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TERMBRAY INDUSTRIES INTERNATIONAL (HOLDINGS) LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 00093)

- (1) EXTREME AND CONNECTED TRANSACTION IN RELATION TO ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY**
- (2) ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE**
- (3) CLOSURE OF REGISTER OF MEMBERS**

Financial Adviser to the Company



**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



THE PROPOSED ACQUISITION

The Board wishes to announce that on 23 September 2020 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor and the Vendor's Guarantor entered into the Agreement, pursuant to which, subject to the terms and conditions of the Agreement, the Purchaser agreed to purchase and the Vendor agreed to sell the Sale Shares at the Consideration of HK\$404,109,000 (subject to adjustment). Out of the Consideration, HK\$205,229,444 will be settled by the allotment and issue of 710,000,000 Consideration Shares and the remaining balance will be settled in cash.

The Target Company is an investment holding company. Zero Finance, the only operating company within the Target Group, is a direct wholly-owned subsidiary of the Target Company which possesses a Money Lender's Licence and is principally engaged in the money lending business of providing secured loans and unsecured loans in Hong Kong.

Upon Completion, the Target Company will become the Company's wholly-owned subsidiary. Accordingly, the financial information of the Target Group will be consolidated into the accounts of the Group following Completion.

ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE

The Consideration Shares will be issued pursuant to the Specific Mandate at the Issue Price by the Company to the Vendor at Completion. The Consideration Shares represent approximately 36.27% of the issued share capital of the Company as at the date hereof and approximately 26.62% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change in the issued share capital of the Company). An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

LISTING RULES IMPLICATIONS

The highest applicable percentage ratio under the Listing Rules in respect of the Proposed Acquisition exceeds 100%. The Listing Committee of the Stock Exchange has resolved that the Proposed Acquisition is an extreme transaction and the reverse takeover rules do not apply. Further, the Vendor is a majority-controlled company of Mr. Tommy Lee (an executive Director) and hence is a connected person of the Company. Therefore, the Proposed Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As such, the Proposed Acquisition is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. The Company is required to prepare a transaction circular under an enhanced disclosure comparable to prospectus standard and China Tonghai has been appointed as the financial adviser of the Company to conduct due diligence on the Proposed Acquisition.

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the Proposed Acquisition. China Galaxy, the Independent Financial Adviser, has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the Proposed Acquisition.

GENERAL

The SGM will be convened to consider and, if thought fit, to pass the ordinary resolution to approve the Proposed Acquisition. A circular containing, inter alia, (i) further details of the Proposed Acquisition; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Proposed Acquisition; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Acquisition; (iv) further information about the Target Group; (v) certain financial information of the Group; (vi) the accountant's report on the Target Group; (vii) the unaudited pro forma financial information of the Enlarged Group; and (viii) a notice of the SGM, is expected to be despatched to the Shareholders on or before 25 September 2020.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the list of Shareholders who will be entitled to attend and vote at the SGM, the register of members of the Company will be closed from Friday, 9 October 2020 to Thursday, 15 October 2020 (both days inclusive), during which no transfer of Shares will be effected. In order to qualify for attendance of the SGM, all completed transfer forms accompanied with the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Standard Limited, not later than 4:30p.m. on Thursday, 8 October 2020. The address of Tricor Standard Limited is Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Since the Proposed Acquisition is subject to the fulfillment of the conditions precedent set out in the Agreement, and may or may not proceed to Completion, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

On 23 September 2020 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company), the Vendor and the Vendor's Guarantor entered into the Agreement, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Sale Shares.

THE PROPOSED ACQUISITION

The principal terms of the Agreement are set out as follows:

Date

23 September 2020

Parties

- (1) The Purchaser;
- (2) the Vendor; and
- (3) the Vendor's Guarantor.

Subject matter

Subject to the terms and conditions of the Agreement, the Purchaser has agreed to purchase and the Vendor has agreed to sell the Sale Shares.

Consideration

The initial amount of the Consideration is HK\$404,109,000 (the “**Initial Consideration**”), which is subject to the post-Completion adjustments mentioned below. The Consideration shall be payable by the Purchaser to the Vendor in the manner set out below:–

- (1) HK\$205,229,444 will be settled by 710,000,000 Consideration Shares to be newly issued at the Issue Price by the Company to the Vendor at Completion;
- (2) HK\$20 million will be settled by the Purchaser in cash to the Vendor on or before 31 December 2021;
- (3) HK\$20 million will be settled by the Purchaser in cash to the Vendor on or before 31 December 2022; and
- (4) the balance of the Consideration will be settled by the Purchaser in cash to the Vendor on or before 31 December 2023.

The Purchaser shall have the discretion to make early payment of the cash portion of the Consideration prior to the aforesaid payment dates. The Company may procure the Purchaser to exercise such early payment discretion if it considers that the Group has sufficient cash available for such purpose after setting aside the cash required for the Group’s working capital. No interest will be payable to the Vendor on the deferred portions of the Consideration.

The Initial Consideration was determined after arm’s length negotiations between the Purchaser and the Vendor taking into account (i) the unaudited net asset value of the Target Group of approximately HK\$111.5 million as at 31 July 2020; (ii) that the aforesaid unaudited net asset value of the Target Group as at 31 July 2020 would have increased by approximately HK\$292.6 million as a result of the capitalisation of the equivalent amount of loan owing by the Target Group to the Vendor on 15 September 2020 (if it had taken place on 31 July 2020); and (iii) the price to book ratio of 1 to 1. The price to book ratio of 1 to 1 was adopted after arm’s length negotiation between the parties having taken into account the nature of the Target Group’s money lending business where most assets are in the form of loan receivables and cash and cash equivalents (after the disposal of the Three Properties) in an income yielding and well collateralised portfolio.

The Initial Consideration will be subject to post-Completion dollar-for-dollar adjustments based on the net asset value of the Target Group as at Completion, provided that no adjustment will be made if the amount of difference between the net asset value of the Target Group as at Completion and the Initial Consideration is less than HK\$1 million.

Conditions precedent

Completion is subject to the satisfaction of the following conditions:

- (i) the approval of the Agreement by the Independent Shareholders;
- (ii) the Stock Exchange having granted the listing of, and permission to deal in, the Consideration Shares (and such permission not having been revoked);

- (iii) no material adverse change on the financial position, business or prospects of the Target Group having occurred and continuing; and
- (iv) all representations and warranties made by the Vendor and the Vendor's Guarantor in the Agreement being true and correct in all material respects as at Completion.

Representations and warranties

The Agreement contains representations and warranties of the Vendor, the Vendor's Guarantor and the Purchaser which are usual and customary for a transaction of this nature and scale.

Completion

Completion shall take place on 30 October 2020 or on such other date as may be agreed by the parties.

Upon Completion, the Target Company will become the Company's wholly-owned subsidiary. Accordingly, the financial information of the Target Group will be consolidated into the accounts of the Group following Completion.

Guarantee

The Vendor's Guarantor has irrevocably and unconditionally guaranteed, as primary obligor and not merely as surety, as a continuing obligation the full performance of all obligations of the Vendor as contained in the Agreement, and shall fully indemnify the Purchaser for all losses and damages, costs and expenses of whatever nature which the Purchaser may suffer or incur as a result of or in connection with any default by the Vendor of any such obligations.

CONSIDERATION SHARES

As at the date hereof, the Company has 1,957,643,050 Shares in issue. The Consideration Shares represent approximately 36.27% of the existing issued share capital of the Company and approximately 26.62% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change in the issued share capital of the Company).

The Consideration Shares, when allotted and issued, will rank pari passu in all respects among themselves and with the existing Shares then in issue on the date of allotment and issue, and be entitled to receive all dividends and distributions which may be declared by the Company on or after the date of allotment and issue of the Consideration Shares.

The Consideration Shares will be allotted and issued to the Vendor under the Specific Mandate at Completion. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

As 710,000,000 Consideration Shares will be issued for the settlement of HK\$205,229,444 as part of the Consideration, the Issue Price is equivalent to approximately HK\$0.289 per Consideration Share. The Issue Price represents:

- (i) a discount of approximately 6.77% to the closing price of HK\$0.310 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 6.17% to the average closing price of the Shares as quoted on the Stock Exchange for the last 5 trading days up to and including the Last Trading Day of approximately HK\$0.308 per Share;
- (iii) a discount of approximately 5.86% to the average closing price of the Shares as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day of approximately HK\$0.307 per Share;
- (iv) a discount of approximately 3.02% to the average closing price of the Shares as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day of approximately HK\$0.298 per Share; and
- (v) a discount of approximately 6.77% to the closing price of HK\$0.310 per Share as quoted on the Stock Exchange on the date hereof.

The Issue Price was determined after arm's length negotiations among the parties taking into account the prevailing market prices of the Shares.

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table illustrates the shareholding structure of the Company (i) as at the date hereof; and (ii) immediately upon allotment and issue of all the Consideration Shares (assuming that there is no other change in the issued share capital of the Company):

	As at the date hereof		Immediately upon allotment and issue of all the Consideration Shares	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Lee & Leung (B.V.I.) (Note)	1,252,752,780	63.99%	1,252,752,780	46.96%
Mr. Tommy Lee and his associates (including the Vendor but excluding Lee & Leung (B.V.I.))	0	0	710,000,000	26.62%
Public Shareholders	704,890,270	36.01%	704,890,270	26.42%
Total	<u>1,957,643,050</u>	<u>100.00%</u>	<u>2,667,643,050</u>	<u>100.00%</u>

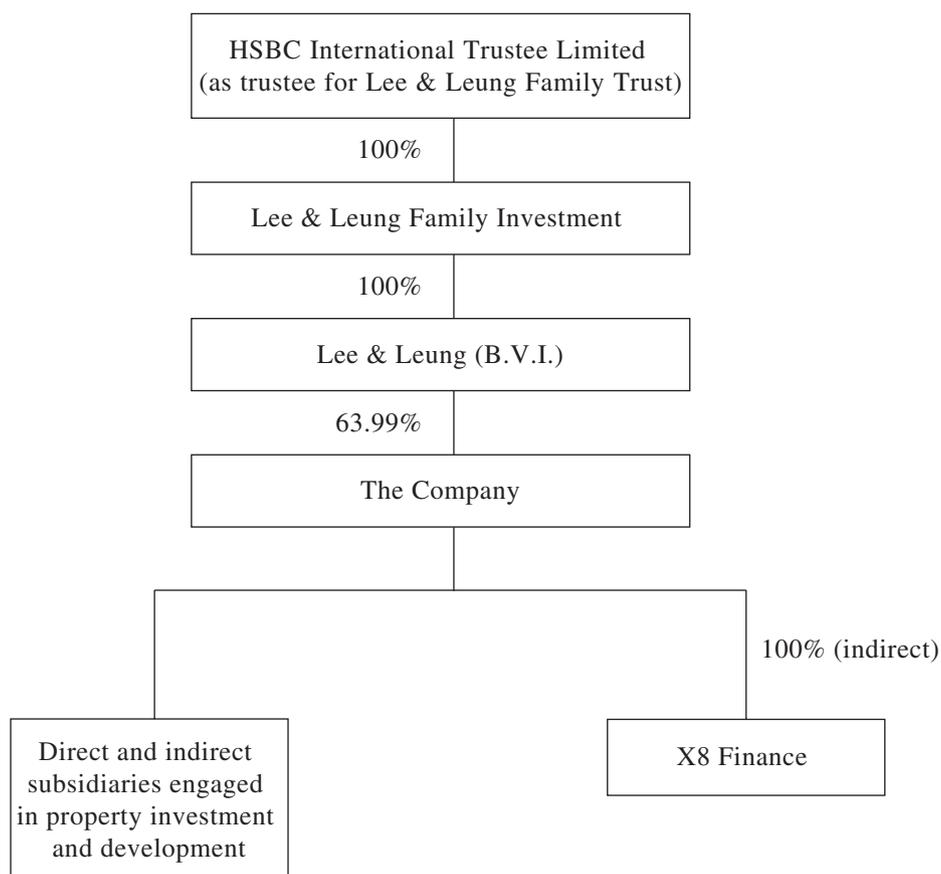
Note: Lee & Leung (B.V.I.) is indirectly wholly-owned by HSBC International Trustee Limited as trustee for the Lee & Leung Family Trust. Mr. Lee Lap is the settlor of the Lee & Leung Family Trust, and the discretionary beneficiaries of the Lee & Leung Family Trust are the spouse and certain children of Mr. Lee Lap (including Mr. Tommy Lee) and the offspring of such children.

As a result of the allotment and issue of the Consideration Shares to the Vendor, Mr. Tommy Lee will own approximately 26.62% of the enlarged issued share capital of the Company indirectly through the Vendor immediately after Completion. As demonstrated in the table above, Lee & Leung (B.V.I.) will remain to be the controlling Shareholder immediately after Completion and thus there will not be any change in control of the Company as a result of the Proposed Acquisition.

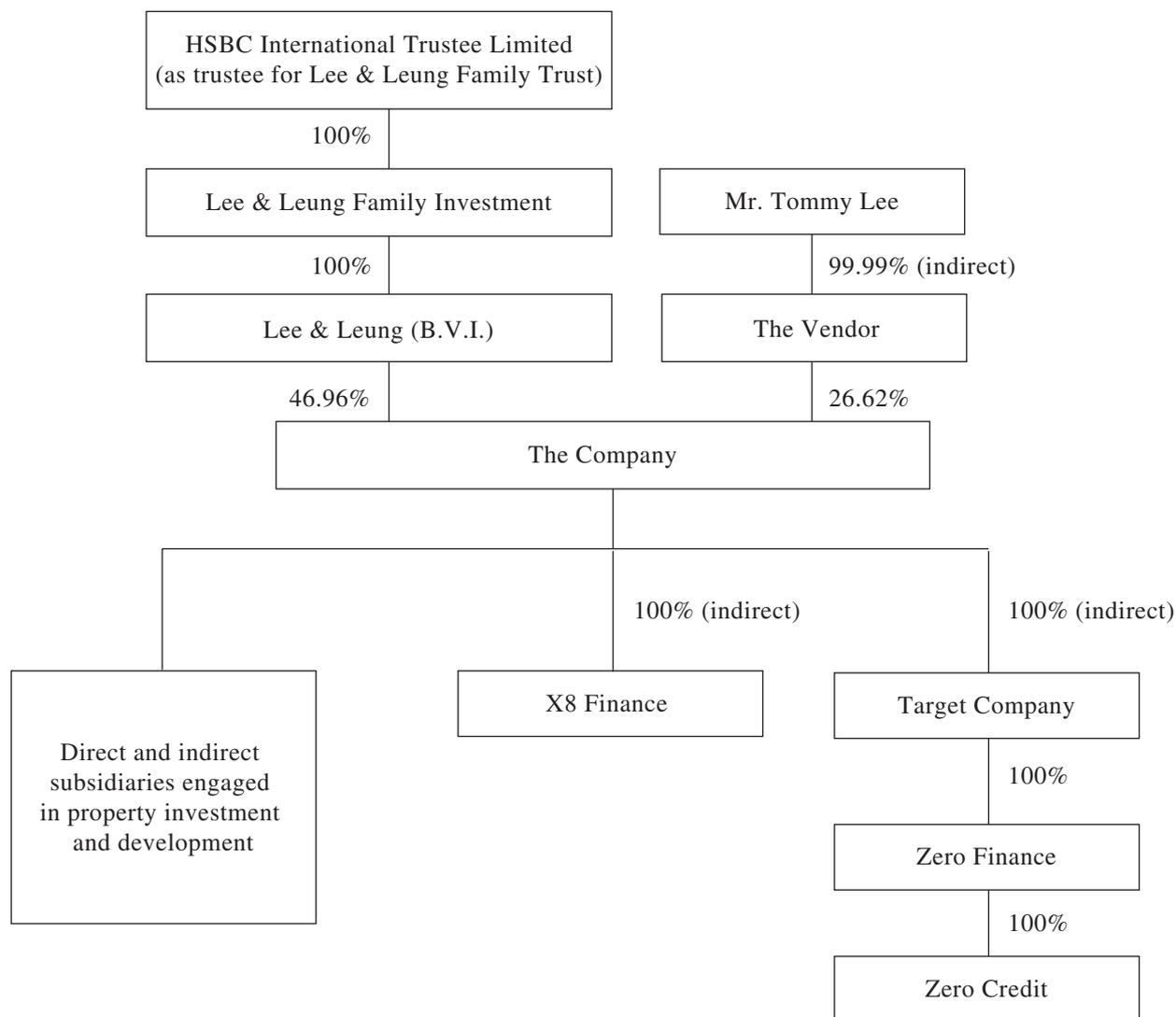
CORPORATE STRUCTURE OF THE GROUP

The following charts illustrate the simplified structure of the Group (i) as at the date hereof; and (ii) immediately after Completion:

(i) *As at the date hereof*



(ii) *Immediately after Completion*



REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Group has a long history of over 20 years of engaging in property investment and development as its principal business. In August 2018, the Group acquired 100% shareholding interest in X8 Finance, which holds a Money Lender’s Licence for money lending business in Hong Kong. After the acquisition, X8 Finance has commenced property mortgage money lending business in Hong Kong, which has then become a principal business of the Group. The Group has been exploring investment opportunities which will result in a steady growth in its performance in the long run.

The Company expects that the merger of the Group’s existing property mortgage loan business with the secured and unsecured loan businesses of the Target Group will bring about synergy effect to the money lending business of the Enlarged Group as a whole after the Proposed Acquisition. The current traditional mortgage loan model of X8 Finance can be improved and optimised with inspirations from the business model and technological characteristics of “X Wallet”, a mobile APP developed and used by Zero Finance.

(i) In terms of business model:

- (a) The Company believes that after the Proposed Acquisition, the network of “X Wallet” and the experience in attracting customers on the online platform could provide potential mortgage loan customers to the Enlarged Group and facilitate the Enlarged Group to expand its customers base directly through the online channel, thereby reducing its reliance on customer referral by agencies and lowering the costs of its loan business.
- (b) Zero Finance has allocated a significant amount of resources to the brand building of Zero Finance, and particularly “X Wallet”, since the launch of “X Wallet” in 2018. The Company is of the view that after the Proposed Acquisition, its loan business could greatly benefit from the brand names of Zero Finance and “X Wallet”.
- (c) Furthermore, the Company could maintain better and more efficient customer relations with its mortgage loan clients by exploring the introduction of online customer services and communication via “X Wallet” or other online platform to be set up with the use of the technologies developed for “X Wallet”.

(ii) In terms of technology:

- (a) In respect of “X Wallet”, various technologies have been developed and introduced in its online loan business, including the live face detection and recognition system for identifying identity fraud, the credit scoring model, the fully-automated procedures from loan application to transmission of funds, as well as the data security measures. The Company expects that after the Proposed Acquisition, the Enlarged Group could utilise the technologies developed for “X Wallet” to streamline and modernise its mortgage loan business model and procedures, as well as to improve the risk control for such business.
- (b) More importantly, those technologies could assist the Enlarged Group to screen out fraudulent cases and facilitate the Enlarged Group to design a data-based credit rating system specifically for its mortgage loan business by building up, learning and/or modifying from the model and experience in respect of the automated credit rating system developed for and deployed by “X Wallet”. In this way, the decision-making of the money lending business of the Enlarged Group will be more driven by data and involve fewer human factors, and the risk control will be enhanced as a whole.

With the benefit of expected synergy after merging the Group’s existing property mortgage loan business with that of the Target Group as described above, the Group expects that the property mortgage loan business of the Enlarged Group will further expand. Nonetheless, the Enlarged Group will at the same time adopt a prudent policy in approving mortgage loan applications in light of the recent economic downturn and possible declining trend of property prices in Hong Kong.

The Group sees a growing demand for convenient and efficient money lending services in Hong Kong, and is optimistic about the prospect of the “X Wallet” personal loan business of the Target Group despite challenges due to intense competition from other market players, as “X Wallet” provides around-the-clock, fully-automated and fast and convenient money lending services, which fits in well with the trend of increased usage of mobile APPs. After Completion, the Enlarged Group will continue to develop and expand the unsecured loan business via “X Wallet” to generate revenue for the Enlarged Group.

Having considered the above, the Directors (excluding the independent non-executive Directors whose opinion will be set out in the letter from the Independent Board Committee in the circular to be despatched to the Shareholders) believe that the Proposed Acquisition is in line with the development strategy of the Group and will enable the expansion and diversification of the Group’s existing money lending business, and the terms of the Agreement are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE TARGET GROUP

The Target Company is incorporated in Hong Kong and is an investment holding company with no business operation other than its investment in Zero Finance.

Zero Finance, the only operating company within the Target Group, is a direct wholly-owned subsidiary of the Target Company which possesses a Money Lender’s Licence and is principally engaged in the money lending business of providing secured loans and unsecured loans in Hong Kong.

Zero Credit, a wholly-owned subsidiary acquired by Zero Finance in June 2018, also possesses a Money Lender’s Licence but has been inactive since its acquisition by Zero Finance up to the date hereof.

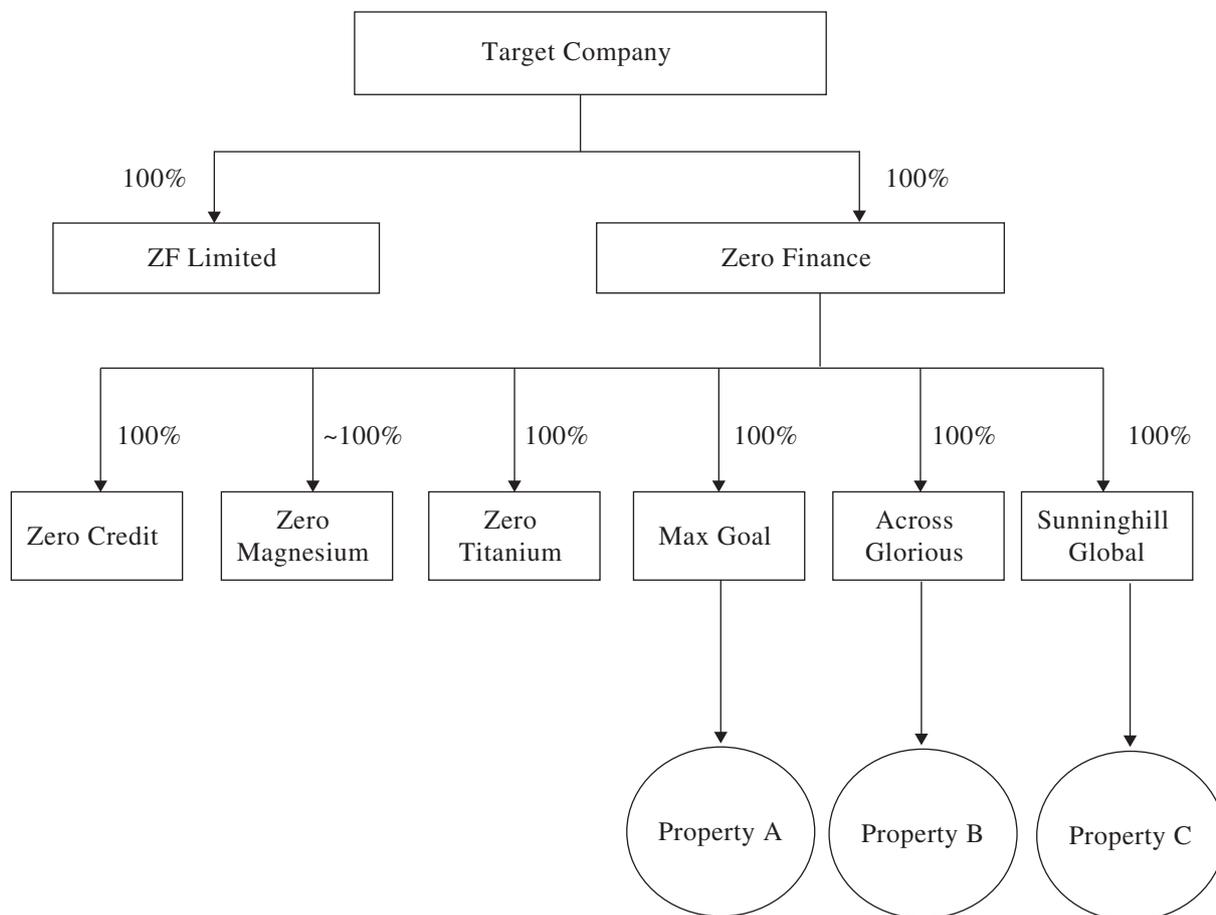
Restructuring

To prepare for the Proposed Acquisition, the Target Group has undergone the Restructuring, pursuant to which, among other things, all of the Target Company’s direct and indirect shareholding interests in companies other than Zero Finance and Zero Credit (and therefore, the Target Company’s indirect interests in three office units in COSCO Tower, Sheung Wan, Hong Kong (the “**Three Properties**”)) have been disposed of to the Vendor Group.

Simplified corporate charts of the Target Group immediately before and after the Restructuring

Simplified corporate charts of the Target Group immediately before and after the Restructuring are set out as below:

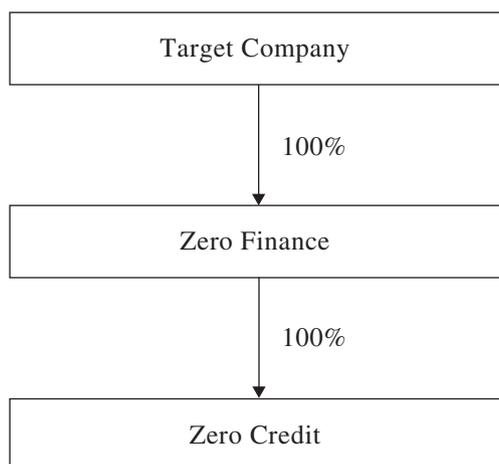
(i) *Immediately before the Restructuring*



Notes:

- (1) Prior to the Restructuring, the Target Company indirectly owned the Three Properties, which are shown as Property A, Property B and Property C in the above chart, through Max Goal, Across Glorious and Sunninghill Global respectively.
- (2) Max Goal, Across Glorious and Sunninghill Global, so long as they were controlled by the Vendor or the Target Group prior to the Restructuring, had not had any operations other than the holding of the Three Properties respectively.
- (3) Zero Magnesium, Zero Titanium and ZF Limited have never had any operations.
- (4) Prior to the Restructuring, Zero Finance owned 1,999,999,999 shares and Mr. Tommy Lee owned 1 share in Zero Magnesium respectively.

(ii) *Immediately after the Restructuring and as at Completion*



Reasons for the Restructuring

The Three Properties were acquired by the Target Group for investment purposes, and not for the main operation of, or essential to, the money lending business of the Target Group. It was the intention of the Group to acquire a money lending business only but not the Three Properties as the latter are not considered to be of value to the Group. Therefore, the Three Properties had been disposed of by the Target Group under the Restructuring so that they will not form part of the assets to be acquired by the Group under the Proposed Acquisition. Also, after Completion, the Target Group could continue to use its existing office premises rented from an independent third party as its principal place of business, and only two small rooms which account for approximately 4.18% of the total gross floor area of the Three Properties have been leased back to the Target Group for use as the principal business office of Zero Credit and additional business office of Zero Finance since 1 August 2020 after the disposal of the Three Properties by the Target Group to the Vendor Group under the Restructuring.

As Zero Magnesium, Zero Titanium and ZF Limited have been inactive since incorporation and do not own any material asset, the detachment of them from the Target Group would result in a simple corporate structure for the Proposed Acquisition.

Financial Information of the Target Group

The key financial information of the Target Group for the Track Record Period is set out in the table below:

	Three months ended	Year ended 31 December		
	31 March 2020	2019	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Audited)	(Audited)	(Audited)
Revenue	16,891	58,663	56,102	51,862
Profits before taxation	5,383	9,827	26,390	30,720
Profits after taxation and total comprehensive income for the year/period	4,487	6,039	22,283	25,616

If adjustments had been made (not pursuant to the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants) to exclude the financial results of the Disposed Subsidiaries, which have been disposed of by the Target Group under the Restructuring, the unaudited adjusted profits before taxation and unaudited adjusted profits after taxation and total comprehensive income for the year/period of the Target Group for the Track Record Period, and the unaudited adjusted net asset value of the Target Group (excluding the Disposed Subsidiaries) as at 31 December 2017, 2018 and 2019 and 31 March 2020, would have been as follows:

	Three months ended 31 March 2020 HK\$'000 (Unaudited)	Year ended 31 December		
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	
Profits before taxation for the year/period	5,383	9,827	26,390	30,720
Add:				
Loss before taxation for the year/period of the Disposed Subsidiaries	<u>1,617</u>	<u>15,027</u>	<u>2</u>	<u>–</u>
Adjusted profits before taxation for the year/period of the Target Group, excluding the Disposed Subsidiaries	<u>7,000</u>	<u>24,854</u>	<u>26,392</u>	<u>30,720</u>
Profits after taxation and total comprehensive income for the year/period	4,487	6,039	22,283	25,616
Add:				
Loss after taxation and total comprehensive losses for the year/period of the Disposed Subsidiaries	<u>1,839</u>	<u>15,027</u>	<u>2</u>	<u>–</u>
Adjusted profits after taxation and total comprehensive income for the year/period of the Target Group, excluding the Disposed Subsidiaries	<u>6,326</u>	<u>21,066</u>	<u>22,285</u>	<u>25,616</u>

Note: The Disposed Subsidiaries did not generate any revenue during the Track Record Period.

	As at 31 March 2020 HK\$'000 (Unaudited)	As at 31 December		
	2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)	2017 HK\$'000 (Unaudited)	
Net asset value of the Target Group	83,876	79,390	73,351	57,056
Less:				
Net asset value of the Disposed Subsidiaries	<u>(26,680)</u>	<u>(28,519)</u>	<u>(8)</u>	<u>–</u>
Adjusted net asset value of the Target Group, excluding the Disposed Subsidiaries (Note)	<u>57,196</u>	<u>50,871</u>	<u>73,343</u>	<u>57,056</u>

Note: The adjusted net asset values of the Target Group, excluding the Disposed Subsidiaries, have not taken into account (i) the waiver of inter-company balances among the remaining companies in the Target Group and the Disposed Subsidiaries; (ii) the consideration received by the Target Group for the disposal of the Disposed Subsidiaries; and (iii) the assignment to the Vendor of amount due to a director from the Target Company and the subsequent capitalisation of the loan, which were part of the arrangements under the Restructuring.

INFORMATION ON THE GROUP AND THE VENDOR

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

As at the date hereof, 1,252,752,780 Shares (representing 63.99% of the total issued Shares) are held by Lee & Leung (B.V.I.), which is in turn indirectly 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.

The Vendor is a company incorporated in the British Virgin Islands and is an investment holding company. As at the date hereof, the Vendor is ultimately held as to 99.99% by Mr. Tommy Lee and 0.01% by Mr. Lee Lap, both being executive Directors.

LISTING RULES IMPLICATIONS

The highest applicable percentage ratio under the Listing Rules in respect of the Proposed Acquisition exceeds 100%. The Listing Committee of the Stock Exchange has resolved that the Proposed Acquisition is an extreme transaction and the reverse takeover rules do not apply. Further, the Vendor is a majority-controlled company of Mr. Tommy Lee (an executive Director) and hence is a connected person of the Company. Therefore, the Proposed Acquisition also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As such, the Proposed Acquisition is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14 and Chapter 14A of the Listing Rules. The Company is required to prepare a transaction circular under an enhanced disclosure comparable to prospectus standard and China Tonghai has been appointed as the financial adviser of the Company to conduct due diligence on the Proposed Acquisition.

Since (i) Mr. Tommy Lee, an executive Director, is the indirect controlling shareholder and a director of the Vendor and (ii) Mr. Lee Lap, an executive Director, is the father of Mr. Tommy Lee, they are deemed to have material interests in the Proposed Acquisition. As such, both of them have abstained from voting on the board resolutions approving the Proposed Acquisition and the transactions contemplated thereunder.

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on the Proposed Acquisition. China Galaxy, the Independent Financial Adviser, has been appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the Proposed Acquisition.

As at the date hereof, 1,252,752,780 Shares (representing 63.99% of the total issued Shares) are held by Lee & Leung (B.V.I.), which is in turn indirectly 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. As Mr. Tommy Lee, being the indirect controlling shareholder and a director of the Vendor, is materially interested in the Proposed Acquisition, he and his associates, including Lee & Leung (B.V.I.) will abstain from voting on the resolution in relation to the Proposed Acquisition at the SGM. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, save for Mr. Tommy Lee and his associates, no Shareholder has a material interest in the resolution in respect of the Proposed Acquisition or should be required to abstain from voting on the resolution to be proposed at the SGM.

GENERAL

The SGM will be convened to consider and, if thought fit, to pass the resolution to approve the Proposed Acquisition. A circular containing, inter alia, (i) further details of the Proposed Acquisition; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Proposed Acquisition; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Acquisition; (iv) further information about the Target Group; (v) certain financial information of the Group; (vi) the accountant's report on the Target Group; (vii) the unaudited pro forma financial information of the Enlarged Group; and (viii) a notice of the SGM, is expected to be despatched to the Shareholders on or before 25 September 2020.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the list of Shareholders who will be entitled to attend and vote at the SGM, the register of members of the Company will be closed from Friday, 9 October 2020 to Thursday, 15 October 2020 (both days inclusive), during which no transfer of Shares will be effected. In order to qualify for attendance of the SGM, all completed transfer forms accompanied with the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Standard Limited, not later than 4:30p.m. on Thursday, 8 October 2020. The address of Tricor Standard Limited is Level 54, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Since the Proposed Acquisition is subject to the fulfillment of the conditions precedent set out in the Agreement, and may or may not proceed to Completion, Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

“Across Glorious”	Across Glorious Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
“Agreement”	the sale and purchase agreement dated 23 September 2020 entered into between the Purchaser, the Vendor and the Vendor’s Guarantor in relation to the Proposed Acquisition
“APP”	software application
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China Tonghai”	China Tonghai Capital Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the financial adviser to the Company in respect of the Proposed Acquisition
“Company”	Termbray Industries International (Holdings) Limited, a company incorporated in Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Proposed Acquisition in accordance with the terms of the Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the total consideration for the Proposed Acquisition
“Consideration Shares”	710,000,000 new Shares to be allotted and issued by the Company to the Vendor for partial settlement of the Consideration
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Directors(s)”	the directors(s) of the Company
“Disposed Subsidiaries”	Max Goal, Across Glorious, Sunninghill Global, Zero Magnesium, Zero Titanium and ZF Limited
“Enlarged Group”	the enlarged Group immediately after Completion
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors established to give recommendation to the Independent Shareholders in relation to the Proposed Acquisition
“Independent Financial Adviser” or “China Galaxy”	China Galaxy International Securities (Hong Kong) Co., Limited, a corporation licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Acquisition
“Independent Shareholders”	Shareholders who are entitled to attend and vote at the SGM, other than: (i) Mr. Tommy Lee and his associates; and (ii) all other Shareholders (if any) who are involved or interested in the Proposed Acquisition
“Initial Consideration”	has the meaning ascribed to it under the section headed “The Proposed Acquisition – Consideration” in this announcement
“Issue Price”	the issue price of approximately HK\$0.289 per Consideration Share
“Last Trading Day”	23 September 2020, being the last trading day of the Shares before the signing of the Agreement
“Lee & Leung (B.V.I.)”	Lee & Leung (B.V.I.) Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by Lee & Leung Family Investment
“Lee & Leung Family Investment”	Lee & Leung Family Investment Limited, a company incorporated in the British Virgin Islands with limited liability which is wholly-owned by HSBC International Trustee Limited as trustee for the Lee & Leung Family Trust
“Lee & Leung Family Trust”	a family trust set up by Mr. Lee Lap, the discretionary beneficiaries of which are the spouse and certain children of Mr. Lee Lap (including Mr. Tommy Lee) and the offspring of such children
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“majority-controlled company”	has the meaning ascribed to it under the Listing Rules
“Max Goal”	Max Goal International Limited, a company incorporated in the British Virgin Islands with limited liability

“Money Lender’s Licence”	the money lender’s licence issued by the Licensing Court (a magistrate sitting alone in a Magistrates’ Court in Hong Kong) pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and the Money Lenders Regulations (Chapter 163A of the Laws of Hong Kong) for carrying on money lending business in Hong Kong
“Mr. Tommy Lee”	LEE, Tommy, an executive Director, and the ultimate controlling shareholder and a director of the Target Company
“Proposed Acquisition”	the proposed acquisition of the Target Group by the Purchaser pursuant to the Agreement
“Purchaser”	Termbray Wealth Investment Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of the Company
“Restructuring”	the restructuring undergone by the Target Group in preparation of the Proposed Acquisition, as further described in the section headed “Information on the Target Group – Restructuring” in this announcement
“Sale Shares”	292,603,752 issued shares of the Target Company, representing 100% of the issued ordinary shares of the Target Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SGM”	the special general meeting of the Company to be convened on Thursday, 15 October 2020 for the purposes of, among other matters, considering and, if thought fit, approving the Agreement and the transactions contemplated thereunder
“Share(s)”	share(s) of HK\$0.08 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Specific Mandate”	a specific mandate proposed to be granted to the Directors pursuant to an ordinary resolution to be passed at the SGM to issue and allot the Consideration Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sunninghill Global”	Sunninghill Global Limited, a company incorporated in the British Virgin Islands with limited liability

“Target Company”	aEasy Credit Investment Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Vendor as at the date hereof
“Target Group”	the Target Company and its subsidiaries
“Three Properties”	has the meaning ascribed to it under the section headed “Information on the Target Group – Restructuring” of this announcement
“Track Record Period”	the three years ended 31 December 2017, 2018 and 2019 and the three months ended 31 March 2020
“Vendor”	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 hereof
“Vendor Group”	Mr. Tommy Lee and his majority-controlled companies, excluding the Target Group
“Vendor’s Guarantor”	Mr. Tommy Lee, as the guarantor of the Vendor under the Agreement
“X Wallet”	a mobile APP developed and used by Zero Finance to provide a fully-automated and around-the-clock online loan application and approval platform since April 2018
“X8 Finance”	X8 Finance Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Zero Credit”	Zero Credit Limited (formerly known as Money Touch Finance Company Limited), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Zero Finance as at the date hereof
“Zero Finance”	Zero Finance Hong Kong Limited (formerly known as aEasy Credit Hong Kong Limited), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company as at the date hereof
“Zero Magnesium”	Zero Magnesium Limited, a company incorporated in Hong Kong with limited liability

“Zero Titanium”	Zero Titanium Limited, a company incorporated in Hong Kong with limited liability
“ZF Limited”	Zero Finance Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent

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

Hong Kong, 23 September 2020

The Directors of the Company as at the date of this announcement are as follows:

Executive Directors:

Mr. Lee Lap (*Chairman*)

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

Mr. Wong Shiu Kee

Independent Non-Executive Directors:

Mr. Lo Yiu Hee

Mr. Tong Hin Wor

Mr. Ching Yu Lung