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New Century Group Hong Kong Limited
新世紀集團香港有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 234)

DISCLOSEABLE TRANSACTION
PROVISION OF FINANCIAL ASSISTANCE

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The Board is pleased to announce that on 12 May 2023, the New Loan Agreement was entered into between ETC Finance, an indirect non-wholly owned subsidiary of the Company, as lender, and the Customers, as borrowers. Pursuant to the New Loan Agreement, ETC Finance agreed to grant a mortgage loan in the principal sum of HK\$12,600,000 to the Customers for a term of 24 months.

Before entering into of the New Loan Agreement, ETC Finance has entered into with the Customers the Existing Loan Agreement for granting a mortgage loan in the principal sum of HK\$6,800,000 for a term of 24 months to the Customers.

LISTING RULES IMPLICATIONS

The grant of the New Loan requires aggregation with the Existing Loan under Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios in respect of the New Loan and the Existing Loan in aggregate is more than 5% but less than 25% under Rule 14.07 of the Listing Rules, the grant of the New Loan and the Existing Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

* *For identification purpose only*

PROVISION OF THE NEW LOAN

The Board is pleased to announce that on 12 May 2023, the New Loan Agreement was entered into between ETC Finance, an indirect non-wholly owned subsidiary of the Company, as lender, and the Customers, as borrowers. Pursuant to the New Loan Agreement, ETC Finance agreed to grant a mortgage loan in the principal sum of HK\$12,600,000 to the Customers for a term of 24 months. The principal terms of the New Loan Agreement are set out below:

NEW LOAN AGREEMENT

Date of agreement	:	12 May 2023
Lender	:	ETC Finance
Borrowers	:	The Customers
Principal	:	HK\$12,600,000
Interest rate	:	9.25% per annum
Repayment	:	Interest repayable by 24 monthly instalments with the principal repayable at the last instalment
Prepayment	:	The borrowers may prepay to the lender all outstanding balance of the loan together with interest accrued by giving prior one month written notice to the lender
Security	:	A first legal charge in favour of the lender over a residential property located in Tai Kok Tsui with valuation conducted by an independent professional property valuer on 3 May 2023 in amount of HK\$17,000,000

PROVISION OF THE EXISTING LOAN

Before entering into of the New Loan Agreement, ETC Finance has entered into with the Customers the Existing Loan Agreement for granting a mortgage loan in the principal sum of HK\$6,800,000 for a term of 24 months to the Customers. The principal terms of the Existing Loan Agreement are set out as follows:

EXISTING LOAN AGREEMENT

Date of agreement	: 2 September 2022
Lender	: ETC Finance
Borrowers	: The Customers
Principal	: HK\$6,800,000
Interest rate	: 9.00% per annum
Repayment	: Interest repayable by 24 monthly instalments with the principal repayable at the last instalment
Prepayment	: The borrowers may prepay to the lender all outstanding balance of the loan together with interest accrued by giving prior one month written notice to the lender
Security	: A first legal charge in favour of the lender over a residential property located in Sham Shui Po with valuation conducted by an independent professional property valuer on 28 July 2022 in amount of HK\$9,400,000

FUNDING OF THE NEW LOAN

The Group will finance the New Loan with its general working capital.

INFORMATION ON THE CREDIT RISK RELATING TO THE NEW LOAN

The grant of the New Loan was based on the collaterals provided by the Customers, the credit assessments on the financial strength and repayment ability of the Customers, together with the relatively short term nature of the New Loan. After taking into account all such factors, the Directors consider that the risks involved in the New Loan are relatively low and manageable.

INFORMATION ON THE CUSTOMERS

Customer A

Customer A is a merchant, the spouse of Customer B and a repeated customer of ETC Finance with no default record. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Customer A is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Customer B

Customer B is a merchant, the spouse of Customer A and a repeated customer of ETC Finance with no default record. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Customer B is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE NEW LOAN AGREEMENT

The principal activities of the Group comprise money lending, property investment and securities trading.

The terms of the New Loan Agreement (including the interest rate) were negotiated on an arm's length basis between ETC Finance and the Customers in accordance with the credit policy of ETC Finance. Taking into account the financial background and repayment ability of the Customers, the Directors are of view that a stable revenue and cashflow stream from interest income for the Group is expected to be generated from the New Loan. The Directors consider and believe that the terms of the New Loan Agreement are fair and reasonable and the entering into of the New Loan Agreement is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The grant of the New Loan requires aggregation with the Existing Loan under Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios in respect of the New Loan and the Existing Loan in aggregate is more than 5% but less than 25% under Rule 14.07 of the Listing Rules, the grant of the New Loan and the Existing Loan constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

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

“Board”	The board of Directors
“Company”	New Century Group Hong Kong Limited, a company incorporated in Bermuda with limited liability, whose shares are listed on the main board of the Stock Exchange with stock code 234
“Customer A”	Mr. Lam Siu Hong, one of the borrowers under the New Loan Agreement and the Existing Loan Agreement
“Customer B”	Ms. Liu Lai Kuen Linda, one of the borrowers under the New Loan Agreement and the Existing Loan Agreement
“Customers”	Customer A and Customer B
“Directors”	the directors of the Company

“ETC Finance”	ETC Finance Limited, a company incorporated in Hong Kong with limited liability and with money lenders licence registered under Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), which is an indirect non-wholly owned subsidiary of the Company
“Existing Loan”	a mortgage loan in the principal sum of HK\$6,800,000 granted by ETC Finance to the Customers pursuant to the Existing Loan Agreement
“Existing Loan Agreement”	the loan agreement dated 2 September 2022 entered into between ETC Finance and the Customers, particulars of which are stated in the section headed “Existing Loan Agreement” in this announcement
“Group”	the Company and its subsidiaries
“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
“New Loan”	a mortgage loan in the principal sum of HK\$12,600,000 granted by ETC Finance to the Customers pursuant to the New Loan Agreement
“New Loan Agreement”	the loan agreement dated 12 May 2023 entered into between ETC Finance and the Customers, particulars of which are stated in the section headed “New Loan Agreement” in this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

On behalf of the Board
Ng Wee Keat
Chairman

Hong Kong, 12 May 2023

As at the date of this announcement, the Board comprises Mr. Ng Wee Keat (Chairman), Ms. Sio Ion Kuan (Deputy Chairman), Ms. Ng Siew Lang, Linda (Chief Operating Officer), Ms. Lilian Ng, Ms. Chen Ka Chee and Mr. Yu Wai Man as executive directors and Mr. Cheung Chun Kwok, Mr. Kwan Kai Kin, Kenneth and Mr. Ho Yau Ming as independent non-executive directors.