
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED**, you should at once hand this circular together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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



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

Unless the context otherwise requires, all capitalised terms used in this circular have the meanings set out in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 4 to 9 of this circular.

The Loan Transaction has been approved by way of written shareholders’ approval pursuant to Rule 14.44 of the Listing Rules. Accordingly, no general meeting of Shareholders will be convened to approve the Loan Transaction. This circular is being despatched to the Shareholders for information only.

4 March 2024

* For identification purpose only

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	4
APPENDIX I – FINANCIAL INFORMATION OF THE GROUP	10
APPENDIX II – GENERAL INFORMATION	13

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Announcement”	the announcement of the Company dated 17 January 2024 in relation to, among other things, the Loan Transaction
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“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 circular
“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 in the Listing Rules
“Directors”	the directors 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 Latest Practicable Date
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

DEFINITIONS

“Latest Practicable Date”	27 February 2024, being the latest practicable date prior to the bulk printing of this circular for ascertaining certain information contained herein
“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 borrowers, details of which are disclosed in the section headed “PRINCIPAL TERMS OF THE LOAN AGREEMENT” of the letter from the Board of this circular
“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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time

DEFINITIONS

“Share(s)”	share(s) of HK\$0.08 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it in the Listing Rules
“X8 Finance”	X8 Finance Limited, a wholly-owned subsidiary of the Company and also the lender under the Loan Agreement
“%”	per cent.

LETTER FROM THE BOARD



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)

Directors:

Executive Directors:

Lee Lap (*Chairman*)

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

Chau Hau Shing

Independent Non-Executive Directors:

Shu Wa Tung, Laurence

Wu Wai Pan

Chak Wai Ting

Registered Office:

Clarendon House,

Church Street,

Hamilton HM11,

Bermuda

Head Office and Principal

Place of Business:

Room 2107-08, 21/F, Cosco Tower

183 Queen's Road Central,

Sheung Wan

Hong Kong

Hong Kong, 4 March 2024

To the Shareholders

Dear Sirs,

MAJOR TRANSACTION

LOAN TRANSACTION

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Loan Transaction.

Reference is also made to the announcement of the Company dated 15 February 2024 in relation to the delay in despatch of this circular. As additional time was required by the Company's auditors to review the relevant financial information of the Group including the financial information regarding the statement on the sufficiency of working capital of the Group contained in this circular, the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.41(a) of the Listing Rules so that the despatch date of this circular can be postponed to on or before 7 March 2024.

* For identification purpose only

LETTER FROM THE BOARD

The purpose of this circular is to provide you with details of the Loan Transaction and other information as required under the Listing Rules.

BACKGROUND

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. The Loan was drawn down on 17 January 2024.

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 was 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

LETTER FROM THE BOARD

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 (the “**Mortgage Agreement**”)

So far as is known to the Directors after making all reasonable enquiries, as at the date of the Loan Agreement, save as the security provided under the Mortgage Agreement, the Property was not subject to any other existing legal charge/mortgage.

According to the valuation performed by Prudential Surveyors (Hong Kong) Limited, an independent property valuer, the market value of the Property as at 27 December 2023 is HK\$136,000,000. Based on such valuation, the loan-to-value ratio for the Loan is 62.5%.

FINANCIAL EFFECT OF THE LOAN TRANSACTION

Assets and liabilities

The Loan was funded from shareholder’s loan (the “**Shareholder’s Loan**”) and internal resources of the Group and was partially used to settle the outstanding principal amount and the interests accrued thereon in the total amount of HK\$44,470,000 under the Previous Loan Agreement. The Shareholder’s Loan used to fund the Loan is in the amount of HK\$80,000,000. The Shareholder’s Loan is not secured by any asset of the Company and interest thereon at the rate of 3% per annum is payable by the Group. After the entering into of the Loan Agreement and the settlement of such outstanding amount under the Previous Loan Agreement, there will be an increase in loan receivables of approximately HK\$41,000,000 and a decrease in cash and cash equivalents of the Group of the equivalent amount.

Earnings

As the outstanding principal amount and the interests accrued thereon in the total amount of HK\$44,470,000 under the Previous Loan Agreement were prepaid to the Group on 18 January 2024 by use of the proceeds of the Loan, no further interest income will be receivable by the Group under the Previous Loan Agreement. After the entering into of the Loan Agreement, additional interest income will be derived from the Loan and contributed as revenue of the Group.

Save as the abovementioned, the Directors consider that the Loan Transaction will not have any other material effect on the total assets, total liabilities and earnings of the Group.

LETTER FROM THE BOARD

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 Latest Practicable Date, 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 the offspring of such children. Further, 710,000,000 Shares (representing approximately 26.62% of the total issued Shares) were held by Earth Axis as at the Latest Practicable Date. Earth Axis is a company ultimately owned as to 99.99% by Mr. Tommy Lee and 0.01% by Mr. Lee Lap.

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.

LETTER FROM THE BOARD

GENERAL

Information on the Group and X8 Finance

The Group is principally engaged in property investment and development, and the money lending business.

X8 Finance is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. X8 Finance is a registered money lender holding a valid money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the provision of loans as money lending. The Loan will be funded from shareholder's loan and internal resources of the Group.

Information on the Borrowers

Borrower A is a company incorporated in Hong Kong with limited liability and is principally engaged in property investments. As at the date hereof, Borrower A is ultimately wholly-owned by Borrower B. Borrower B and Borrower C is each an individual, and Borrower C is the nephew of Borrower B.

The Company confirms that to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Borrowers is a third party independent of the Company and its connected persons.

RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the Loan Transaction is carried out on normal commercial terms, and the terms of the Loan Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (including the independent non-executive Directors) would recommend the Shareholders to vote in favour of the relevant resolution regarding the Loan Transaction if the Company were to convene a special general meeting for the approval of the Loan Transaction.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,
For and on behalf of the Board
Termbray Industries International (Holdings) Limited
Lee Lap
Chairman

1. FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for the nine-month period ended 31 December 2020 and for the years ended 31 December 2021 and 2022 were disclosed in the annual reports of the Company for the nine-month period ended 31 December 2020 (pages 61 to 150), and for the years ended 31 December 2021 (pages 54 to 142) and 2022 (pages 61 to 146). The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2023 is set out from pages 16 to 38 in the interim report of the Company for the six months ended 30 June 2023. The aforementioned financial information of the Group has been published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (<https://www.termbray.com.hk/>). Please refer to the hyperlinks as stated below:

- annual report of the Company for the nine-month period ended 31 December 2020 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0422/2021042200611.pdf>);
- annual report of the Company for the year ended 31 December 2021 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042800570.pdf>);
- annual report of the Company for the year ended 31 December 2022 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0426/2023042602503.pdf>);
- interim report of the Company for the year ended 30 June 2023 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0912/2023091200145.pdf>).

2. STATEMENT OF INDEBTEDNESS**Shareholder's loan**

As at the close of business on 31 January 2024, being the most recent practicable date for the purpose of the statement of indebtedness, the Group had unsecured, non-guaranteed and interest-bearing shareholder's loan of HK\$75,000,000.

Amount due to a related company

As at the close of business on 31 January 2024, the Group had unsecured and non-guaranteed amount due to a related company of approximately HK\$1,337,000.

Lease liabilities

As at the close of business on 31 January 2024, the Group had lease liabilities of approximately HK\$1,424,000.

Contingent liabilities and guarantee

As at the close of business on 31 January 2024, the Group did not have any contingent liabilities or guarantees.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, the Group did not have outstanding, as at the close of business of 31 January 2024, any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, debentures, mortgages, charges, hire purchase commitments or other material contingent liabilities.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that, after taking into account the present available financial resources of the Group, including the internally generated funds, the shareholder's loan, and the impact of the Loan Transaction, the Group will have sufficient working capital to satisfy its requirements for at least the next 12 months following the date of this circular.

The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in property investment and development, and the money lending business. The Group will actively review its loan portfolio and risk control status, conduct more comprehensive assessments of collaterals and exercise stringent loan application requirements to minimise default risk.

With a newly launched product X Pay, a “Buy Now, Pay Later” payment function in the X Wallet App was introduced to the market in the second half of 2023, the Group will become a comprehensive financial service platform and provide users with more diversified services in payment solutions, shopping experiences, money management and more.

Looking ahead, the Group will adhere to its core risk management and endeavour to improve and perfect its risk pricing model, and will adopt a variety of marketing strategies to popularise the brand of X Wallet and X Pay to achieve greater market recognition.

5. MATERIAL ADVERSE CHANGE

The Directors confirm that there have been no material adverse changes in the financial or trading position of the Group since 31 December 2022, the date to which the latest audited consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF DIRECTORS' INTERESTS

Directors and chief executive

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which any such director or chief executive was taken or deemed to have under such provisions of the SFO); (ii) entered in the register maintained by the Company pursuant to Section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, were as follows:

(A) Long positions in the Shares

Name of directors	Personal interest	Number of Shares			Total	Percentage of total issued shares
		Family interest	Corporate interest	Other interest		
Mr. Lee Lap	-	-	-	1,252,752,780 <i>(Note 1)</i>	1,252,752,780	46.96%
Mr. Tommy Lee	-	-	710,000,000 <i>(Note 2)</i>	1,252,752,780 <i>(Note 1)</i>	1,962,752,780	73.58%
Mr. Chau Hau Shing	7,150,000	-	-	-	7,150,000	0.27%

Notes:

1. The 1,252,752,780 Shares included under the other interest of Mr. Lee Lap and Mr. Tommy Lee are held by Lee & Leung (B.V.I.). Lee & Leung (B.V.I.) is wholly-owned by Lee & Leung Family Investment Limited, which is wholly-owned by HSBC International Trustee Limited as trustee for Lee & Leung Family Trust. Mr. Lee Lap is the settlor of the Lee & Leung Family Trust. The discretionary beneficiaries of the Lee & Leung Family Trust are the spouse and certain children of Mr. Lee Lap (including Mr. Tommy Lee) and the offspring of such children.
2. The 710,000,000 Shares were issued to Earth Axis as partial settlement of the consideration upon completion of the sale and purchase agreement entered into between Termbray Wealth Investment Limited (“Termbray Wealth”) as purchaser, Earth Axis as vendor and Mr. Tommy Lee as vendor’s guarantor (“2020 Agreement”).

(B) Long Positions in shares of associated corporations of the Company

Name of director	Name of subsidiary	Number of non-voting deferred shares held (Note)			% of total issued non-voting deferred shares
		Personal interest	Spouse interest	Total	
Mr. Lee Lap	Applied Industrial Company Limited	1,000	1,500	2,500	100%
	Lee Plastics Manufacturing Company Limited	250,000	250,000	500,000	100%
	Magnetic Electronics Limited	5,000	–	5,000	100%
	Termbray Electronics Company Limited	7,000	3,000	10,000	100%

Note: All the above non-voting deferred shares are held by the Director or his spouse personally as beneficial owner.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interest or short position in the shares, underlying shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which was required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interest and short position which any such Director or chief executive of the Company was taken or deemed to have under such provisions of the SFO); (ii) entered in the register of interests required to be kept by the Company pursuant to section 352 of the SFO; or (iii) notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules.

Substantial Shareholders

As at the Latest Practicable Date, the person (other than the Directors as disclosed above) interested in 5% or more of the issued share capital of the Company as recorded in the register kept by the Company pursuant to Section 336 of the SFO were as follows:

Name of Shareholders	Capacity	Number of Shares held	Percentage of the issued share capital of the Company
Lee & Leung (B.V.I.) (Note 1)	Beneficial owner	1,252,752,780	46.96%
Lee & Leung Family Investment Limited (Note 1)	Held by controlled corporation	1,252,752,780	46.96%
HSBC International Trustee Limited (Note 1)	Held by controlled corporation as trustee for Lee & Leung Family Trust	1,252,752,780	46.96%
Earth Axis Investment Limited (Note 2)	Beneficial owner	710,000,000	26.62%
aEasy Finance Holdings Limited (Note 2)	Held by controlled corporation	710,000,000	26.62%
Cosmo Telecommunication Inc. (Note 3)	Beneficial owner	151,202,960	5.67%
Ms. Jing Xiao Ju (Note 3)	Held by controlled corporation	151,202,960	5.67%
East Glory Trading Limited (Note 4)	Beneficial owner	103,397,540	3.88%
Master Winner Limited (Note 4)	Held by controlled corporation	103,397,540	3.88%
Mr. Yuan Qinghua (Note 4)	Held by controlled corporation	103,397,540	3.88%

Notes:

1. *The 1,252,752,780 Shares are held by Lee & Leung (B.V.I.). Lee & Leung (B.V.I.) is wholly-owned by Lee & Leung Family Investment Limited, which is wholly-owned by HSBC International Trustee Limited as trustee for Lee & Leung Family Trust. Mr. Lee Lap is the settlor of the Lee & Leung Family Trust. The discretionary beneficiaries of the Lee & Leung Family Trust are the spouse and certain children of Mr. Lee Lap (including Mr. Tommy Lee) and the offspring of such children.*
2. *The 710,000,000 Shares were issued to Earth Axis as partial settlement of the consideration upon completion of the 2020 Agreement. Earth Axis is wholly-owned by aEasy Finance Holdings Limited which is indirectly controlled by Mr. Tommy Lee.*
3. *According to record, as at the Latest Practicable Date, Cosmo Telecommunication Inc. is wholly-owned by Ms. Jing Xiao Ju.*
4. *According to record, as at the Latest Practicable Date, East Glory Trading Limited is wholly-owned by Master Winner Limited, which in turn is wholly-owned by Mr. Yuan Qinghua. After the allotment and issue of Shares of the Company as partial settlement of the consideration on completion of the 2020 Agreement, the Company has not received notifications of disclosure of interests from these shareholders reporting change in number of Shares. Based on the issued Shares as at 31 December 2022, the percentage level of these Shareholders was reduced to 3.88%.*

Save as disclosed above, so far as is known to the Directors, as at the Latest Practicable Date, the Company had not been notified by any persons (other than Directors or chief executive of the Company) who had interest or short positions in the Shares or underlying Shares or debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required, pursuant to section 336 of the SFO, to be recorded in the register referred to therein.

3. COMPETING INTERESTS OF DIRECTORS AND CLOSE ASSOCIATES

As at the Latest Practicable Date, Mr. Lee Lap and his spouse Madam Leung Lai Ping were interested in certain companies engaged in property investment and development in Mainland China and Hong Kong (the “**Competing Business**”).

The Board has continuously monitored to identify any conflicts of interest due to the aforesaid interests of Mr. Lee Lap and Madam Leung Lai Ping. If conflict of interest arises, Mr. Lee Lap and Madam Leung Lai Ping will abstain from participating in making any decisions. The Company is therefore capable of carrying on its business independently of, and at arm’s length from the Competing Business.

Save as disclosed above, so far as the Directors are aware, as at the Latest Practicable Date, none of the Directors and their respective close associates had an interest in any business apart from the business of the Group, which competes, or are likely to compete, either directly or indirectly, with the business of the Group.

4. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS AND CONTRACTS

On 8 November 2023, Termbray (China) Land Development Company Limited, an indirect wholly-owned subsidiary of the Company, as vendor and Mr. Tommy Lee as purchaser entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”) in respect of the sale and purchase of all the issued shares in and shareholder’s loans (the “**Disposal**”) owing by Termbray (Fujian) Land Development Company Limited at the consideration of HK\$160,000,000 (subject to adjustment). Further details of the Disposal, which was completed on 12 January 2024, are set out in the announcements of the Company dated 8 November 2023 and 12 January 2024 and the circular of the Company dated 1 December 2023.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or their respective associates had any interest, direct or indirect, in any assets which have been, since 31 December 2022, being the date to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any subsisting contract or arrangement which is significant in relation to the business of the Group.

5. DIRECTORS' SERVICE CONTRACTS

Mr. Lee Lap has entered into a service contract with the Company for service as an executive Director which is terminable by either party giving to the other party not less than six months’ prior notice in writing.

Mr. Tommy Lee and Mr. Chau Hau Shing have respectively entered into a service contract with the Company for service as an executive Director which is terminable by either party giving to the other party not less than three months’ prior notice in writing.

Mr. Shu Wa Tung, Laurence, Mr. Wu Wai Pan and Ms. Chak Wai Ting, the independent non-executive Directors, have each entered into an appointment letter with the Company for service as an independent non-executive director for a term of 2 years from their dates of appointment on (i) 15 April 2022, (ii) 10 June 2022 and (iii) 9 November 2022 respectively.

Other than the aforesaid, as at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

6. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. MATERIAL CONTRACTS

In the two years immediately preceding the date of this circular and up to the Latest Practicable Date, the following contracts, not being contracts entered into in the ordinary course of business, were entered into by the Company or any of its subsidiaries which are or may be material:

- (a) the second supplemental agreement entered into between Termbray Wealth and Earth Axis on 6 June 2022 to amend and supplement the 2020 Agreement. Further details of the agreement are set out in the announcement of the Company dated 6 June 2022;
- (b) the Sale and Purchase Agreement in respect of the Disposal. Further details of the Disposal are set out in the announcements of the Company dated 8 November 2023 and 12 January 2024, and the circular of the Company dated 1 December 2023; and
- (c) the third supplemental agreement entered into between Termbray Wealth and Earth Axis on 8 November 2023 to amend and supplement the 2020 Agreement. Further details of the agreement are set out in the announcement of the Company dated 8 November 2023 and the circular of the Company dated 1 December 2023.

8. GENERAL

- (a) The Company was incorporated in Bermuda with limited liability on 9 October 1990. Save for the Main Board of the Stock Exchange, the Shares of the Company are not listed on any other stock exchange.
- (b) The registered office of the Company is at Clarendon House, Church Street, Hamilton HM11, Bermuda. The head office and principal place of business of the Company in Hong Kong is at Room 2107-08, 21/F, Cosco Tower, 183 Queen's Road Central, Sheung Wan, Hong Kong.
- (c) The secretary of the Company is Mr. Lo Tai On, who is an associate member of the Hong Kong Institute of Certified Public Accountants.
- (d) The Hong Kong share registrar and transfer office of the Company is Tricor Standard Limited at 17/F., Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (e) Unless otherwise stated in the event of any inconsistency, the English language text of this circular shall prevail over the Chinese language text.

9. DOCUMENTS ON DISPLAY

Copies of the Loan Agreement and the Mortgage Agreement are available on the Stock Exchange's website at www.hkexnews.hk and on the Company's website at <http://www.termbray.com.hk> for a period of 14 days from the date of this circular.

As the Loan Agreement and the Mortgage Agreement contain (i) certain sensitive personal information, being the identity card numbers and (in respect of the Mortgage Agreement only) the residential address of Borrower B and Borrower C (the “**Personal Information**”); and (ii) the signatures of the Borrowers (including the signatures of Borrower B and Borrower C signing in their personal capacities and signing on behalf of Borrower A) (the “**Signatures**” and together with the Personal Information, the “**Personal Information and Signatures**”), the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.66(10) and paragraph 43(2)(c) of Appendix D1B of the Listing Rules allowing the Company to redact the Personal Information and Signatures in the Loan Agreement and the Mortgage Agreement to be displayed on the websites of the Stock Exchange and the Company based on the following grounds:-

- (i) as the Personal Information is considered to be personal data which is currently not available in the public domain and each of Borrower B and Borrower C refused to give consents for disclosure of the Personal Information on the websites of the Company and the Stock Exchange, such public disclosure may constitute a possible breach of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong);
- (ii) the public disclosure of the Signatures may increase the risk of identity theft in respect of the Borrowers, in view that the display of the Loan Agreement and Mortgage Agreement will disclose their other information, including their full names, office address and the address of the mortgaged property; and
- (iii) given the identities of the Borrowers and other major terms of the Loan Transaction have been disclosed in the Announcement, and are also disclosed to the public in this circular and the full terms of the Loan Transaction will be available to the public by displaying the Loan Agreement and the Mortgage Agreement on the websites of the Company and the Stock Exchange during the period of not less than 14 days from the date of this circular, the Company is of the view that the Personal Information and Signatures (a) are of minor importance only and are not such as will influence assessment of any of the assets and liabilities, financial position, profits and losses and prospects of the Company, or the impact of the Loan Transaction; and (b) the omission of which is not likely to mislead investors with regard to the facts and circumstances, knowledge of which is essential for the informed assessment of the Company’s securities or the Loan Transaction.