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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 27 August 2024, the Loan Agreements were entered into between HK Finance (PL) as the lender and Customer G, Customer H and Customer I, collectively as the Borrowers. Pursuant to the Loan Agreements, HK Finance (PL) has agreed to grant the Loans to the Borrowers for principal amount of HK\$10,500,000 in aggregate.

LISTING RULES IMPLICATIONS

As an applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the Loans granted to the Borrowers under the Loan Agreements exceeds 5% but is less than 25%, the grant of the Loans 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 Agreements.

THE LOAN AGREEMENTS

Date of the Loan Agreements : 27 August 2024

Lender : HK Finance (PL)

Borrowers : Customer G, Customer H and Customer I

Security : A first legal charge in respect of a residential property located at Tai Hong Street, Hong Kong

As for the loan agreement (i):

Principal : HK\$9,500,000

Interest rate : 1.04% per month (equivalent to 12.48% per annum)

Term : 6 months commencing from the drawdown date

Repayment : the Borrowers will repay the interest on a monthly basis with a principal amount to be repaid at maturity of the loan

As for the loan agreement (ii):

Principal : HK\$1,000,000

Interest rate : 1.04% per month (equivalent to 12.48% per annum)

Term : 10 months commencing from the drawdown date

Repayment : the Borrowers will repay the monthly installment of HK\$105,809 each

INFORMATION ON THE CREDIT RISK RELATING TO THE LOANS

The making of the Loans is collateralised. The collateral provided by the Borrowers for the Loans are sufficient based on the value of the mortgaged properties for the Loans determined by an independent property valuer.

The advances in respect of the Loans were also made on the basis of the Group's credit assessments made on (i) the collateral provided by the Borrowers which is at the prime site in Hong Kong; (ii) the solid financial backgrounds and personal net worth of both Ms. Chan and Mr. Lui proving the Borrower's repayment ability; (iii) the Borrowers being repeated customers with satisfactory repayment history; and (iv) the relatively short term nature of the advances. 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 LOANS

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

INFORMATION ON THE BORROWERS AND ITS ULTIMATE BENEFICIAL OWNER

Customer G is a company incorporated in Hong Kong engaging in the business of property investment holdings, and is directly and ultimately owned by Customer H. Customer H and Customer I are individuals who are merchants and they are closely connected to each other. The Borrowers were approached by the Group through its 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, is an indirect wholly-owned subsidiary of the Company.

REASONS FOR ENTERING INTO THE LOAN AGREEMENTS

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

The terms of the Loan Agreements were negotiated on an arm's length basis between HK Finance (PL) 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 Agreements 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 Agreements are fair and reasonable and the entering into of the 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
“Borrowers”	Customer G, Customer H and Customer I collectively
“Customer G”	Conjoint Development Limited (康彩發展有限公司), a company incorporated in Hong Kong with limited liability, and pursuant to the Loan Agreements, is an Independent Third Party
“Customer H”	Ms. Chan Pik Lam (陳碧琳), an individual who is an Independent Third Party and is closely connected with Customer I
“Customer I”	Mr. Lui Tsz Chung (呂子聰), an individual who is an Independent Third Party and is closely connected with Customer H
“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 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
“Loans”	two secured loans in the principal amount of HK\$10,500,000 in aggregate provided by HK Finance (PL) to the Borrowers under the Loan Agreements

“Loan Agreements”	two loan agreements dated 27 August 2024 entered into between HK Finance (PL) 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, 27 August 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