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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**

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The Board is pleased to announce that on 18 May 2023, the Loan Agreement was entered into between HK Finance as the lender and Customer A, Customer B, Customer C and Customer D, collectively as the Borrowers. Pursuant to the Loan Agreement, HK Finance has agreed to grant the Loan to the Borrowers for a principal amount of HK\$20,000,000.

**LISTING RULES IMPLICATIONS**

As an applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Loan granted to the Borrowers under the Loan Agreement 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 May 2023

Lender : HK Finance

Borrowers	: Customer A, Customer B, Customer C and Customer D
Principal	: HK\$20,000,000
Interest rate	: 1.2% per month (equivalent to 14.4% per annum)
Term	: 12 months commencing from the drawdown date
Security	: A mortgage in respect of a commercial property located at Lockhart Road, Hong Kong with valuation conducted by an independent property valuer with the amount of approximately HK\$94,000,000 as at 9 May 2023
Repayment	: the Borrowers will repay the interest on a monthly basis with a principal amount to be repaid at maturity

### **INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN**

The making of the Loan is collateralised. The collateral provided by the Borrowers for the Loan are sufficient based on the value of the mortgaged property 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 made with reference to (i) the collateral provided by the Borrowers which is at the prime site in Hong Kong; (ii) the Borrowers' net worth which is strong and solid to prove their repayment ability; and (iii) the relatively short term nature of the advance. 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 Borrowers are manageable.

### **FUNDING OF THE LOAN**

The Group will finance the Loan with the Group's general working capital.

### **INFORMATION ON THE BORROWERS**

The Customer D is a company incorporated in Hong Kong engaging in wine trading, and is directly owned by Customer A, Customer B and Customer C, being individuals who are merchants and are closely connected to each other. The Borrowers were approached by the Group through the Group's network. To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiry, the Borrowers 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 under the Money Lenders Ordinance. HK Finance, as the lender, 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 Borrowers 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 and the Borrowers. The Directors consider that the grant of the Loans 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 Borrowers 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
“Borrowers”	Customer A, Customer B, Customer C and Customer D collectively
“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
“Customer A”	Ms. Lau Kim Lai (劉劍麗), an individual who is an Independent Third Party and is closely connected with Customer B and Customer C
“Customer B”	Mr. Leong Chun Wai (梁俊煒), an individual who is an Independent Third Party and is closely connected with Customer A and C
“Customer C”	Mr. Leong Chun Kit (梁俊杰), an individual who is an Independent Third Party and is closely connected with Customer A and B
“Customer D”	Remfly HongKong Limited (寰發(香港)洋酒有限公司), a company incorporated in Hong Kong with limited liability, and pursuant to the Loan Agreement, is an Independent Third Party

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HK Finance”	Hong Kong Finance Company 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
“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 loan in the amount of HK\$20,000,000 provided by HK Finance to the Borrowers under the Loan Agreement
“Loan Agreement”	the loan agreement dated 18 May 2023 entered into between HK Finance and the Borrowers
“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 May 2023

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