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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 31 May 2023, the New Loan Agreements were entered into between HK Finance (PL) as the lender and Customer L as the Borrower. Pursuant to the New Loan Agreements, HK Finance (PL) has agreed to grant the New Loans to the Borrower for an aggregate principal amount of HK\$23,645,000.

Prior to the entering into the New Loan Agreements, HK Finance (PL), as the lender, has entered into the Previous Loan Agreement to grant the Previous Loan to the Borrower for a principal amount of HK\$34,000,000.

LISTING RULES IMPLICATIONS

The grant of New Loans and the Previous Loan requires aggregation under Rule 14.22 of the Listing Rules. As an applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the New Loans and the Previous Loan granted to the Borrower in aggregate exceeds 5% but is less than 25%, the grant of the New Loans constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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Further details of the Previous Loan Agreement for the Borrower has been set out in the Company's announcement dated 18 November 2022. Summarised below are the principal terms of the New Loan Agreements.

THE NEW LOAN AGREEMENTS

Date of Agreement	:	31 May 2023
Lender	:	HK Finance (PL)
Borrower	:	Customer L
Aggregate principal amount	:	HK\$23,645,000
Interest rate	:	0.96% per month (equivalent to 11.52% per annum)
Term	:	6 months commencing from the drawdown date
Security	:	A first legal charge/mortgage in respect of 33 car parking spaces located at Wong Chuk Hang Road, Hong Kong, with valuation conducted by an independent property valuer with the amount of approximately HK\$44,900,000 as at 24 May 2023
Repayment	:	the Borrower will repay the interest on a monthly basis with a principal amount to be repaid at the maturity

INFORMATION ON THE CREDIT RISK RELATING TO THE NEW LOANS

The proceeds of the New Loans are utilised for the full settlement of the outstanding balance of the Previous Loan. The making of the New Loans is collateralised. The collateral provided by the Borrower for the New Loans is sufficient based on the value of the mortgaged properties for the New Loans determined by an independent valuer.

The advance in respect of the New Loans 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; (iii) Customer L is a repeated customer with no default record in the Previous Loan; and (iv) 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 NEW LOANS

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

INFORMATION ON THE BORROWER

Customer L 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 L 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 under the Money Lenders Ordinance. HK Finance (PL), as the lender, is an indirect wholly-owned subsidiary of the Company.

REASONS FOR ENTERING INTO THE NEW LOAN AGREEMENTS

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

The terms of the New Loan Agreements were negotiated on an arm's length basis between HK Finance (PL) and the Borrower. The Directors consider that the grant of the New 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 New Loan Agreements 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 New Loan Agreements are fair and reasonable and the entering into of the New Loan Agreements 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 L”	Yield Sail Limited (越海有限公司), a company incorporated in Hong Kong with limit liability and, pursuant to the Loan Agreements, 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\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HK Finance (PL)”	Hong Kong Finance (Personal Loan) Limited, a company incorporated in Hong Kong with limited liability and 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
“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
“New Loans”	two mortgage loans in the aggregate amount of HK\$23,645,000 granted to the Borrower under the New Loan Agreements
“New Loan Agreements”	two loan agreements made between HK Finance (PL) and the Borrower for the New Loans both on 31 May 2023

“Previous Loan”	the mortgage loan in the principal amount of HK\$34,000,000 granted to the Borrower under the Previous Loan Agreement
“Previous Loan Agreement”	the loan agreement made between HK Finance (PL) and the Borrower for the Previous Loan and further details of which have been set out in the Company’s announcement dated 18 November 2022
“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, 1 June 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