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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
ACQUISITION BY WAY OF LOAN CAPITALISATION**

THE LOAN CAPITALISATION

On 5 September 2019 (after trading hours), the Lender, an indirect wholly-owned subsidiary of the Company, entered into (i) the Loan Capitalisation Deed with EYD (HK), pursuant to which the outstanding amount of the Loan in the principal sum of US\$4.0 million and the accrued interests on the Loan owing shall be capitalised into the Capitalisation Shares to be allotted and issued to the Lender or its nominee; and (ii) the Deed of Termination and Mutual Release of Participation Agreement with the Participant, pursuant to which the Participant relinquishes all his entitlement to the Participant's Interest and the Capitalisation Shares.

The Capitalisation Shares represent 90.0% of the total issued shares of and in EYD (HK) as enlarged by the issue of the Capitalisation Shares and Participant New Shares.

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Capitalisation is more than 5% but less than 25%, the Loan Capitalisation constitutes a disclosable transaction for the Company under Chapter 14 of the Listing Rules and is only subject to the reporting and announcement requirements but are exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

* *For identification purpose only*

INTRODUCTION

Reference is made to the announcement of the Company dated 1 June 2018 in relation to the Loan Agreement, pursuant to which the Lender made available to EYD (HK) the Loan in the principal amount of US\$6.0 million, out of which US\$1.0 million was contributed by the Participant pursuant to the Participation Agreement. As at 5 September 2019, the outstanding principal amount of the Loan was US\$4.0 million and outstanding interest accrued on the Loan amounted to approximately US\$286,016, out of which the Participant's Interest amounted to a principal amount of US\$1.0 million and interest of approximately US\$130,904.

THE LOAN CAPITALISATION DEED AND DEED OF TERMINATION AND MUTUAL RELEASE OF PARTICIPATION AGREEMENT

On 5 September 2019 (after trading hours), the Lender, an indirect wholly-owned subsidiary of the Company, entered into the following documents:

- (a) the Loan Capitalisation Deed with EYD (HK); and
- (b) the Deed of Termination and Mutual Release of Participation Agreement with the Participant.

To the best knowledge, information and belief of the Directors having made all reasonable enquires, EYD (HK) and its ultimate beneficial owners, including the Participant, are Independent Third Parties.

Pursuant to the Loan Capitalisation Deed, EYD (HK) and the Lender agreed that the total outstanding amount of the Loan in the sum of US\$4.0 million and outstanding accrued interests of approximately US\$286,016 shall be capitalised into the Capitalisation Shares, being 9,000,000 EYD (HK) Shares, to be allotted and issued to the Lender or its nominee.

Simultaneously with the Loan Capitalisation, an amount of approximately HK\$81,216,480 owing by EYD (HK) to the Participant was capitalised into the Participant New Shares. The Capitalisation Shares represent 90.0% of the total issued shares of and in EYD (HK) as enlarged by the issue of the Capitalisation Shares and the Participant New Shares.

The Capitalisation Shares have been allotted and issued to PT OBOR, a wholly-owned subsidiary of the Company nominated by the Lender, on 5 September 2019 in accordance with the Loan Capitalisation Deed.

Pursuant to the Deed of Termination and Mutual Release of Participation Agreement, the Participant relinquishes all his entitlement to and rights and benefits in the Participant's Interest and the Capitalisation Shares. Accordingly, the whole of the Capitalisation Shares belong to the Group.

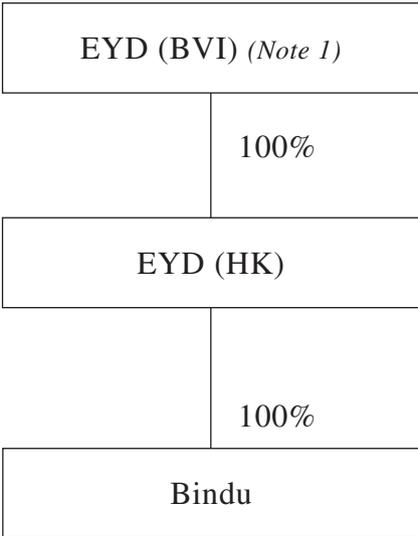
The Loan and all amounts payable by EYD (HK) under the Loan Agreement were secured by, inter alia, the Share Charge and the Debenture. As the outstanding amount of the Loan and interest accrued have been settled by the issue of the Capitalisation Shares to PT OBOR and extinguished, the Lender have released all the securities for the Loan.

SHAREHOLDING OF EYD (HK) AND THE SHAREHOLDERS AGREEMENT

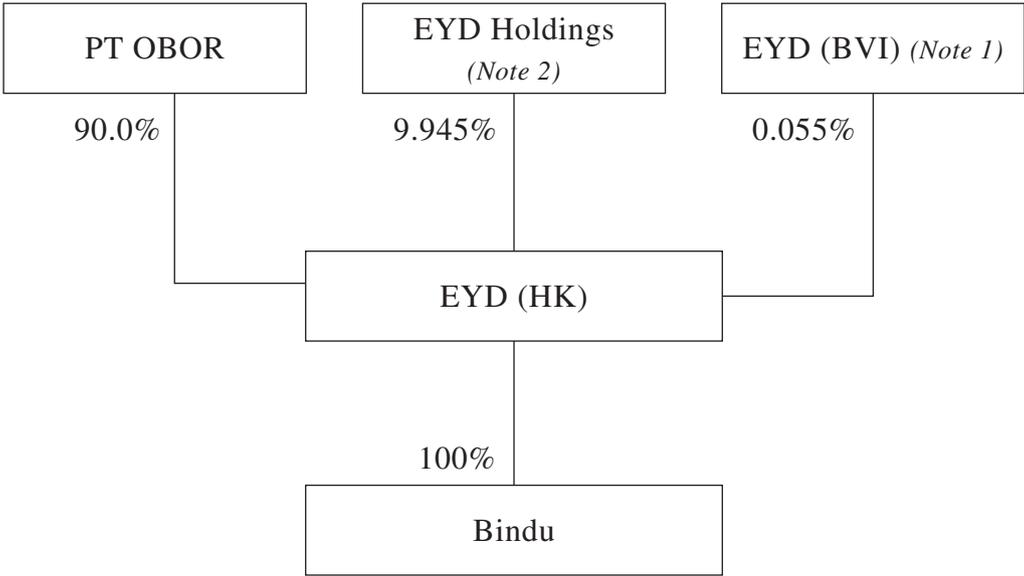
Upon the issue of the Capitalisation Shares and the Participant New Shares on 5 September 2019, EYD (HK) became owned as to 90.0% by PT OBOR, as to 9.945% by EYD Holdings and as to 0.055% by EYD (BVI). EYD (HK) therefore became a non-wholly owned subsidiary of the Company, hence, the financial statements of EYD (HK) Group would be consolidated into the financial statements of the Group.

The shareholding structure of EYD (HK) Group before and after the Loan Capitalisation is set out below.

Shareholding before the Loan Capitalisation



Shareholding after the Loan Capitalisation



Note 1: EYD (BVI) is owned as to 34.9% by the Participant and the rest by three individuals who are all Independent Third Parties.

Note 2: EYD Holdings is wholly beneficially owned by the Participant.

Upon the issue of the Capitalisation Shares and the Participant New Shares, PT OBOR, EYD Holdings, EYD (BVI) and EYD (HK) entered into the Shareholders Deed dated 5 September 2019 to regulate their relationship with each other in relation certain transfers and issues of shares in EYD (HK).

Pursuant to the Shareholders Deed:

- (a) PT OBOR granted to EYD Holdings and EYD BVI a tag along right if PT OBOR proposes to transfer its shares in EYD (HK) to a transferee which is not an affiliate of PT OBOR;
- (b) If EYD (HK) proposes to allot any shares or other securities convertible into, or carrying the right to subscribe for shares (the “**New Shares**”), until the total capital raised by EYD (HK) from the issue of New Shares has reached an aggregate amount of US\$8.0 million (or its equivalent in HK\$), EYD Holdings shall be simultaneously allotted such number of shares for a total subscription price of HK\$1 so that EYD Holdings can maintain the same level of shareholding interest in EYD (HK) as that before the issue of New Shares; and
- (c) each of EYD Holdings and EYD BVI granted to PT OBOR a right of first refusal to purchase the shares in EYD (HK) it proposes to transfer to a third party.

INFORMATION OF THE GROUP

The Company is an investment holding company, whereas the Group is principally engaged in trading of commodities, investment holdings, provision of finance, property investment and treasury investment.

The Group also has interests in the business of provision of oil port and storage services as well as port related services in South Western China and trading of oil and petrochemical products.

INFORMATION OF EYD (HK) GROUP

EYD (HK) is a company incorporated in Hong Kong on 12 September 2014. It is an investment holding company which in turn owns the entire equity interest in Bindu, a wholly foreign-owned enterprise established in the PRC on 30 December 2012, its scope of business permitted under its business licence being the storage, wholesale and trading of chemicals (other than hazardous chemicals), excluding goods subject to the administration of state-run trade.

Bindu was granted the Sea Use Right to construct 2.3313 hectares of land at Sun Island in Yangkou Port, Nantong, the PRC and is in the course of constructing infrastructure for operating chemical storage thereon. The first phase of the chemical storages has been built and includes two 2,000 cbm storage tanks, two 3,000 cbm storage tanks and two 5,000 cbm storage tanks. Bindu has not commenced operation as at the date hereof.

Set out below are selected financial information of the EYD (HK) Group based on the audited account of the EYD (HK) Group for the year ended 31 March 2018 and the management account of the EYD (HK) Group for the year ended 31 March 2019 based on HKFRS:

	For the year ended	
	31 March	
	2018	2019
	HK\$'000	HK\$'000
	(audited)	(unaudited)
Revenue	–	–
(Loss)/profit before taxation	(11,129)	16,246 (<i>Note</i>)
(Loss)/profit for the year attributable to owners of the Company	(11,129)	16,246 (<i>Note</i>)

Based on the management account of the EYD (HK) Group made up to 31 March 2019, the unaudited net liabilities of the EYD (HK) Group as at 31 March 2019 were approximately HK\$38,857,000. Assuming that the Loan Capitalisation and the Participant Capitalisation occurred on 31 March 2019 and for illustration purposes, the resultant unaudited net liabilities of the EYD (HK) Group would be improved by approximately HK\$112,416,000 (without taking into account interests under the Loan) to net assets of approximately HK\$73,559,000.

Note: The profit (before and after taxation) arose from the write-back due to a waiver of a loan due by EYD (HK).

REASONS FOR AND BENEFITS OF THE LOAN CAPITALISATION

As disclosed in the section “Information of the Group” above, the Group already has interests in the business of provision of oil port and storage services in the PRC and trading of oil and petrochemical products. The Directors consider that the Loan Capitalisation would provide the Group with an opportunity to expand its investment in this field and invest in storage of chemicals business in the PRC.

As the amount of the consideration (being the outstanding balance of the Loan and accrued interest in the aggregate sum of approximately US\$3.155 million attributable to the Group) would represent a discount to the financial position of the EYD (HK) Group after the Loan Capitalisation and the Participant Capitalisation, the Board is of the view that the terms of Loan Capitalisation Deed and the transactions contemplated therein are fair and reasonable, on normal commercial terms and 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 under the Listing Rules) in respect of the Loan Capitalisation is more than 5% but less than 25%, the Loan Capitalisation constitutes a disclosable transaction for the Company under Chapter 14 of the Listing Rules and is only subject to the reporting and announcement requirements but are exempt from the Shareholders’ approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	a day (other than Saturday and Sunday) on which banks are open for general business in Hong Kong
“Bindu”	Jiangsu Bindu Chemicals Logistics Corp. Limited, a company established in the PRC and a direct wholly-owned subsidiary of EYD (HK)
“Capitalisation Shares”	9,000,000 new EYD (HK) Shares to be, and have been, allotted and issued to PT OBOR under the Loan Capitalisation
“Company”	PT International Development Corporation Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Debenture”	the debenture incorporating a first floating charge over all the undertaking, property, assets, goodwill, rights and revenues of EYD (HK) dated 1 June 2018 executed by EYD (HK) in favour of the Lender as security for the Loan, as may be amended and/or supplemented from time to time
“Deed of Termination and Mutual Release of Participation Agreement”	the Deed of Termination and Mutual Release of Participation Agreement dated 5 September 2019 entered into between the Lender and the Participant
“Director(s)”	the director(s) of the Company
“EYD (BVI)”	Eastern Yangtze Development Company Limited, a company incorporated in the British Virgin Islands and the sole shareholder of EYD (HK) before the Loan Capitalisation
“EYD (HK)”	Eastern Yangtze Development (HK) Limited, a company incorporated in Hong Kong
“EYD (HK) Group”	EYD (HK) and its subsidiaries (being Bindu as at the date hereof)
“EYD (HK) Share(s)”	share(s) of EYD (HK)
“EYD Holdings”	EYD Holdings Limited, a company incorporated in Hong Kong and wholly and beneficially owned by the Participant
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	party(ies) who is/are independent of and not connected persons of the Company
“Lender”	PT Credit Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company and a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)

“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board
“Loan”	a loan in the principal amount of US\$6.0 million advanced by the Lender to EYD (HK) pursuant to the Loan Agreement or, as the case may be, the outstanding balance thereof from time to time
“Loan Agreement”	a loan agreement dated 1 June 2018 entered into between the Lender and EYD (HK), as borrower, in relation to the provision of the Loan, as may be amended and/or supplemented from time to time
“Loan Capitalisation”	the capitalisation of the outstanding amount of the Loan outstanding under the Loan Agreement in the sum of US\$4.0 million and accrued interests of approximately US\$286,016 into 9,000,000 new EYD (HK) Shares pursuant to the Loan Capitalisation Deed
“Loan Capitalisation Deed”	The Deed of Loan Capitalisation dated 5 September 2019 entered into between the Lender and EYD (HK) in respect of the Loan Capitalisation
“Main Board”	The Main Board of the Stock Exchange
“Participant”	Lord Fraser of Corriegarth, one of the beneficial owners of EYD (BVI) and an Independent Third Party
“Participant Capitalisation”	the capitalisation of the sum of approximately HK\$81,216,480 owing by EYD (HK) to the Participant into the Participant New Shares
“Participant New Shares”	994,500 new EYD (HK) Shares allotted and issued to EYD Holdings, as nominee of the Participant, on 5 September 2019 pursuant to the Participant Capitalisation
“Participant’s Interest”	the Participant’s commitment of the principal amount of the Loan in the sum of US\$1.0 million and interest attributable to such commitment
“Participation Agreement”	a participation agreement dated 1 June 2018 entered into between the Lender and the Participant in relation to the Participant’s participation in the Loan in the principal amount of US\$1.0 million, as may be amended and/or supplemented from time to time

“PRC” or “China”	the 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
“PT OBOR”	PT OBOR Financial Holdings Limited, a company incorporated in the British Virgin Islands and a wholly owned subsidiary of the Company
“Sea Use Right”	the sea area use rights in respect of the sea plot with an area of approximately 2.3313 hectares (registration number js20130002) under the sea area use certificate (海域使用權證書) with certificate number 2013B32062307077 dated 16 December 2013 issued by Jiangsu Provincial People’s Government (江蘇省人民政府)
“Share(s)”	share(s) of HK\$0.01 each in the capital of the Company
“Share Charge”	a share charge on all the issued shares of EYD (HK), incorporating an assignment of all indebtedness owing by EYD (HK) to EYD (BVI), dated 1 June 2018, as may be amended and/or supplemented from time to time
“Shareholder(s)”	holders of Share(s)
“Shareholders Deed”	the Shareholders Deed dated 5 September 2019 entered into between PT OBOR, EYD Holdings, EYD (BVI) and EYD (HK)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency in Hong Kong
“US\$”	United States dollars, the lawful currency in the United States of America
“%”	per cent
“cbm”	cubic meter

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

Hong Kong, 5 September 2019

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. Gary Alexander Crestejo and Mr. Yeung Kim Ting; and three independent non-executive Directors, namely, Mr. Yam Kwong Chun, Mr. Wong Yee Shuen, Wilson and Mr. Lam Yik Tung.