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TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED

添利工業國際(集團)有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 00093)

MAJOR TRANSACTION LOAN TRANSACTION

THE LOAN AGREEMENT

The Board wishes to announce that on 17 January 2024, X8 Finance, a wholly-owned subsidiary of the Company, as lender and the Borrowers as borrowers have entered into the Loan Agreement, pursuant to which, X8 Finance agreed to, among other things, make available to the Borrowers the Loan on the terms and subject to the conditions therein.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the amount of the Loan exceeds 25% but all are less than 100% under Rule 14.07 of the Listing Rules, the Loan Transaction constitutes a major transaction of the Company and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

To the best of the Directors' knowledge and information, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Loan Transaction. Written shareholders' approval of the Loan Transaction was obtained from each of Lee & Leung (B.V.I.) and Earth Axis, who held an aggregate of more than 50% of the total issued shares and voting rights of the Company as at the date of this announcement. The above Shareholders are a closely allied group of Shareholders and their written approval was accepted by the Stock Exchange in lieu of holding a general meeting of the Company for the approval of the Loan Transaction pursuant to Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Loan Transaction; (ii) financial information of the Group; and (iii) other information required under the Listing Rules shall be despatched within 15 business days after publication of this announcement. As more time is required to prepare the financial information to be included in the circular, the Company will apply for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules from the Stock Exchange so that the despatch date of the circular can be postponed to a date more than 15 business days after the publication of this announcement, which is expected to be on or before 16 February 2024 for Shareholders' information only.

BACKGROUND

The Board wishes to announce that on 17 January 2024, X8 Finance, a wholly-owned subsidiary of the Company, as lender and the Borrowers as borrowers have entered into the Loan Agreement, pursuant to which, X8 Finance agreed to, among other things, make available to the Borrowers the Loan on the terms and subject to the conditions therein.

Prior to the entering into of the Loan Agreement, on 19 June 2023, X8 Finance as lender entered into the Previous Loan Agreement with Borrower B and Borrower C as borrowers pursuant to which X8 Finance granted a term loan in the principal amount of HK\$44,000,000 to Borrower B and Borrower C. The transactions contemplated under the Previous Loan Agreement constituted a discloseable transaction of the Company and were subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. Further details of the Previous Loan Agreement were disclosed in the announcement of the Company dated 19 June 2023. The Loan will be partially used to settle the outstanding principal amount under the Previous Loan Agreement and the interests accrued thereon.

PRINCIPAL TERMS OF THE LOAN AGREEMENT

The principal terms of the Loan Agreement are as follows:

Date:	17 January 2024
Lender:	X8 Finance, a wholly-owned subsidiary of the Company
Borrower:	the Borrowers
Mortgagor:	Borrower A
Principal Loan Amount:	HK\$85,000,000, the drawdown of which will take place on 17 January 2024
Repayment Date:	The outstanding principal amount of the Loan shall be fully repaid in one lump sum on 17 January 2025, being 12 months from 17 January 2024

Interest:	29% per annum for the first and second month from the date of drawdown of the Loan, payable in arrears on 17 February 2024 and 17 March 2024 respectively; and 18% per annum thereafter, payable in monthly instalments in arrears
Default interest rate:	18% per annum
Security for the Loan:	A legal charge/mortgage in respect of two floors of a residential property and a portion of garage space located in Hong Kong which was executed by the Mortgagor in favour of X8 Finance on 17 January 2024

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan Transaction exceeds 25% but all are less than 100% under Rule 14.07 of the Listing Rules, the Loan Transaction constitutes a major transaction of the Company and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

The terms of the Loan Agreement, including the interest rate applicable, were arrived at after arm's length negotiations between X8 Finance and the Borrowers having taken into account the prevailing market interest rates and practices. The Loan Agreement was entered into by X8 Finance having regard to (i) the costs of borrowing in providing the Loan to the Borrowers; (ii) the interest income to be generated by providing the Loan; and (iii) the security provided by the Mortgagor for the Loan. In addition, the transactions contemplated under the Loan Agreement are part of the ordinary and usual course of business of X8 Finance. In view of the above, the Directors are of the view that the terms of the Loan Agreement are on normal commercial terms, are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

WRITTEN SHAREHOLDER'S APPROVAL

To the best of the Directors' knowledge, information and belief after making all reasonable enquiries, no Shareholder has a material interest in the Loan Transaction and is required to abstain from voting if the Company were to convene a general meeting for the approval of the Loan Transaction. Written shareholders' approval of the Loan Transaction was obtained from each of Lee & Leung (B.V.I.) and Earth Axis, who directly held an aggregate of more than 50% of the total issued Shares and voting rights of the Company.

As at the date of this announcement, 1,252,752,780 Shares (representing approximately 46.96% of the total issued Shares) were held by Lee & Leung (B.V.I.). Lee & Leung (B.V.I.) is wholly-owned by Lee & Leung Family Investment Limited, which is in turn wholly-owned by HSBC International Trustee Limited as trustee for the Lee & Leung Family Trust. Mr. Lee Lap is the settlor of the Lee & Leung Family Trust, and the discretionary beneficiaries of the Lee & Leung Family Trust are the spouse and certain children of Mr. Lee Lap (including Mr. Tommy Lee) and

“Borrower A”	Horn King Limited, a company incorporated in Hong Kong with limited liability and one of the borrowers under the Loan Agreement who is ultimately wholly-owned by Borrower B as at the date of this announcement
“Borrower B”	Mr. Ho Shung Pun, one of the borrowers under the Loan Agreement
“Borrower C”	Mr. Ho Sai Wing, one of the borrowers under the Loan Agreement
“Borrowers”	collectively, Borrower A, Borrower B and Borrower C
“Company”	Termbray Industries International (Holdings) 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
“Director(s)”	the director(s) of the Company
“Earth Axis”	Earth Axis Investment Limited, a company incorporated in the British Virgin Islands with limited liability which is ultimately owned as to 99.99% by Mr. Tommy Lee and 0.01% by Mr. Lee Lap as at the date of this announcement
“Group”	the Company together with its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Lee & Leung (B.V.I.)”	Lee & Leung (B.V.I.) Limited, a company incorporated in the British Virgin Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the term loan in the principal amount of HK\$85,000,000 granted by X8 Finance to the Borrowers pursuant to the terms of the Loan Agreement
“Loan Agreement”	the loan agreement dated 17 January 2024 entered into between X8 Finance as lender and the Borrowers as borrower, details of which are disclosed in the section headed “PRINCIPAL TERMS OF THE LOAN AGREEMENT” of this announcement

“Loan Transaction”	the grant of the Loan under the Loan Agreement
“Mortgagor”	Borrower A, who, as security for the Loan, executed a legal charge/mortgage in respect of two floors of a residential property and a portion of garage space located in Hong Kong in favour of X8 Finance on 17 January 2024
“Mr. Lee Lap”	Mr. Lee Lap, an executive Director and the Chairman of the Company
“Mr. Tommy Lee”	Mr. Tommy Lee, an executive Director and the Vice Chairman and Chief Executive Officer of the Company
“Previous Loan Agreement”	the loan agreement entered into between X8 Finance as lender and Borrower B and Borrower C as borrowers on 19 June 2023, details of which were disclosed in the announcement of the Company dated 19 June 2023
“Share(s)”	share(s) of HK\$0.08 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“X8 Finance”	X8 Finance Limited, a wholly-owned subsidiary of the Company and also the lender under the Loan Agreement

By order of the Board
Termbray Industries International (Holdings) Limited
Lee Lap
Chairman

Hong Kong, 17 January 2024

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Lee Lap (*Chairman*)

Mr. Tommy Lee (*Vice Chairman & Chief Executive Officer*)

Mr. Chau Hau Shing

Independent Non-Executive Directors:

Mr. Shu Wa Tung, Laurence

Mr. Wu Wai Pan

Ms. Chak Wai Ting

* *For identification purpose only*