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GTI HOLDINGS LIMITED

共享集團有限公司

(a company incorporated in the Cayman Islands with limited liability)

(In Liquidation)

(Stock Code: 3344)

NEW FUNDING AGREEMENTS FOR RESTRUCTURING PURPOSE

This announcement is made on a voluntary basis to provide an update on the matters of the Company to the shareholders of the Company and potential investors.

Reference is made to the announcement of the Company dated 19 August 2020 and 1 April 2021 in relation to, among other things, the entering into of the Funding Agreement and the restructuring progress of the Group. Unless otherwise stated, capitalised terms used herein shall have the meanings as defined in the announcement of the Company dated 19 August 2020 and 1 April 2021.

Reference is also made to the announcement of the Company dated 26 February 2023 in relation to, among other things, the appointment of joint and several liquidators (“**JSLs**”) of the Company and the winding up order granted by the High Court of Hong Kong against the Company, as well as the grant of a winding up order by the Grand Court of the Cayman and the appointment of the Joint Official Liquidators (“**JOLs**”).

The Group signed a Funding Agreement and a Supplemental Agreement to the Funding Agreement with the Lender on 19 August 2020 and 1 April 2021 respectively (the “**Previous Funding Agreement**”) to secure funding from the Investor for the preparation of debt restructuring plan of the Company. Both of these agreements became unenforceable due to the winding up of the Company. The Company announces that, in order to continue the restructuring of the Company, Mega Yield Enterprise Development Limited, a company incorporated in the British Virgin Islands with limited liability (the “**Lender**”), had signed a conditional new funding agreement (the “**Cayman Funding Agreement**”) governed by the laws of Cayman Islands with the Company and the JOLs on 22 April 2022, for the amount of up to HK\$60 million (as of the date of the Cayman Funding Agreement, out of which in aggregate of HK\$37.142 million had been drawn by the Company under the Previous Funding Agreement and the remaining funding in amount of HK\$22.858 million would be available for the Company to drawdown under the Cayman Funding Agreement), bearing a rate of 6% per annum, which is to be used for the preparation of debt restructuring plan of the Company. Subsequently, on 27 March 2023 (after trading hours), the Company as borrower, the Lender, and the Joint and Several Liquidators (“**JSLs**”) entered into another Funding Agreement governed by the laws of Hong Kong (the “**HK Funding Agreement**”) in relation to the provision of the loan by the Lender to facilitate the preparation and implementation of the restructuring plan of the Company. The major terms of the Cayman Funding Agreement and the HK Funding Agreement are similar save for, among other things, the total amount of loan, the interest rate and the governing laws. The Cayman Funding Agreement is also conditional upon the Grand Court of the Cayman Islands sanctioning the funding provided thereunder, while the HK Funding Agreement is unconditional.

The principal terms of the HK Funding Agreement are summarised as follows:

- Date:** 27 March 2023
- Parties:**
- (1) The Company;
 - (2) The Lender; and
 - (3) The JSLs
- Funding amount:** The Funding in the form of a credit facility for a total sum of up to HK\$26 million (the “**Funding**”), which shall only be used for the payment (or reimbursement) of the following:
- (a) the fees and expenses (including legal costs) due and payable to and/or incurred or to be incurred by the JSLs relating to the performance of their duties as JSLs of the Company;
 - (b) any fees, costs and expenses (except for the fees and expenses as stipulated in sub-clause (a) hereinabove) incurred or to be incurred in connection with the Restructuring (save and except for the fees and expenses as incurred prior to the signing of the HK Funding Agreement);

- (c) any fee, costs and expenses (including legal costs) in connection with the negotiation, preparation and execution of any transactions contemplated under the HK Funding Agreement, including but not limited to the legal and professional fees and expenses incurred in advising the Company and/or the JSLs in relation to the HK Funding Agreement which shall be paid from the proceeds of the Funding drawn under the HK Funding Agreement; and
- (d) any other purpose as may be agreed between the JSLs, the Company and the Lender from time to time.

Interest rate: The HK Funding Agreement is interest-free.

Repayment: Without prejudice to all other rights of the Lender under the HK Funding Agreement, if the HK Funding Agreement shall be terminated pursuant to termination clause set out in the HK Funding Agreement, the Funding being drawn by the Company under the HK Funding Agreement will be immediately due and payable by the Company. The repayment of the Funding should be caused to be made throughout the liquidation of the Company out of the assets of the Company subject to the recovery from the assets of the Company and terms and conditions of this HK Funding Agreement.

Nature and priority of the Funding

Subject to the approval of the High Court, the Funding shall be treated or regarded as fees and expenses properly incurred by the Company in the Restructuring and/or preserving, realizing or getting in the assets, which will be paid out of the assets of the Company in priority to all other existing and future unsecured liabilities and debts of the Company. For the avoidance of doubt, nothing contained in this Clause or in this HK Funding Agreement required, obliges or obligates the JSLs to, and it is also agreed amongst the parties to the HK Funding Agreement that the JSLs are not required, obliged or obligated in any event to, refund, repay, return or disgorge any part(s) of any part(s) of the fees and expenses paid to the JSLs which have been settled and/or paid by the Funding under this HK Funding Agreement.

First Right for the Lender to participate in the proposed Restructuring

The Lender has indicated its intention to participate in the Company's proposed restructuring and in consideration of the Lender's Funding, the Company will give an exclusive right to the Lender and/or its nominee to negotiate with the Company and/or the JSLs for a restructuring proposal.

INFORMATION ON THE GROUP

The principal activity of the Company is investment holding. The Group is principally engaged in production, sale and trading of textile products, trading of petroleum, provision of services for oil industry and provision of financial services.

REASON FOR THE FUNDING AGREEMENTS

As explained above, the Previous Funding Agreement became unenforceable due to the winding up of the Company. In order to continue the restructuring of the Company, the Cayman Funding Agreement and the HK Funding Agreement were subsequently negotiated among the Lender, the Company, and the JOLs and JSLs respectively.

Since the Company is wound up by the orders of both the courts of the Cayman Islands and Hong Kong, the Funding Agreements were entered into in parallel but they are both entered for the purpose of securing the Funding to facilitate the preparation and implementation of the proposed restructuring plan of the Group, and the Cayman Funding Agreement has also secured the funding to maintain key personnel of the Company to ensure the Company will continue to be in satisfaction of the listing requirements.

Taking into account of the duration of suspension in trading of the Shares, the urgent need of the Company to implement a restructuring plan and to stay the winding up order against the Company, as well as the willingness of the Lender to provide the Funding for corporate rescue attempt, the JSLs consider that the terms of the HK Funding Agreement and the transactions contemplated thereunder are fair and reasonable and are in the interest of the Company, Creditors, and the shareholders as a whole.

GENERAL

As to the Previous Funding Agreement and the Cayman Funding Agreement, the JSLs are in the course of gathering information in relation to the actual utilization of the Funding by the Company and/or the JOLs. The Company and the JSLs are in the course of formulating a detailed restructuring plan.

Since the restructuring of the Group may be subject to various sanctions and approvals by the relevant Courts, the Shareholders, the Stock Exchange, the creditors of the Company, etc., there is no guarantee that the proposed restructuring of the Group will be materialised. Shareholders and investors are advised to exercise caution in dealing in the securities of the Company.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Company's shares on The Stock Exchange of Hong Kong Limited was suspended from 9:00 a.m. on 4 October 2021 and will remain suspended until further notice. Shareholders and other investors are advised to exercise caution when dealing in the shares of the Company.

For and on behalf of
GTI Holdings Limited
(In Liquidation)
CHUA Suk Lin, Ivy
LAU Kwok Hung
Joint and Several Liquidators
acting as agents of the Company
without personal liability

Hong Kong, 30 March 2023

According to the information available from the previous announcement made by the Company, immediately before the making of winding up order against the Company by the Court, the Board comprises (i) Mr. Ng Kwok Hung Perry, Mr. Hao Xiangbin and Mr. Tan Teng Hong as executive Directors; and (ii) Mr. Chan Shu Kin, Mr. Chung Lim Tung, Mr. Ng Ka Lun and Mr. Zhou Weijia (alias Zhou Yi) as independent non-executive Directors.

The affairs, business and property of the Company are being managed by the Joint and Several Liquidators who act as the agents of the Company only and are not subject to personal liability.

