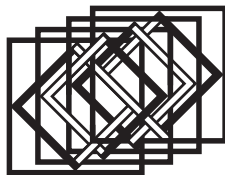


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## **PAK TAK INTERNATIONAL LIMITED**

**( 百德國際有限公司 ) \***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2668)**

### **CONTINUING CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION IN RELATION TO PROVISION OF CROSS-GUARANTEE**

#### **THE CROSS-GUARANTEE AGREEMENT**

On 24 April 2026, Fushun Xingzhou, Fushun Huawei and Fushun Zongchuan entered into the Cross-guarantee Agreement, pursuant to which Fushun Xingzhou, Fushun Zongchuan and Fushun Huawei will establish a mutual guarantee system for a term from 24 April 2026 to 31 December 2028 in relation to the facility granted by the Bank, subject to the Independent Shareholders' approval at the SGM.

#### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Mr. Wu Zongchuan, an executive Director, the chairman of the Board, and chief executive officer of the Company, is the ultimate beneficial owner of Fushun Huawei and Fushun Zongchuan. Accordingly, Fushun Huawei and Fushun Zongchuan are associates of Mr. Wu Zongchuan and therefore connected persons of the Company under the Listing Rules. As a result, entering into of the Cross-guarantee Agreement and the transactions contemplated thereunder constituted continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the provision of guarantee by Fushun Xingzhou to Fushun Huawei and/or Fushun Zongchuan exceeds 5% but less than 25%, the provision of guarantee by Fushun Xingzhou to Fushun Huawei and/or Fushun Zongchuan in respect of contemplated under the Cross-guarantee Agreement shall be subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, the entering into of the Cross-guarantee Agreement and the transactions contemplated thereunder also constituted discloseable transaction of the Company under Chapter 14 of the Listing Rules and would therefore be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The provision of guarantee by Fushun Huawei and/or Fushun Zongchuan to Fushun Xingzhou (i) is conducted on normal commercial terms or better; and (ii) is not secured by the assets of the Group, therefore the provision of guarantee by Fushun Huawei and/or Fushun Zongchuan to Fushun Xingzhou contemplated under the Cross-guarantee Agreement is fully exempted pursuant to Rule 14A.90 of the Listing Rules.

## **GENERAL**

The SGM will be convened for the purposes of, among other matters, considering, and if thought fit, approving the provision of guarantee by Fushun Xingzhou to Fushun Huawei and/or Fushun Zongchuan under the Cross-guarantee Agreement. Mr. Wu Qi, a substantial shareholder of the Company, is a director of each of Fushun Xingzhou, Fushun Huawei and Fushun Zongchuan. Accordingly, Mr. Wu Qi has material interest in the provision of the Cross-guarantee and will abstain from voting at the SGM.

Save as disclosed above and to the best knowledge of the Directors, as at the date of this announcement, no other Shareholder has a material interest in the Cross-guarantee Agreement and the transactions contemplated thereunder, and therefore no other Shareholder is required to abstain from voting on relevant resolutions at the SGM. The relevant resolutions to be proposed at the SGM will be voted on by poll in compliance with the Listing Rules.

The Independent Board Committee (comprising all independent non-executive Directors) has been formed to advise and provide recommendation to the Independent Shareholders on the provision of guarantee by Fushun Xingzhou to Fushun Huawei and/or Fushun Zongchuan under the Cross-guarantee Agreement.

The Independent Financial Advisor has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the fairness and reasonableness of the provision of guarantee by Fushun Xingzhou to Fushun Huawei and/or Fushun Zongchuan under the Cross-guarantee Agreement.

A circular containing, among others, (i) further details of the Cross-guarantee Agreement and the transactions contemplated thereunder; (ii) the letter from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of SGM, will be despatched to the Shareholders on or before 11 May 2026.

As Mr. Wu Zongchuan has material interest in the provision of Cross-guarantee, Mr. Wu Zongchuan has abstained from voting on the relevant Board resolutions approving the Cross-guarantee Agreement and the transactions contemplated thereunder. Save as Mr. Wu Zongchuan, no other Directors has a material interest in the provision of the Cross-guarantee and hence no other Director is required to abstain from voting on the relevant Board resolutions approving the Cross-guarantee Agreement and the transactions contemplated thereunder.

## THE CROSS-GUARANTEE AGREEMENT

Reference is made to the announcements of the Company dated 18 March 2026 and 17 April 2026 in relation to, among other things, provision of guarantee by Fushun Xingzhou to Fushun Huawei and Fushun Zongchuan.

On 24 April 2026, Fushun Xingzhou, Fushun Huawei and Fushun Zongchuan entered into the Cross-guarantee Agreement, pursuant to which Fushun Xingzhou, Fushun Zongchuan and Fushun Huawei will establish a mutual guarantee system for a term from 24 April 2026 to 31 December 2028 in relation to the facility granted by the Bank, subject to the Independent Shareholders' approval at the SGM.

Summarised below are the principal terms of the Cross-guarantee:

Date:	24 April 2026
Parities:	Fushun Xingzhou; Fushun Huawei; and Fushun Zongchuan
Term:	From 24 April 2026 to 31 December 2028, subject to the Independent Shareholders' approval at the SGM
Nature:	Fushun Xingzhou, Fushun Zongchuan and Fushun Huawei will provide guarantee mutually to each other in relation to the facility granted by the Bank. The Cross-guarantee is joint and several liability.
Separate guarantee agreements:	Fushun Xingzhou, Fushun Zongchuan and Fushun Huawei shall enter into separate guarantee agreement for the specific guarantee to be provided in relation to the specific facility to be granted by the Bank.
Scope of the Cross-guarantee:	The scope of the Cross-guarantee includes the principal amount and interest (including statutory interest, agreed interest, compound interest, and penalty interest), liquidated damages, and compensation damages; and all expenses incurred by the Bank in exercising its enforcement rights under the respective facility agreements (including without limitation, litigation costs, arbitration costs, property preservation fee, travel expenses, enforcement costs, valuation costs, auction costs, attorney fees and publication costs).

## PROPOSED ANNUAL CAPS

The table below lists the proposed annual caps of the amount of guarantee to be provided by Fushun Xingzhou to each of Fushun Huawei and Fushun Zongchuan under the Cross-guarantee Agreement for each of the three years ending 31 December 2028:

	For the year ending 31 December		
	2026	2027	2028
	(RMB'000)	(RMB'000)	(RMB'000)
Provision of guarantee by Fushun Xingzhou to Fushun Huawei	15,000	15,000	15,000
Provision of guarantee by Fushun Xingzhou to Fushun Zongchuan	<u>120,000</u>	<u>120,000</u>	<u>120,000</u>

### Basis for proposed annual caps

When determining the basis for the proposed annual caps of the amount of guarantees to be provided by Fushun Xingzhou, the following factors are mainly considered: (a) the historical amount and actual usage of the mutual provision of guarantee in the past, (b) the business development plans and projected financing needs of Fushun Huawei and Fushun Zongchuan for the coming years, (c) the financial condition, guarantee capacity, and risk tolerance of Fushun Xingzhou, and (d) the impact of the macroeconomic environment, industry development trends, and relevant policies and regulations on the financing activities of all parties.

As at the date of this announcement, the guarantee provided by Fushun Xingzhou to Fushun Huawei amounted to RMB14,720,000, and the guarantee provided by Fushun Xingzhou to Fushun Zongchuan amounted to RMB120,000,000.

## INFORMATION OF FUSHUN HUAWEI AND FUSHUN ZONGCHUAN

Fushun Huawei is a limited liability company established in the PRC and is principally engaged in trading of mineral products and mining resource investment. Fushun Huawei is wholly-owned by Fushun Zongchuan.

Fushun Zongchuan is a limited liability company established in the PRC and is principally engaged in provision of mining engineering contracting and construction services. Fushun Zongchuan is 100% held by Mr. Wu Zongchuan.

Mr. Wu Zongchuan, an executive Director, the chairman of the Board, and chief executive officer of the Company, is the ultimate beneficial owner of Fushun Huawei and Fushun Zongchuan. Accordingly, Fushun Huawei and Fushun Zongchuan are associates of Mr. Wu Zongchuan and therefore connected persons of the Company under Chapter 14A of the Listing Rules.

## **INFORMATION OF THE BANK**

The Bank is a licensed commercial bank established in Fushun city, Liaoning Province, the PRC, principally engaged in the provision of a range of banking services and related financial services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Bank and its ultimate beneficial owner are Independent Third Parties.

## **INFORMATION ON THE GROUP AND FUSHUN XINGZHOU**

The Group is principally engaged in supply chain business (including the iron ore mining and milling), hotel management and catering services and the property investment.

Fushun Xingzhou is a limited liability company established in the PRC and is principally engaged in iron ore mining and milling. Fushun Xingzhou is an indirectly non-wholly-owned subsidiary of the Company.

## **REASONS FOR AND BENEFITS OF THE PROVISION OF CROSS-GUARANTEE**

The provision of the Cross-guarantee aligns with standard industry practices, where the enterprises in the mining sector commonly engage in reciprocal guarantee arrangements to mutually support access to bank financing and enhance operational efficiency. Because of the nature of mining operations which involves significant risks (such as commodity price fluctuations, geological uncertainties, regulatory changes, environmental liabilities, and operational hazards, etc.), banks routinely require mutual guarantees as a condition for providing financing to enterprises in the mining sector. Mutual guarantee arrangement can provide the collective financial strength to support the borrowings and reduce the perceived risk for banks. This approach establishes a safety net that enhances financial access and shares risks among the enterprises involved in mining industry, and support sustainability and growth in the mining industry, which becomes a norm in the industry.

Fushun Huawei, Fushun Zongchuan and Fushun Xingzhou have established and maintained a long-standing cooperative relationship in Fushun region for more than six years, during which they have been providing guarantees to each other. As at the date of this announcement, Fushun Zongchuan provides a corporate guarantee at the total amount of RMB368,500,000 in favor of Fushun Xingzhou. The provision of guarantees by Fushun Xingzhou to Fushun Huawei and/or Fushun Zongchuan, as part of the mutual financial support within the enterprises in the mining sector, is not only essential and beneficial for the Group to obtain and ensure its financial stability in return (where other enterprises in the mining sector (including Fushun Huawei and Fushun Zongchuan) provide corporate guarantees), but also contributes to the sustainability of local mining operations and business continuity in Fushun.

Participation in the mutual guarantee arrangement is beneficial for the Group to obtain bank facilities to support the long-term and stable development of the Group's business with the establishment of mutual cooperation relationship relating to provision of cross guarantee with enterprises possessing certain strengths.

The Directors (other than Mr. Wu Zongchuan who has abstained from voting, and excluding the independent non-executive Directors who will express their views on the provision of guarantee by Fushun Xingzhou to Fushun Huawei and/or Fushun Zongchuan under the Cross-guarantee Agreement after considering the advice from the Independent Financial Adviser) consider that the terms of the Cross-guarantee Agreement are fair and reasonable; and the entering into of the Cross-guarantee Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable, and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Mr. Wu Zongchuan, an executive Director, the chairman of the Board, and chief executive officer of the Company, is the ultimate beneficial owner of Fushun Huawei and Fushun Zongchuan. Accordingly, Fushun Huawei and Fushun Zongchuan are associates of Mr. Wu Zongchuan and therefore connected persons of the Company under the Listing Rules. As a result, entering into of the Cross-guarantee Agreement and the transactions contemplated thereunder constituted continuing connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio for the provision of guarantee by Fushun Xingzhou to Fushun Huawei and/or Fushun Zongchuan exceeds 5% but less than 25%, the provision of guarantee by Fushun Xingzhou to Fushun Huawei and/or Fushun Zongchuan in respect of contemplated under the Cross-guarantee Agreement shall be subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Further, the entering into of the Cross-guarantee Agreement and the transactions contemplated thereunder also constituted discloseable transaction of the Company under Chapter 14 of the Listing Rules and would therefore be subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The provision of guarantee by Fushun Huawei and/or Fushun Zongchuan to Fushun Xingzhou (i) is conducted on normal commercial terms or better; and (ii) is not secured by the assets of the Group, therefore the provision of guarantee by Fushun Huawei and/or Fushun Zongchuan to Fushun Xingzhou contemplated under the Cross-guarantee Agreement is fully exempted pursuant to Rule 14A.90 of the Listing Rules.

## **INTERNAL CONTROL MEASURES**

The Company has adopted the following internal management procedures to ensure that the continuing connected transactions contemplated under the Cross-guarantee Agreement are fair and reasonable and on normal commercial terms:

- (i) the financial controller and the general manager of Fushun Xingzhou are responsible for the information collection and monitoring of the execution of specific transactions under the separate guarantee agreements;
- (ii) Mr. Liu Weixiong, an executive Director, and the company secretary of the Company are responsible for conducting reviews on compliance with relevant laws, regulations, company policies and the Listing Rules, and evaluating the fairness of the transaction terms under the separate guarantee agreements for the Cross-guarantee;
- (iii) the audit committee of the Company shall monitor the implementation of individual guarantee and examine the fairness and reasonableness of the guarantee to be provided by Fushun Xingzhou under the Cross-guarantee Agreement;
- (iv) the independent non-executive Directors will conduct annual review for the implementation and execution of continuing connected transactions to ensure that the continuing connected transactions under the Cross-guarantee Agreement are on normal commercial terms, and fair and reasonable; and
- (v) the external auditors of the Company will conduct year end audit, and provide its opinions and letter to the Board regarding the annual caps of continuing connected transactions of the Group conducted during the previous financial year in accordance with the Listing Rules.

## **GENERAL**

The SGM will be convened for the purposes of, among other matters, considering, and if thought fit, approving the provision of guarantee by Fushun Xingzhou to Fushun Huawei and/or Fushun Zongchuan under the Cross-guarantee Agreement. Mr. Wu Qi, a substantial shareholder of the Company, is a director of each of Fushun Xingzhou, Fushun Huawei and Fushun Zongchuan. Accordingly, Mr. Wu Qi has material interest in the provision of the Cross-guarantee and will abstain from voting at the SGM.

Save as disclosed above and to the best knowledge of the Directors, as at the date of this announcement, no other Shareholder has a material interest in the Cross-guarantee Agreement and the transactions contemplated thereunder, and therefore no other Shareholder is required to abstain from voting on relevant resolutions at the SGM. The relevant resolutions to be proposed at the SGM will be voted on by poll in compliance with the Listing Rules.

The Independent Board Committee (comprising all independent non-executive Directors) has been formed to advise and provide recommendation to the Independent Shareholders on the provision of guarantee by Fushun Xingzhou to Fushun Huawei and/or Fushun Zongchuan under the Cross-guarantee Agreement.

The Independent Financial Advisor has been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the fairness and reasonableness of the provision of guarantee by Fushun Xingzhou to Fushun Huawei and/or Fushun Zongchuan under the Cross-guarantee Agreement.

A circular containing, among others, (i) further details of the Cross-guarantee Agreement and the transactions contemplated thereunder; (ii) the letter from the Independent Board Committee to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of SGM, will be despatched to the Shareholders on or before 11 May 2026.

As Mr. Wu Zongchuan has material interest in the provision of Cross-guarantee, Mr. Wu Zongchuan has abstained from voting on the relevant Board resolutions approving the Cross-guarantee Agreement and the transactions contemplated thereunder. Save as Mr. Wu Zongchuan, no other Directors has a material interest in the provision of the Cross-guarantee and hence no other Director is required to abstain from voting on the relevant Board resolutions approving the Cross-guarantee Agreement and the transactions contemplated thereunder.

## **DEFINITIONS**

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

“Bank”	The Bank of Fushun Company Limited* (撫順銀行股份有限公司)
“Board”	the board of Directors
“Company”	Pak Tak International 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
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“Cross-guarantee”	the guarantee mutually provided by Fushun Xingzhou, Fushun Huawei and Fushun Zongchuan to each other for the due performance of the repayment obligations in relation to the facility granted by the Bank

“Cross-guarantee Agreement”	the cross-guarantee agreement dated 24 April 2026 entered into among Fushun Xingzhou, Fushun Huawei and Fushun Zongchuan in relation to the provision of the Cross-guarantee
“Director(s)”	director(s) of the Company
“Fushun Huawei”	Fushun Huawei Mining Technology Development Co., Ltd.* (撫順華威礦業科技發展有限公司), a company established in the PRC with limited liability, and a wholly owned subsidiary of Fushun Zongchuan
“Fushun Xingzhou”	Fushun Xingzhou Mining Co., Ltd.* (撫順興洲礦業有限公司), a company established in the PRC with limited liability, and an indirect non-wholly owned subsidiary of the Company
“Fushun Zongchuan”	Fushun Zongchuan Mining Development Co., Ltd.* (撫順宗傳礦業發展有限公司), a company established in the PRC with limited liability, and Mr. Wu Zongchuan is the ultimate beneficial owner
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Financial Adviser”	Lego Corporate Finance Limited, a licensed corporation to carry out type 6 regulated activities (advising on corporate finance) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the provision of guarantee by Fushun Xingzhou to Fushun Huawei and/or Fushun Zongchuan under the Cross-guarantee Agreement
“Independent Shareholder(s)”	Shareholder(s) who are not required to abstain from voting at the SGM to approve the provision of guarantee by Fushun Xingzhou to Fushun Huawei and/or Fushun Zongchuan under the Cross-guarantee Agreement
“Independent Third Parties”	parties independent from and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, which for the purposes of this announcement only (unless otherwise indicated) excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened for the Independent Shareholders to, among other matters, consider and, if thought fit, approve the provision of guarantee by Fushun Xingzhou to Fushun Huawei and/or Fushun Zongchuan under the Cross-guarantee Agreement
“Share(s)”	ordinary share(s) of HK\$0.02 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

\* *the English translation of the Chinese name is for information purposes only, and should not be regarded as the official English translation of such name.*

By order of the Board  
**Pak Tak International Limited**  
**Wu Zongchuan**  
*Chairman and Chief Executive Officer*

Hong Kong, 24 April 2026

*As at the date of this announcement, the Board comprises Mr. Wu Zongchuan, Mr. Liu Weixiong and Mr. Lyu Zhengjun as executive Directors; Mr. Hang Chu Kwong as non-executive Director; and Ms. Chan Ching Yi, Ms. Li Yun and Mr. Li Wubo as independent non-executive Directors.*