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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 24 October 2024, the New Loan Agreement was entered into between HK Finance as the lender and Customer M, Customer N and Customer O, collectively, as the Borrowers. Pursuant to the New Loan Agreement, HK Finance has agreed to grant the New Loan to the Borrowers for a principal amount of HK\$5,000,000.

Prior to the entering into the New Loan Agreement, HK Finance, as the lender, has entered into the Previous Loan Agreements to grant the Previous Loans to the Borrowers for the aggregate principal amount of HK\$7,000,000.

LISTING RULES IMPLICATIONS

Since the Previous Loans were granted by HK Finance to the Borrowers within a 12-month period prior to the date HK Finance grants the New Loan to the Borrowers, the grant of New Loan and the Previous Loans 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 Loans granted to the Borrowers in aggregate exceed 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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Summarised below are the principal terms of the New Loan Agreement and the Previous Loan Agreements.

As for the New Loan:

- Date of loan agreement : 24 October 2024
- Lender : HK Finance
- Borrowers : Customer M, Customer N and Customer O
- Principal : HK\$5,000,000
- Interest rate : 1.7% per month (i.e. 20.4% per annum)
- Term : 6 months commencing from the drawdown date
- Security : A mortgage in respect of:
 - (a) a residential property located at Sheung Shing Street, Kowloon;
 - (b) a car park space located at Sheung Shing Street, Kowloon (“**Sheung Shing Street Carpark Space**”);
 - (c) 3 car park spaces located at Laguna Verde Avenue, Kowloon (“**Laguna Verde Avenue Carpark Spaces**”);
 - (d) 2 car park spaces located at Lohas Park Road, New Territories (“**Lohas Park Road Carpark Spaces**”); and
 - (e) a car park space located at Wo Yi Hop Road, Kwai Chung (“**Wo Yi Hop Road Carpark Space**”)with valuation conducted by an independent property valuer with the aggregate amount of approximately HK\$42,200,000 in October 2024
- Repayment : the Borrowers will repay the interest of HK\$85,000 monthly with a principal sum to be repaid at the loan maturity

As for the Previous Loan A:

Date of loan Agreement : 18 June 2024
Lender : HK Finance
Borrower : Customer M
Principal : HK\$1,000,000
Interest rate : 1.2% per month (i.e. 14.4% per annum)
Term : 12 months commencing from the drawdown date
Security : A first mortgage in respect of Sheung Shing Street Carpark Space
Repayment : the Borrower will repay the interest of HK\$12,000 monthly with a principal sum to be repaid at the loan maturity

As for the Previous Loan B:

Date of loan Agreement : 25 July 2024
Lender : HK Finance
Borrowers : Customer M and Customer N
Principal : HK\$3,900,000
Interest rate : 1.2% per month (i.e. 14.4% per annum)
Term : 12 months commencing from the drawdown date
Security : A first mortgage in respect of Laguna Verde Avenue Carpark Spaces
Repayment : the Borrowers will repay the interest of HK\$46,800 monthly with a principal sum to be repaid at the loan maturity

As for the Previous Loan C:

Date of loan Agreement	:	29 July 2024
Lender	:	HK Finance
Borrower	:	Customer M
Principal	:	HK\$2,100,000
Interest rate	:	1.2% per month (i.e. 14.4% per annum)
Term	:	12 months commencing from the drawdown date
Security	:	A first mortgage in respect Lohas Park Road Carpark Spaces, and Wo Yi Hop Road Carpark Space
Repayment	:	the Borrower will repay the interest of HK\$25,200 monthly with a principal sum to be repaid at the loan maturity

INFORMATION ON THE CREDIT RISK RELATING TO THE NEW LOAN AND THE PREVIOUS LOANS

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

The advances in respect of the New Loan and the Previous Loans are 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 site in Hong Kong; (ii) the financial background and personal net worth of Customer M and Customer N are solid to prove the Borrower's repayment ability; (iii) Customer M and Customer N are repeated customers 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 advances, the Group considers that the risks involved in the advances to the Borrowers are manageable.

FUNDING OF THE NEW LOAN AND THE PREVIOUS LOANS

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

INFORMATION ON THE BORROWERS AND ULTIMATE BENEFICIAL OWNER

Customer O is a company incorporated in Hong Kong engaging in wine trading, and is ultimately and wholly-owned by Customer M. Customer M and Customer N are 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 of the New Loan and of the Previous Loans, is an indirect wholly-owned subsidiary of the Company.

REASONS FOR ENTERING INTO THE NEW LOAN AGREEMENT AND PREVIOUS LOAN AGREEMENTS

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

The terms of the New Loan Agreement and Previous Loan Agreements were negotiated on an arm's length basis between HK Finance and the Borrowers. The Directors consider that the grant of the New Loan and Previous Loans are 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 and the Previous Loan Agreements were entered into on normal commercial terms based on the Group's credit policy. Taking into account the satisfactory financial backgrounds 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 and Previous Loan Agreements are fair and reasonable and the entering into of the New Loan Agreement and Previous Loan Agreements is in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATIONS

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DEFINITIONS

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

“Board”	the board of Directors
“Borrowers”	Customer M, Customer N and Customer O 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 M”	Mr. Wong Man Yi (黃文宜), an individual who is an Independent Third Party and is closely connected with Customer N
“Customer N”	Mr. Wong Wai Chiu (黃偉超), an individual who is an Independent Third Party and is closely connected with Customer M
“Customer O”	W.Y. Holdings Limited (潤泉集團有限公司), 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
“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\$5,000,000 granted to the Borrowers under the New Loan Agreement
“New Loan Agreement”	the loan agreement made between HK Finance and the Borrowers for the New Loan dated 24 October 2024
“Previous Loans”	collectively Previous Loan A, Previous Loan B and Previous Loan C
“Previous Loan A”	the first mortgage loan in the amount of HK\$1,000,000 granted to Customer M under the Previous Loan Agreement A
“Previous Loan Agreements”	collectively Previous Loan Agreement A, Previous Loan Agreement B and Previous Loan Agreement C
“Previous Loan Agreement A”	the loan agreement made between HK Finance and Customer M for the Previous Loan A dated 18 June 2024
“Previous Loan B”	the first mortgage loan in the amount of HK\$3,900,000 granted to the Customer M and Customer N under the Previous Loan Agreement B
“Previous Loan Agreement B”	the loan agreement made between HK Finance and the Customer M and Customer N for the Previous Loan B dated 25 July 2024
“Previous Loan C”	the first mortgage loan in the amount of HK\$2,100,000 granted to Customer M
“Previous Loan Agreement C”	the loan agreement made between HK Finance and Customer M for the Previous Loan C dated 29 July 2024
“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, 24 October 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