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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 15 December 2023, the New Loan Agreement was entered into between HK Finance (PL) as the lender and Customer U, Customer V and Customer W, 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\$5,000,000.

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 Borrowers for the aggregate principal amount of HK\$26,600,000.

**LISTING RULES IMPLICATIONS**

Since the Previous Loans were granted by 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 New Loan and the Previous Loans 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 Borrowers 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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Summarised below are the principal terms of the New Loan Agreement and Previous Loan Agreements.

*As for the New Loan:*

Date of the loan agreement	:	15 December 2023
Lender	:	HK Finance (PL)
Borrowers	:	Customer U, Customer V and Customer W
Principal	:	HK\$5,000,000
Interest rate	:	14.4% per annum
Term	:	120 months commencing from the drawdown date
Security	:	A mortgage loan in respect of a residential property located at Hereford Road, Kowloon, Hong Kong, with valuation conducted by an independent property valuer with the amount of approximately HK\$51,500,000 as at 30 November 2023
Repayment	:	the Borrowers will repay the monthly instalments of HK\$78,840 with the last instalment of HK\$78,902 to be repaid at the loan maturity

*As for the Previous Loan A:*

Date of the loan agreement	:	2 March 2023
Lender	:	HK Finance (PL)
Borrowers	:	Customer U, Customer V and Customer W
Principal	:	HK\$1,000,000
Interest rate	:	1.375% per month (equivalent to 16.5% per annum)
Term	:	2 months commencing from the drawdown date

Security	:	A mortgage in respect of a residential property located at Hereford Road, Kowloon, Hong Kong, with valuation conducted by an independent property valuer with the amount of approximately HK\$57,000,000 as at 21 February 2023
Repayment	:	the Borrowers will repay the interest on a monthly basis with a principal sum to be repaid at the maturity
Remarks	:	The Previous Loan A was fully settled by utilising the proceeds from the Previous Loan B

*As for the Previous Loan B:*

Date of the loan agreement	:	29 March 2023
Lender	:	HK Finance (PL)
Borrowers	:	Customer U, Customer V and Customer W
Principal	:	HK\$25,600,000
Interest rate	:	1.1% per month (equivalent to 13.2% per annum)
Term	:	12 months commencing from the drawdown date
Security	:	A mortgage in respect of a residential property located at Hereford Road, Kowloon, Hong Kong, with valuation conducted by an independent property valuer with the amount of approximately HK\$57,000,000 as at 21 February 2023
Repayment	:	the Borrowers will repay the interest on a monthly basis with a principal sum to be repaid at the loan maturity
Remarks	:	The proceeds of the Previous Loan B was partially utilised for the full settlement of the Previous Loan A

**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 Customer U, Customer V and Customer W for the New Loan and the Previous Loans are sufficient based on the value of the mortgaged property 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 is at the prime site in Hong Kong; (ii) the Borrowers are repeated customers with no default record; (iii) the personal net wealth of Customer V and Customer W proves the Borrowers' repayment ability; and (iv) repayment records of the Previous Loans are satisfactory. 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**

Customer U is a company incorporated in Hong Kong engaging in the business of property investment holdings, and is directly and ultimately owned by Customer V and Customer W, being individuals who are merchants and are closely connected to each other. The Borrowers are repeated customers and 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 NEW LOAN AGREEMENT AND PREVIOUS LOAN AGREEMENTS**

Taking into account the principal business activities of the Group, the grant of the New Loan and the 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 the Previous 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 New Loan and the 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 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 and the Previous Loan Agreements are fair and reasonable and the entering into of the New Loan Agreement and the Previous Loan Agreements is in the interests of the Company and its Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Since the Previous Loans were granted by 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 New Loan and the Previous Loans 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 Borrowers 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.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Borrowers”	Customer U, Customer V and Customer W 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 U”	Regent Epoch Investments Limited (展泰投資有限公司), a company incorporated in Hong Kong with limited liability and is an Independent Third Party
“Customer V”	Mr. Keung Kwok Yan (姜國仁), an individual who is an Independent Third Party and is closely connected with Customer W

“Customer W”	Ms. So Mei Mei (蘇美美), an individual who is an Independent Third Party and is closely connected with Customer V
“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\$5,000,000 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 15 December 2023
“Previous Loans”	collectively Previous Loan A and Previous Loan B
“Previous Loan A”	the mortgage loan in the amount of HK\$1,000,000 granted to the Borrowers under the Previous Loan Agreement A
“Previous Loan Agreements”	collectively Previous Loan Agreement A and Previous Loan Agreement B

“Previous Loan Agreement A”	the loan agreement made between HK Finance (PL) and the Borrowers for the Previous Loan A dated 2 March 2023
“Previous Loan B”	the mortgage loan in the amount of HK\$25,600,000 granted to the Borrowers under the Previous Loan Agreement B
“Previous Loan Agreement B”	the loan agreement made between HK Finance (PL) and the Borrowers for the Previous Loan B dated 29 March 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, 15 December 2023

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