group. The major provisions of the Shareholders' Agreement are set out below.

Directors: The Subscriber is entitled to nominate one person to the board of seven (7) directors of the Issuer and each of the other Issuer Group Company.

Transfer of shares by the Guarantor: The Guarantor has undertaken not to transfer, sell, mortgage, charge, assign or otherwise dispose of or encumber the whole or any part of his shareholding in the Issuer or any shareholder's loan(s) due to him, or assign or otherwise purport to deal with the legal or beneficial interest therein or voting rights in respect of his shares in the Issuer without the prior written consent of the Subscriber.

Transfer of shares by the Subscriber: Except for transfer to the other members of the Group, the Guarantor has first right of refusal in respect of any proposed transfer of the Preference Shares by the Subscriber.

Default option: Where an Event of Default has occurred, the Subscriber also has the option to require the Guarantor to acquire the Preference Shares at the Redemption Price.

Dividends: For each financial year, (a) not less 50% of the profits of each of the Issuer Group Companies (other than the Issuer) available for distribution shall be distributed to their respective shareholders by way of dividends; and (b) all profits of the Issuer available for distribution shall be distributed to its shareholders by way of dividends in accordance with the Articles.

Issuer undertaking: The Issuer undertakes to the Subscriber that it will redeem the Preference Shares and will comply with all provisions regarding the Preference Shares in accordance with the provisions of the Articles and the Shareholders' Agreement.

Guarantee: The Guarantor guarantees to the Subscriber the due performance and discharge of the obligations and liabilities of the Issuer under the Shareholders' Agreement, and agrees to indemnify the Subscriber from and against all losses, costs, expenses and damages sustained or which may be sustained by the Subscriber arising from any failure of the Issuer to observe, perform and discharge any such obligations and liabilities.

Security documents

The Guarantor has executed the Share Charge and the Issuer has executed the Debenture in favour of the Subscriber as securities for their respective obligations and liabilities under the Subscription Agreement and the Shareholders' Agreement, including but not limited to the payment of the Redemption Price and dividends accrued on the Preference Shares.

Default interest

Without prejudice to any remedy that the Subscriber may have, if the Issuer and/or the Guarantor fail to pay any sum due and payable under the Subscription Agreement and/or Shareholders' Agreement, it/he shall pay interest on the sum in arrears at the rate of 8% per annum from the original due date until the actual date of payment.

INFORMATION OF THE PARTIES

The Group is principally engaged in trading of commodities, investment holdings, the provision of finance, property investment and treasury investment.

The Guarantor, save for being a director of, and a shareholder holding 8% equity interest in, an insignificant subsidiary (as defined in Rule 14A.09 of the Listing Rules) of the Group, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is a third party independent of the Company and its connected persons.

The Subscriber, a wholly owned subsidiary of the Company, is a company incorporated in British Virgin Islands with limited liability. The Subscriber is principally engaged in investment holding.

The Issuer is a company incorporated in Hong Kong with limited liability and wholly and beneficially owned by the Guarantor. The Issuer holds 75% equity interest in the PRC Subsidiary, which is principally engaged in the provision of oil port and storage service as well as port related services, strategically located in South Western PRC, and the trading of oil and petrochemical products.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Issuer and its ultimate beneficial owner (i.e. the Guarantor), save for being a director of, and a shareholder holding 8% equity interest in, an insignificant subsidiary of the Group, both are independent of and not connected with the Company or any connected persons of the Company.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Company is looking for exposure towards oil and petrochemical sector which the Company believes will continue to be an important commodity as fuel in the growth engine of PRC and will become even more important under the One Belt One Road Initiative.

The Board is of the view that the Subscription is a low-risk investment which will (i) generate a dividend income to the Group of the same rate as the interest income of the Loan; (ii) allow the Group to participate in the oil port and storage business to which the Issuer Group is providing unique oil port and storage facilities strategically located at the South Western PRC nearby the South Asian countries; (iii) allow the Group to participate in the management of the business of the Issuer by nominating one director into the board of directors of each Issuer Group Company; (iv) be guaranteed in the way made by the Issuer and/or the Guarantor in the Subscription Agreement and Shareholders' Agreement; (v) provide the Group a foothold in establishing oil trading business relationship with the Issuer Group; and (vi) allow the Group to continue to have the exclusivity over the Possible Transaction, while the port and storage facilities of the PRC Subsidiary continue into their next phase of capacity expansion, facilitating the Board's further evaluation on the Possible Transaction.

Based on the above, the Directors (including the independent non-executive directors) consider that the terms of the Subscription Agreement and the Preference Shares are fair and reasonable and on normal commercial terms, and the transactions contemplated under the Subscription Agreement are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Subscription Agreement and the transaction contemplated thereunder is/are more than 5% but less than 25%, the Subscription Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalised terms used will have the following meanings:

“Accrued Amount”	all accrued and unpaid dividends on the Preference Shares through and including the date of payment
“Article”	the articles of association of the Issuer
“Board”	the board of the directors
“business day”	means a day (excluding a Saturday) on which banks in Hong Kong are open for business in Hong Kong throughout their normal business hours
“Company”	PT International Development Corporation Limited (stock code: 372), a company incorporated in Bermuda with limited liability whose shares are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed thereto in the Listing Rules
“Debenture”	a debenture incorporating a first floating charge over all the undertaking, property and assets of the Issuer dated 16 April 2018 executed by the Issuer in favour of the Subscriber
“Deed of Novation”	the deed of novation dated 16 April 2018 entered into between the Lender, the Guarantor and the Issuer in relation to the Novation

“Director(s)”	the director(s) of the Company
“Exclusivity Period”	the period of 6 months commencing from the date of the Loan Agreement, which has been extended to 24 July 2018 pursuant to the Supplemental Agreement, during which the Guarantor granted to the Group an exclusive right as disclosed in the announcements of the Company dated 20 July 2017 and 9 January 2018
“Group”	the Company and its subsidiaries
“Guarantor”	Mr. Zhu Bin
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issuer”	Thousand Vantage Investment Limited, a company incorporated in Hong Kong with limited liability
“Issuer Group”	Issuer and its subsidiaries, including the PRC Subsidiary, and each a “Issuer Group Company”
“Lender”	PT Credit Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company
“Liquidation Event”	any voluntary or involuntary liquidation, dissolution or winding up of the Issuer, and, for the avoidance of doubt, the consolidation or merger of the Issuer with or into any other business enterprise or of any other business enterprise with or into the Issuer, or the sale, lease or conveyance of all or substantially all of the assets or business of the Issuer will not, in and of itself, be deemed to constitute a Liquidation Event
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Loan”	a term loan in the principal amount of HK\$200,000,000 granted by the Lender to the Guarantor pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 20 July 2017 entered into between the Lender and the Guarantor (as amended and supplemented by the Supplemental Agreement) in relation to the grant of the Loan
“Novation”	the transfer by novation of the Guarantor’s rights and obligations in and under the Loan Agreement to the Issuer
“One Belt One Road Initiative”	a significant development strategy launched by the PRC government with the intention of promoting economic co-operation among countries
“Ordinary Share(s)”	the ordinary share(s) of the Issuer
“PRC”	People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“PRC Subsidiary”	廣西廣明碼頭倉儲有限公司 Guangxi Guangming Warehouse Storage Limited, a company established in the PRC and in which the Issuer has a 75% equity interest
“Preference Shares”	the 100 new non-voting redeemable preference shares of the Issuer subscribed by the Subscriber under the Subscription Agreement, and each a “Preference Share”
“Preference Shareholder(s)”	holder(s) of the Preference Share(s)
“Redemption Price”	the aggregate sum of the Issue Price and the Accrued Amount
“Share Charge”	a share charge in relation to all the issued Ordinary Shares of the Issuer, incorporating an assignment of all shareholder’s loans due by the Issuer to the Guarantor, dated 16 April 2018 executed by the Guarantor in favour of the Subscriber

“Shareholders Agreement”	the shareholders agreement dated 16 April 2018 entered into between the Subscriber, the Guarantor and the Issuer on completion of the Subscription
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	PT OBOR Financial Holdings Limited, a wholly owned subsidiary of the Company incorporated in British Virgin Islands with limited liability
“Subscription”	the subscription of the Preference Shares at the subscription price of HK\$200,000,000 under the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 16 April 2018 entered into between the Issuer, the Subscriber and the Guarantor in relation to the subscription of the Preference Shares
“Supplemental Agreement”	the supplemental agreement dated 9 January 2018 entered into between the Lender and the Guarantor to extend the final repayment date of the Loan and the Exclusivity Period for six months to 24 July 2018 (or if such day is not a business day, the next following business day)
“Transaction Document(s)”	the Subscription Agreement, the Shareholders’ Agreement, the Debenture and the Share Charge
“%”	per cent.

By Order of the Board
PT International Development Corporation Limited
Ching Man Chun, Louis
Chairman and Managing Director

Hong Kong, 16 April 2018

As at the date of this announcement, the Board comprises four Executive Directors, namely, Mr. Ching Man Chun, Louis (Chairman and Managing Director), Mr. Sue Ka Lok, Ms. Xu Wei and Mr. Gary Alexander Crestejo; and four Independent Non-executive Directors, namely, Mr. Lau Yuen Sun, Adrian, Mr. Yam Kwong Chun, Mr. Yeung Kim Ting and Mr. Wong Yee Shuen, Wilson.