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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 14 May 2024, the New Loan Agreement was entered into between HK Finance (PL) as the lender and Customer L as the Borrower. Pursuant to the New Loan Agreement, HK Finance (PL) has agreed to grant the New Loan to the Borrower for a principal amount of HK\$17,635,000.

Prior to the entering into the New Loan Agreement, HK Finance (PL), as the lender, has entered into the Previous Loan Agreements to grant the Previous Loans to the Borrower for an aggregate principal amount of HK\$25,755,000.

LISTING RULES IMPLICATIONS

Since the Previous Loans were granted by the HK Finance (PL) to the Borrower within a 12-month period prior to the date HK Finance (PL) grants the New Loan to the Borrower, the grant of the New Loan requires aggregation under Rule 14.22 of the Listing Rules. As certain applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the New Loan and the Previous Loans granted to the Borrower in aggregate exceed 5% but are 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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Further details of the Previous Loan Agreements for the Borrower have been set out in the Company's announcement dated 22 September 2023 and 1 June 2023 respectively. Summarised below are the principal terms of the New Loan Agreements.

THE NEW LOAN AGREEMENT

Date of the loan agreement	:	14 May 2024
Lender	:	HK Finance (PL)
Borrower	:	Customer L
Principal	:	HK\$17,635,000
Interest rate	:	1.15% per month (equivalent to 13.8% per annum)
Term	:	12 months commencing from the drawdown date
Security	:	A first legal charge/mortgage in respect of certain car parking spaces located at Wong Chuk Hang Road, Hong Kong, with valuation conducted by an independent property valuer with the aggregate amount of approximately HK\$44,600,000 as at 7 May 2024
Repayment	:	the Borrower will repay the monthly interest with a principal amount to be repaid at the maturity

INFORMATION ON THE CREDIT RISK RELATING TO THE NEW LOAN

Immediately prior to entering into the New Loan Agreement, the total outstanding principal of the Previous Loans was HK\$17,135,000. The proceeds of the New Loan is partially utilised for the full settlement of the outstanding balance of the Previous Loans. The making of the New Loan is collateralised. The collaterals provided by the Borrower for the New Loan are sufficient based on the market valuation 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 Borrower are at the prime site in Hong Kong; (ii) the financial background and personal net worth of Ms. Law are solid to prove the Borrower's repayment ability; (iii) Customer L is a repeated customer with no default record in the Previous Loans; 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 LOAN

The Group will finance the New Loan 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. The Borrower is a repeated customer and was 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, 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 of the New 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 Borrower 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 Borrower. 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 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 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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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 limited liability and, pursuant to the New 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
“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
“Ms. Law”	Ms. Law Shuk Yi (羅淑意), an individual who is an Independent Third Party
“New Loan”	the mortgage loan in the amount of HK\$17,635,000 granted to the Borrower under the New Loan Agreement
“New Loan Agreement”	the loan agreement made between HK Finance (PL) and the Borrower for the New Loan on 14 May 2024
“Previous Loan”	two mortgage loans in the aggregate principal amount of HK\$25,755,000 granted to the Borrower under the Previous Loan Agreements
“Previous Loan Agreements”	two loan agreements made between HK Finance (PL) and the Borrower for the Previous Loans and further details of which have been set out in the Company’s announcement dated 22 September 2023 and 1 June 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, 14 May 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