

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**(1) MAJOR TRANSACTION – EXTENSION OF
REDEMPTION DATE OF PREFERENCE SHARES
ISSUED BY THOUSAND VANTAGE INVESTMENT LIMITED
TO PT OBOR FINANCIAL HOLDINGS LIMITED;**

AND

(2) VOLUNTARY ANNOUNCEMENT – MANAGEMENT AGREEMENT

(A) EXTENSION OF REDEMPTION DATE OF PREFERENCE SHARES

The Board wishes to announce that on 9 November 2020 (after trading hours), PT OBOR, a wholly owned subsidiary of the Company, entered into the Supplemental Agreement with the Issuer and the Guarantor pursuant to which the parties conditionally agreed to extend the Redemption Date of the Preference Shares to the New Redemption Date.

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 transactions contemplated under the Supplemental Agreement is more than 25% but all of them are less than 100%, the Supplemental Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders' approval requirements under the Listing Rules.

* *For identification purpose only*

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) further information relating to the Supplemental Agreement and the transactions contemplated thereunder; (ii) the financial information and other information of the Group; (iii) notice of the SGM; and (iv) other information as required under the Listing Rules shall be despatched to the Shareholders on or before 30 November 2020.

(B) MANAGEMENT AGREEMENT

The Board further wishes to announce that on 9 November 2020 (after trading hours), PT Investment, another wholly-owned subsidiary of the Company, entered into the Management Agreement with the Issuer, pursuant to which the Issuer agreed to appoint PT Investment on an exclusive basis to provide the Services to the Issuer Group.

As the Management Agreement is a transaction of a revenue nature in the ordinary and usual course of business of the Company, pursuant to Rule 14.04(1)(g) and 14.04(8) of the Listing Rules the entering into of the Management Agreement does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

EXTENSION OF REDEMPTION DATE

References are made to the announcements of the Company dated (i) 16 April 2018 in relation to the Subscription Agreement (the “**Subscription Announcement**”); and (ii) 16 April 2020 in relation to the negotiation between the Group and the Issuer for a possible acquisition by the Group of equity interests in the Issuer (the “**April 2020 Announcement**”).

As disclosed in the Subscription Announcement, the original Redemption Date of the Preference Shares was 16 April 2020. The Board wishes to announce that on 9 November 2020 (after trading hours), PT OBOR entered into the Supplemental Agreement with the Issuer and the Guarantor to extend the Redemption Date. The principal terms of the Supplemental Agreement are set out below.

Principal Terms of the Supplemental Agreement

Date

9 November 2020 (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)

Amendment

Pursuant to the Supplemental Agreement, the Redemption Date shall be extended from the Original Redemption Date of 16 April 2020 to the New Redemption Date of 16 April 2022 (the “**Extension**”).

Save for the Extension the other principal terms of the Preference Shares remain the same, and all the terms, conditions, covenants, undertakings and agreements contained in the Subscription Agreement and the Shareholders’ Agreement remain unchanged and continue to be in full force and effect. In particular, the parties confirmed that the Exclusivity Period continues up to full payment of the Redemption Price for all the Preference Shares and the Guarantor confirmed that the guarantee he provided under the Subscription Agreement and the Shareholders’ Agreement shall continue to be valid and subsisting and of full force and effect until all obligations and liabilities of the Issuer under the Subscription Agreement and the Shareholders’ Agreement (as amended and supplemented by the Supplemental Agreement) have been performed and discharged in full.

The Extension shall only come into effect upon the fulfilment of the Conditions.

Other terms

Pursuant to the provisions of the Supplemental Agreement, (i) each of the Issuer and the Guarantor has further respectively executed a deed of confirmation confirming that the Debenture and the Share Charge remain in full force and effect and continue as security for the payment of the Redemption Price and dividends accrued on the Preference Shares; but (ii) PT OBOR shall not enforce the security constituted under the Share Charge and the Debenture prior to the lapse of the Long Stop Date.

Conditions Precedent

The Extension shall take effect upon the following conditions having been fulfilled (the “**Conditions**”):

- (a) the passing of the requisite resolution(s) by the Shareholders approving the Supplemental Agreement and the transactions contemplated thereunder at the SGM; and
- (b) the compliance by PT OBOR and/or the Company of any other requirements under the Listing Rules or otherwise of the Stock Exchange (if any) which require compliance in relation to the Supplemental Agreement and the transactions contemplated thereunder.

If the Conditions are not fulfilled or satisfied on or before the Long Stop Date, the Extension shall not take effect and none of the parties to the Supplemental Agreement shall have any claim against the others by reason thereof but the Issuer shall forthwith redeem the Preference Shares and pay the Redemption Price (being the aggregate of the Issue Price and the Accrued Amount calculated up to the actual date of payment).

Information of the Parties

The Group is principally engaged in trading of commodities, chemical storage business, financial institute business, loan financing services, long term equity investments and provision of management services.

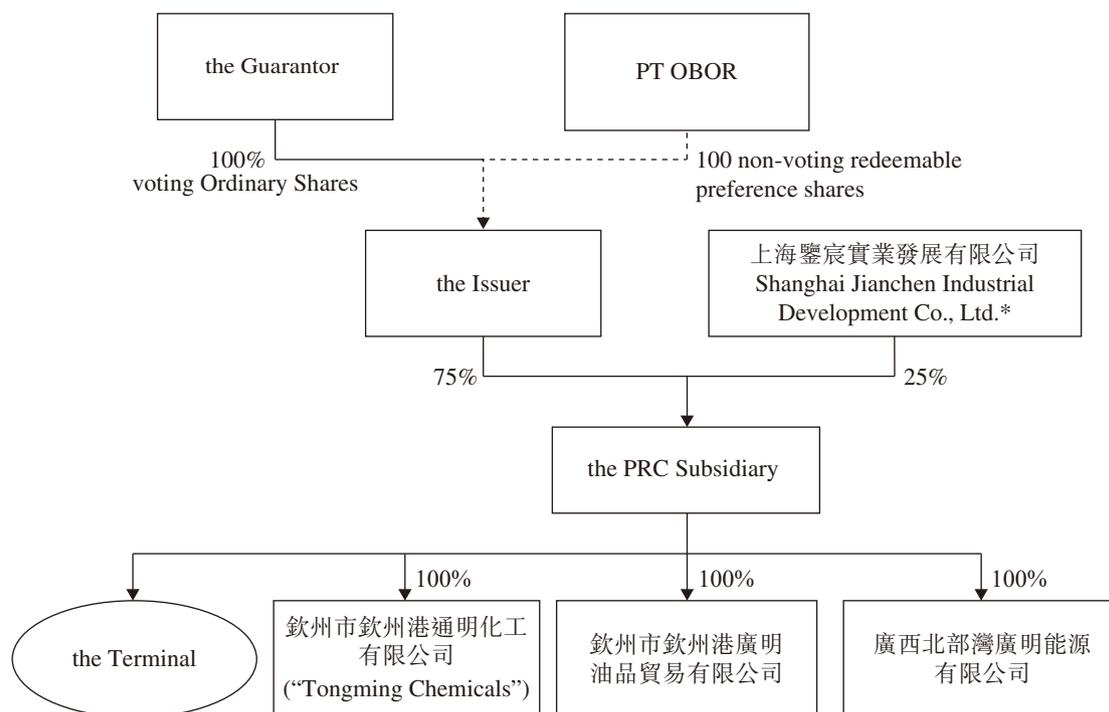
The Issuer is an investment-holding company incorporated in Hong Kong with limited liability and (save for the Preference Shares held by PT OBOR) wholly and beneficially owned by the Guarantor. The principal business and asset of the Issuer is the holding of equity interest in the PRC subsidiary.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, the Issuer and the Guarantor are third parties independent of the Company and its connected persons.

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

Information of the Issuer Group

The Issuer holds a 75% equity interest in the PRC Subsidiary. The group structure of the Issuer Group as at the date of this announcement is as follows:



The PRC Subsidiary was established in March 1995. It is primarily engaged in the business of handling and storage of liquid dangerous goods such as gasoline, diesel oil, mixed aromatics and fuel oil through operation of a terminal in 欽州港金谷區鷹嶺作業區 (“**Qinzhou Port**”), in Guangxi, the PRC (the “**Terminal**”). It holds the requisite licence(s) and permit(s) for the operation of the Terminal including a port operation permit* (港口經營許可證) and Annexed Certificate for Hazardous Goods Operations at Ports* (港口危險貨物作業附證).

The PRC Subsidiary also holds three PRC companies which are currently inactive. One of these PRC companies, Tongming Chemicals, was previously engaged in the business of trading of oil and petrochemical products.

As at the date of this announcement, the Terminal has one berth with docking capacity of 50,000 deadweight tonne (“**DWT**”) and 29 storage tanks with total capacity of approximately 633,700 cubic meters (“**cbm**”). Among the 29 storage tanks, 23 tanks with total capacity of 333,700 cbm are in full operation. The remaining six newly built storage tanks are ready for examination by the local government. Four of the new tanks with total capacity of 200,000 cbm are specialised for storing of crude oil and the other two new tanks with total capacity of 100,000 cbm are specialised for storing of petrochemical products. The Company expects that the examination will be completed within November 2020 and the additional storage tanks will be in operation by December 2020. By then the PRC Group will be able to provide a total of 29 storage tanks with approximately 633,700 cbm of petrochemical and energy products storage in aggregate.

Since the Subscription, the Group has assigned three senior officers to the PRC Group. They are Mr. Heinrich Grabner (“**Mr. Grabner**”), an executive Director, Mr. Ching Man Ho Paul (“**Mr. Paul Ching**”), the President of the Group’s operation in China, and Ms. Chen Kui (“**Ms. Chen**”), the financial controller of the Group. These three senior officers took up the positions of Legal Representative, General Manager and Head of Finance Department of the PRC Group respectively and participate in the business operation of the PRC Subsidiary.

REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL AGREEMENT

As disclosed in the Subscription Announcement, the Company has been looking for exposure towards oil and petrochemical sector which the Company believes will continue to be an important fuel in the growth engine of PRC and will become even more important under the One Belt One Road Initiative.

As further disclosed in the April 2020 Announcement, the Board is negotiating with the Guarantor and the Issuer in relation to the acquisition of equity interests in the Issuer (the “**Possible Transaction**”), whereby the consideration of which will possibly be offset by the Redemption Price.

The terms of the Supplemental Agreement were arrived at after arm’s length negotiations between the Company, the Issuer and the Guarantor. The Directors are of the view that the Extension allows the Group to continue to have exclusivity over the Possible Transaction until the Preference Shares are redeemed and thereby affording the Company more time to negotiate the Possible Transaction with the Issuer and the Guarantor, whilst at the same time generating income to the Group.

Taking into account the above factors, the Directors are of the view that the terms of the Supplemental Agreement are fair and reasonable and the entering into of the Supplemental Agreement 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 under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Supplemental Agreement is more than 25% but all of them are less than 100%, the Supplemental Agreement constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and Shareholders’ approval requirements under the Listing Rules.

THE SGM

The SGM will be convened and held for the purposes of considering and, if thought fit, approving the Supplemental Agreement and the transactions contemplated thereunder.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) further information relating to the Supplemental Agreement and the transactions contemplated thereunder; (ii) the financial and other information of the Group; (iii) a notice of the SGM; and (iv) other information as required under the Listing Rules shall be despatched to the Shareholders on or before 30 November 2020.

MANAGEMENT AGREEMENT

The Board further wishes to announce that, on 9 November 2020 (after trading hours), PT Investment, another wholly-owned subsidiary of the Company, entered into the Management Agreement with the Issuer. As the Management Agreement is a transaction of a revenue nature in the ordinary and usual course of business of the Company, pursuant to Rule 14.04(1)(g) and 14.04(8) of the Listing Rules the entering into of the Management Agreement does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

The principal terms of the Management Agreement are set out below for the information of the Shareholders:

Principal terms

Parties

- (a) PT Investment as the manager
- (b) the Issuer

Duration

The period from the Commencement Date, subject to compliance by the Company of any applicable requirements under the Listing Rules in connection with the entering into of the Management Agreement, and continue until 31 December 2023 subject to earlier termination as set out below. For the avoidance of doubt, if the Company shall notify the Issuer within three months of the date of the Management Agreement (or such later date as PT Investment and the Issuer may agree) that any applicable requirements have not yet been complied with, the Management Agreement shall be deemed to be void ab initio in its entirety and PT Investment and the Issuer shall not have any claim against the other by reason thereof.

The Management Agreement is not inter-conditional with the Supplemental Agreement.

Services

PT Investment (through other member(s) of the Group as appropriate) shall provide advisory, management and administrative services to the Issuer Group on a best effort basis, including (the “**Services**”):

- (a) providing to the Issuer and the Issuer Group holistic operational and management analysis in respect of the business of the Issuer Group;
- (b) formulating business strategy, sale and marketing proposal for the Issuer Group;
- (c) supervising the daily operation of the Terminal and the Issuer Group;
- (d) negotiation of long term contracts with potential customers and other clientele management for the Issuer Group;
- (e) the selection, supervision, direction and where necessary or appropriate training of staff and employees, including but not limited to managers, department heads, administrative and accounting staff, of the Issuer Group; and
- (f) establishing and implementing administrative, accounting, budgeting, personnel, operational and other policies and practices relating to or affecting the operation of the business of the Issuer Group.

PT Investment shall allocate sufficient human resources to the provision of the Services in order to meet the needs and requests of the Issuer and the Issuer Group in their ordinary course of business, including but not limited to the designation of senior personnel of the Group to fill senior management positions in the PRC Subsidiary and having appropriate personnel stationed at the Terminal.

Remuneration

PT Investment is entitled to remuneration (“**Management Fee**”) calculated as follows:

- (i) for the period commencing from the Commencement Date to 31 December 2020:

Net Profit for such period × the Applicable Percentage

- (ii) for each Financial Year commencing from 1 January 2021:

(Net Profit for the relevant Financial Year less Accrued Loss) × the Applicable Percentage

If the Management Agreement is terminated prior to the end of a Financial Year, the applicable Management Fee for the period from the commencement of such Financial Year to the date of termination shall be calculated by reference to the Net Profit and Accrued Loss up to the date of termination.

Other terms

The Group will have priority berthing, discharging and loading and for other services to vessels serving the business of the Group.

Termination of the Management Agreement

The Management Agreement may be terminated prior to its expiration in the following events:

- (a) if a party breaches any provision under the Management Agreement and fails to rectify or correct such breach within a reasonable period set out in a written notice by the other party, the non-defaulting party shall be entitled to terminate the Management Agreement forthwith without prejudice to any and/or all other reliefs and remedies it may have in law or in equity;
- (b) in the event that there is a change in Controlling shareholder of the Issuer (including where a member of the Group becoming the Controlling shareholder of the Issuer) or PT Investment, the other party may terminate the Management Agreement by not less than sixty (60) days prior written notice; and
- (c) where the PRC Group incurred loss (excluding items outside the ordinary course of business of the PRC Group) for any complete Financial Year as from 1 January 2021, the Issuer may, after consultation with PT Investment, terminate the Management Agreement by not less than sixty (60) days prior written notice to PT Investment.

REASONS FOR AND BENEFITS OF THE MANAGEMENT AGREEMENT

As mentioned above, since the Subscription, in order to gain a deeper understanding of the PRC Group's operations, management and financial positions as well as to explore the potential of the energy industry in the PRC, the Group has assigned Mr. Grabner, Mr. Paul Ching and Ms. Chen to take up the positions of Legal Representative, General Manager and the Head of Finance Department of the PRC Group and participate in the business operation of the PRC Subsidiary. As the Possible Transaction has not yet materialized, the Company wishes to formalize the management role of the Group in the Issuer Group by way of the Management Agreement, which allows the Company to enjoy potential upside in sharing profits of the PRC Group pending the outcome of the negotiation of the Possible Transaction.

The Board has always been of the view that investment in port related operations remains a vital part of the growth of the Chinese economy and further believes that the petrochemical sector will yield better returns as compared with traditional cargo terminals. As disclosed in the annual report of the Company for the financial year ended 31 March 2020, the Group has expanded its strategic investment business by acquiring controlling interest in Yangtze Prosperity Development (HK) Limited, whose subsidiary 江蘇宏貿倉儲有限公司 (Jiangsu Hong Mao Storage Limited) has been granted a sea area use right in respect of a parcel of reclaimed land constructed on the relevant sea plot in Yangkou Port, Nantong, the PRC and is in the course of constructing infrastructure for operating chemical storage and related facilities thereon.

In light of the growth in the Group's investment holding business in companies engaging in port development, operation and provision of storage facilities, the Management Agreement also represents an opportunity for the Group to solidify the Group's position in ports and infrastructure management and to broaden the income stream of the Group.

Since the Group has acquired a petrochemical trading licence in the PRC in June 2020, which permits the Group to trade over 50 petrochemical products in the PRC, the priority berthing rights granted to the Group under the Management Agreement can also facilitate the commodities trading business of the Group.

For the above reasons, the Directors are of the view that the Management Agreement is in the interests of the Company and the Shareholders as a whole.

DEFINITIONS

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

“Accrued Amount”	all accrued and unpaid dividends on the Preferences Shares through and including the date of payment
“Accrued Loss”	loss incurred by the PRC Group, if any, since the Commencement Date which has not been deducted in the calculation of Management Fee for any prior period (excluding items incurred outside the ordinary course of business of the PRC Group)
“Applicable Percentage”	48.75%
“Board”	the board of the directors

“Commencement Date”	1 October 2020
“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(s)”	has the meaning ascribed thereto in the Listing Rules
“Controlling”	in relation to any body corporate, means (i) the right to exercise 50% or more of the voting power exercisable at a general meeting of that body corporate; or (ii) the right to appoint one-half or more of its directors, whether directly or indirectly and whether by virtue of provisions contained in its memorandum or articles of association, bye-laws or other constitutional documents or any contract or arrangement with any other person
“Director(s)”	the director(s) of the Company
“Exclusivity Period”	the period during which 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 Issuer Group Company and/or any assets of any Issuer Group Company, details of which were disclosed in the Subscription Announcement
“Extension”	has the meaning ascribed to it under the paragraph headed “Amendment”
“Financial Year”	each financial year of the PRC Group, being the period of twelve calendar months ended 31 December, or such other period as the Issuer and PT Investment may agree
“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 Group, and each an “ Issuer Group Company ”
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	the date falling on the expiry of 6 months from the date of the Supplemental Agreement, being 8 May 2021, or such other date as may be agreed between the parties thereto in writing
“Management Agreement”	the management agreement dated 9 November 2020 entered into between PT Investment and the Issuer in relation to the provision of Services by PT Investment (through other member(s) of the Group as appropriate) to the Issuer Group
“Net Profit”	the profit after tax of the PRC Group, excluding items outside its ordinary course of the business
“New Redemption Date”	16 April 2022
“Ordinary Share(s)”	the ordinary share(s) of the Issuer
“Original Redemption Date”	16 April 2020
“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 Group”	the PRC Subsidiary and its subsidiaries from time to time
“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 non-voting redeemable preference shares of the Issuer subscribed by PT OBOR under the Subscription Agreement, and each a “Preference Share”
“PT Investment”	PT Investment Corporation Limited, a wholly owned subsidiary of the Company incorporated in Hong Kong with limited liability
“PT OBOR”	PT OBOR Financial Holdings Limited, a wholly owned subsidiary of the Company incorporated in British Virgin Islands with limited liability
“Redemption Date”	the date for redemption of the Preference Shares
“Redemption Price”	the aggregate sum of the Issue Price of HK\$200,000,000 and the Accrued Amount as described in the Subscription Announcement
“Shareholders”	the shareholders of the Company
“Shareholders’ Agreement”	the shareholders agreement dated 16 April 2018 entered into between PT OBOR, the Guarantor and the Issuer on completion of the Subscription
“SGM”	the special general meeting of the Company to be convened and held for the purpose of considering and approving, if thought fit, the Supplemental Agreement and the transactions contemplated thereunder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, PT OBOR and the Guarantor in relation to the subscription of the Preference Shares

“Supplemental Agreement” the supplemental agreement dated 9 November 2020 entered into between PT OBOR, the Guarantor and the Issuer in relation to the Extension

“%” per cent.

* In this announcement, the English names of the PRC entity, licence and permit marked in asterisks are direct translations of their respective Chinese names and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

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

Hong Kong, 9 November 2020

As at the date of this announcement, the Board comprises five Executive Directors, namely, Mr. Ching Man Chun, Louis (Chairman and Managing Director), Mr. Sue Ka Lok, Ms. Xu Wei, Mr. Yeung Kim Ting and Mr. Heinrich Grabner; and three Independent Non-executive Directors, namely, Mr. Yam Kwong Chun, Mr. Wong Yee Shuen, Wilson and Mr. Lam Yik Tung.