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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 30 April 2024, the New Loan Agreement was entered into between HK Finance (PL) as the lender and Customer E and Customer F, collectively as the Borrowers. Pursuant to the New Loan Agreement, HK Finance (PL) has agreed to grant the New Loan to the Borrowers for a principal amount of HK\$14,000,000.

Prior to the entering into the New Loan Agreement, HK Finance (PL), as the lender, has entered into the Previous Loan Agreement to grant the Previous Loan to the Borrowers for a principal amount of HK\$14,000,000.

LISTING RULES IMPLICATIONS

Since the Previous Loan was granted by the HK Finance (PL) to the Borrowers within a 12-month period prior to the date HK Finance (PL) grants the New Loan to the Borrowers, the grant of the New 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 Loan and the Previous Loan granted to the Borrowers in aggregate exceeds 5% but is less than 25%, the grant of the New Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

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Prior to the entering into the New Loan Agreement, HK Finance (PL), as the lender, has entered into the Previous Loan Agreement to grant the Previous Loan to the Borrowers for a principal amount of HK\$14,000,000. The proceeds of the New Loan is used for the full settlement of the outstanding balance of the Previous Loan.

Further details of the Previous Loan Agreement for the Borrowers have been set out in the Company's announcement dated 29 August 2023. Summarised below are the principal terms of the New Loan Agreement.

THE NEW LOAN AGREEMENT

Date of the loan agreement	:	30 April 2024
Lender	:	HK Finance (PL)
Borrowers	:	Customer E and Customer F
Principal	:	HK\$14,000,000
Interest rate	:	1.3% per month (equivalent to 15.6% per annum)
Term	:	6 months commencing from the drawdown date
Security	:	A first legal charge mortgage in respect of a residential property with two car parking spaces located at Broom Road, Hong Kong with valuation conducted by an independent property valuer with the aggregate amount of approximately HK\$27,400,000 as at 27 March 2024
Repayment	:	the Borrowers will repay the monthly interest of HK\$182,000 with a principal amount to be repaid at maturity

INFORMATION ON THE CREDIT RISK RELATING TO THE NEW LOAN

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

The advance in respect of the New Loan is also made on the basis of the Group's credit assessments with reference to the facts that (i) the collaterals provided by the Borrowers are at the prime sites in Hong Kong; (ii) the Borrowers' net worth which is strong and solid to prove their repayment ability; (iii) the Borrowers are repeated customers with satisfactory repayment records; and (iv) 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 NEW LOAN

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

INFORMATION ON THE BORROWERS

Customer E and Customer F are individuals and the former is a retiree and the latter is a merchant and they are closely connected to each other. The Borrowers are repeated customers and were approached by the Group through the Group's network. To the best of the knowledge, information and belief of the Directors 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 (PL), as the lender of the New Loan and of the Previous Loan, is an indirect wholly-owned subsidiary of the Company.

REASONS FOR ENTERING INTO THE NEW LOAN AGREEMENT

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

The terms of the New Loan Agreement were negotiated on an arm's length basis between HK Finance (PL) and the Borrowers. The Directors consider that the grant of the New 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 New 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 New Loan Agreement are fair and reasonable and the entering into of the New Loan Agreement is in the interests of the Company and its Shareholders as a whole.

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Since the Previous Loan was granted by the HK Finance (PL) to the Borrowers within a 12-month period prior to the date HK Finance (PL) grants the New Loan to the Borrowers, the grant of the New 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 Loan and the Previous Loan granted to the Borrowers in aggregate exceeds 5% but is less than 25%, the grant of the New Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Borrowers”	Customer E and Customer F 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 E”	Ms. Tan Siu Ling Alice (譚兆齡), an individual who is an Independent Third Party and is closely connected with Customer F
“Customer F”	Mr. Lau Gerald (劉俊龍), an individual who is an Independent Third Party and is closely connected with Customer E
“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
“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 Loan”	the mortgage loan in the amount of HK\$14,000,000 granted to the Borrowers under the New Loan Agreement
“New Loan Agreement”	the loan agreement made between HK Finance (PL) and the Borrowers for the New Loan on 30 April 2024
“Previous Loan”	the mortgage loan in the amount of HK\$14,000,000 granted to the Borrowers under the Previous Loan Agreement
“Previous Loan Agreement”	the loan agreement made between HK Finance (PL) and the Borrowers for the Previous Loan and details of which have been set out in the Company’s announcement dated 29 August 2023
“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, 30 April 2024

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