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Hong Kong Finance Group Limited

香港信貸集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1273)

DISCLOSEABLE TRANSACTION PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 18 November 2022, the Loan Agreement was entered into between HK Finance (PL) as the lender and Customer E as the Borrower. Pursuant to the Loan Agreement, HK Finance (PL) has agreed to grant the Loan to the Borrower for a principal amount of HK\$34,000,000.

LISTING RULES IMPLICATIONS

As an applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Loan granted to the Borrower exceeds 5% but is less than 25%, the grant of the Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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Summarised below are the principal terms of the Loan Agreement.

THE LOAN AGREEMENT

Date of the Loan Agreement	:	18 November 2022
Lender	:	HK Finance (PL)
Borrower	:	Customer E
Principal	:	HK\$34,000,000
Interest rate	:	1.10% per month (equivalent to 13.2% per annum)
Term	:	6 months commencing from the drawdown date
Security	:	A first legal charge/mortgage in respect of 42 car parking spaces located at Wong Chuk Hang Road, Hong Kong with valuation conducted by an independent property valuer based on the valuation date on 2 November 2022 with an aggregate amount of approximately HK\$49,200,000
Repayment	:	the Borrower will repay the interest on a monthly basis with the principal amount to be repaid at maturity of the Loan

INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN

The making of the Loan is collateralised. The collateral provided by the Borrower is sufficient based on the value of the mortgaged properties for the Loan determined by an independent valuer.

The advance in respect of the Loan is also made on the basis of the Group's credit assessments with reference to the facts that (i) the collateral provided by the Borrower is at the prime site in Hong Kong; (ii) the financial background and personal net worth of Ms. Law are solid to prove her repayment ability; and (iii) the term of the advance is short. After taking into account the factors as disclosed above in assessing the risks of the relevant advance, the Group considers that the risks involved in the advance to the Borrower are manageable.

FUNDING OF THE LOAN

The Group will finance the Loan with its general working capital.

INFORMATION ON THE BORROWER

Customer E is a company incorporated in Hong Kong engaging in the business of property investment holdings, and is indirectly and ultimately wholly-owned by Ms. Law, being an individual who is a merchant. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Customer E and Ms. Law are Independent Third Parties and not connected with the Group.

INFORMATION ON THE GROUP AND THE LENDER

The Company is an investment holding company. The Group is principally engaged in money lending business in Hong Kong and mainly provides mortgage loans under the Money Lenders Ordinance. HK Finance (PL), as the lender of the Loan, is an indirect wholly-owned subsidiary of the Company.

REASONS FOR ENTERING INTO THE LOAN AGREEMENT

Taking into account the principal business activities of the Group, the grant of the Loan to the Borrower is in the ordinary and usual course of business of the Group.

The terms of the Loan Agreement were negotiated on an arm's length basis between HK Finance (PL) and the Borrower. The Directors consider that the grant of the Loan is a financial assistance provided by the Group within the meaning of the Listing Rules. The Directors are of the view that the terms of the Loan Agreement were entered into on normal commercial terms based on the Group's credit policy. Taking into account the satisfactory financial background of the Borrower and of Ms. Law and that a stable revenue and cashflow stream from the interest income is expected, the Directors consider that the terms of the Loan Agreement are fair and reasonable and the entering into of the Loan Agreement is in the interests of the Company and its Shareholders as a whole.

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DEFINITIONS

In this announcement, the following expressions have the following meanings:

“Board”	the board of Directors
“Borrower” or “Customer E”	Yield Sail Limited (越海有限公司), a company incorporated in Hong Kong with limit liability pursuant to the Loan Agreement, and is an Independent Third Party
“Company”	Hong Kong Finance Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK Finance (PL)”	Hong Kong Finance (Personal Loan) Limited, a company incorporated in Hong Kong with limited liability with money lenders licence registered under Money Lenders Ordinance, and is an indirect wholly-owned subsidiary of the Company
“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
“Independent Third Party(ies)”	party(ies) who is/are independent of the Company and its connected person(s) (as defined in the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the secured loan in the principal amount of HK\$34,000,000 provided by HK Finance (PL) to the Borrower under the Loan Agreement
“Loan Agreement”	the loan agreement dated 18 November 2022 entered into between HK Finance (PL) and the Borrower
“Ms. Law”	Ms. Law Shuk Yi (羅淑意), an individual who is an Independent Third Party

“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

On behalf of the Board
Hong Kong Finance Group Limited
Chan Kwong Yin William
Chairman

Hong Kong, 18 November 2022

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

Executive Directors:

Mr. Chan Kwong Yin William (*Chairman*)
Mr. Chan Koung Nam
Mr. Tse Pui To (*Chief Executive Officer*)
Ms. Chan Siu Ching

Independent Non-executive Directors:

Mr. Chu Yat Pang Terry
Mr. Cheung Kok Cheong
Mr. Wong Kai Man