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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 21 October 2013, the Loan Agreements were entered into between HK Finance, an indirect wholly-owned subsidiary of the Company as lender, and Customer A and Customer B as the Borrowers. Pursuant to the Loan Agreements, HK Finance granted two secured loans in the aggregate principal amount of HK\$33.4 million to the Borrowers for a term of twelve months.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of financial assistance granted to the Borrowers were more than 5% but less than 25%, the Loans granted under the Loan Agreements constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements under the Listing Rules.

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The principal terms of the Loan Agreements are set out below:

THE LOAN AGREEMENT A

Date of the Loan Agreement : 21 October 2013
Lender : HK Finance
Borrowers : Customer A and Customer B

Principal	:	HK\$14.4 million
Interest rate	:	1% per month (i.e. 12% per annum) and payable monthly in arrears in the sum of HK\$144,000 each
Repayment Term	:	To be repaid on or before 21 October 2014 or such other date as mutually agreed by the parties to the Loan Agreements
Security	:	An all-money first legal charge/mortgage in favour of HK Finance in respect of a residential property located in Hong Kong, with valuation conducted by an independent property valuer on 17 October 2013 with an amount of approximately HK\$49.0 million
Early repayment	:	The mortgagor shall have an option at any time to make early repayment of the whole or part of the said loan after the drawdown date subject to the mortgagor (i) giving HK Finance not less than one calendar month's advance notice in writing; or (ii) paying to HK Finance one month's interest on the amount repaid in lieu is required.

THE LOAN AGREEMENT B

Date of the Loan Agreement	:	21 October 2013
Lender	:	HK Finance
Borrowers	:	Customer A and Customer B
Principal	:	HK\$19.0 million
Interest rate	:	2% per month (i.e. 24% per annum) and payable monthly in arrears in the sum of HK\$380,000 each
Repayment Term	:	To be repaid on or before 21 October 2014 or such other date as mutually agreed by the parties to the Loan Agreements
Security	:	A subordinate legal charge/mortgage in favour of HK Finance in respect of a residential property located in Hong Kong, with valuation conducted by an independent property valuer on 17 October 2013 with an amount of approximately HK\$49.0 million
Early repayment	:	The mortgagor shall have an option at any time to make early repayment of the whole or part of the said loan after the drawdown date subject to the mortgagor (i) giving HK Finance not less than one calendar month's advance notice in writing; or (ii) paying to HK Finance one month's interest on the amount repaid in lieu is required.

FUNDING OF THE LOANS

HK Finance will finance the Loans with the Group's internal generated funds.

INFORMATION ON THE BORROWERS

The Borrowers are individuals who are repeated customers approached by the Group through its network. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, each of the Borrowers is a third party independent of the Group and its connected persons.

REASONS FOR THE LOAN AGREEMENTS

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in money lending business of providing property mortgage loans in Hong Kong.

The granting of the Loans to the Borrowers pursuant to the Loan Agreements is in the ordinary course of business of the Group. The Directors consider that the granting of the Loans is a financial assistance provided by the Company within the meaning of the Listing Rules.

The terms of the Loan Agreements were negotiated on an arm's length basis between HK Finance and the Borrowers and were normal commercial terms based on the Company's credit policy. Taking into account the financial background and repayment ability of the Borrowers, the Directors are of view that a stable revenue and cashflow stream from interest income is expected to be generated from the Loans. The Directors consider and believe that the terms of the Loan Agreements and the entering into of the Loan Agreements are fair and reasonable and 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 A and Customer B
“Company”	Hong Kong Finance Group Limited (香港信貸集團有限公司), 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 A”	a borrower being an individual and a third party independent of the Group and its connected persons and also the mortgagor of the Loans

“Customer B”	a borrower being an individual and a third party independent of the Group and its connected persons
“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, which is an indirect wholly-owned subsidiary of the Company.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loans”	the secured loans granted by HK Finance to Customer A and Customer B pursuant to the Loan Agreements
“Loan Agreement A”	the loan agreement dated 21 October 2013 entered into between HK Finance and Customer A and Customer B in respect of a secured loan with principal amount of HK\$14.4 million
“Loan Agreement B”	the loan agreement dated 21 October 2013 entered into between HK Finance and Customer A and Customer B in respect of a secured loan with principal amount of HK\$19.0 million
“Loan Agreements”	the Loan Agreement A and the Loan Agreement B collectively
“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, 21 October, 2013

As at the date of this announcement, the Board comprises Mr. Chan Kwong Yin, William (Chairman), Mr. Chan Koung Nam and Mr. Tse Pui To (Chief Executive Officer) being the executive Directors, Mr. Chan Siu Wing, Raymond, Mr. Chu Yat Pang Terry and Mr. Cheung Kok Cheong being the independent non-executive Directors.