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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO 2022 ANNUAL REPORT

Reference is made to the annual report of Hong Kong Finance Group Limited (the “**Company**”) for the year ended 31 March 2022 published by the Company on 19 July 2022 (the “**Annual Report**”). Unless the context otherwise requires, capitalised terms used in this announcement shall have the same meanings as those defined in the Annual Report.

The Company hereby provides the following supplemental information regarding the loans provided by the Group disclosed in the Annual Report.

(i) Major terms of the loans granted (including details of the interest rates and the collaterals)

The Group offers two types of loans which include property mortgage loans and personal loans.

For property mortgage loans, the Group granted secured loans to customers and held collaterals against loan receivables in the form of mortgages over properties owned by these customers. All of these collaterals were located in Hong Kong, of which approximate 90% of them were residential properties and commercial properties and the remaining of 10% were industrial properties and car park spaces. The total gross amount of property mortgage loans were accounted for approximately 80.4% of the entire loan portfolio of the Group as at 31 March 2022. The interest rates of the property mortgage loans ranged from 9% to 36% which were determined with reference to the quality and the location of the collaterals provided by the customers, type of mortgages, loan-to-value ratios, loan amounts, tenors, customers’ net worth, etc..

For personal loans, the Group granted unsecured loans to customers who were mainly the property owners. The total amount of personal loans were accounted for approximately 19.6% of the entire loan portfolio of the Group as at 31 March 2022. The interest rates of the personal loans were matched and charged to customers of differing risk levels and ranged from 10% to 44% which were determined with reference to factors such as the size of the loans, whether the customers were the property owners with credit history and rating meeting the Group's credit policies, whether customers could provide income proof or other source of income showing their repayment abilities.

(ii) The details of the size and diversity of customers

As at 31 March 2022, the Group had 739 active customers, of which 684 of them were individual customers and the remaining of 55 were corporate customers; and of which 394 of them were mortgage loan customers and 345 of them were personal loan customers. The top five customers and the single largest customer constituted 7.9% and 1.6%, respectively of the total gross loan receivables of the Group as at 31 March 2022.

On behalf of the Board
Hong Kong Finance Group Limited
Chan Kwong Yin William
Chairman

Hong Kong, 19 October 2022

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*)

Independent Non-executive Directors:

Mr. Chan Siu Wing Raymond
Mr. Chu Yat Pang Terry
Mr. Cheung Kok Cheong