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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

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 6 October 2023, ETC Finance, an indirect non-wholly owned subsidiary of the Company as lender, entered into the Loan Agreement with Customer C, as borrower and Guarantor A as guarantor. Pursuant to the Loan Agreement, ETC Finance agreed to grant a mortgage loan in the principal sum of HK\$4,600,000 to Customer C for a term of 12 months.

Before entering into of the Loan Agreement, ETC Finance has entered into (i) the Existing Loan Agreement A with Customer A, as borrower and with Customer B, Guarantor A and Guarantor B as guarantors, for granting a mortgage loan in the principal sum of HK\$41,000,000 to Customer A for a term of 12 months; and (ii) the Existing Loan Agreement B with Customer B, as borrower and with Customer A, Guarantor A and Guarantor B as guarantors, for granting a mortgage loan in the principal sum of HK\$16,000,000 to Customer B for a term of 12 months.

LISTING RULES IMPLICATIONS

As each of the Customers and their respective guarantors are associated with each other (details of their relationship are set out in the section headed “Information on the Customers and their respective guarantors” in this announcement), the grant of the Loan and the Existing Loans shall be aggregated under Rule 14.22 of the Listing Rules. As certain of the applicable percentage ratios in respect of the Loan and the Existing Loans are more than 5% but less than 25% under Rule 14.07 of the Listing Rules, the grant of the Loan and the Existing Loans 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 LOAN

The Board is pleased to announce that on 6 October 2023, ETC Finance, an indirect non-wholly owned subsidiary of the Company as lender, entered into the Loan Agreement with Customer C, as borrower and Guarantor A as guarantor. Pursuant to the Loan Agreement, ETC Finance agreed to grant a mortgage loan in the principal sum of HK\$4,600,000 to Customer C for a term of 12 months. The principal terms of the Loan Agreement are set out below:

LOAN AGREEMENT

Date of agreement	:	6 October 2023
Lender	:	ETC Finance
Borrower	:	Customer C
Guarantor	:	Guarantor A
Principal	:	HK\$4,600,000
Interest rate	:	9.0% per annum
Repayment	:	Interest repayable by 12 monthly instalments with the principal repayable at the last instalment
Prepayment	:	The borrower 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 Mei Foo with valuation conducted by an independent professional property valuer on 12 September 2023 in amount of HK\$7,200,000

PROVISION OF THE EXISTING LOANS

Before entering into of the Loan Agreement, ETC Finance has entered into (i) the Existing Loan Agreement A with Customer A, as borrower and with Customer B, Guarantor A and Guarantor B as guarantors, for granting a mortgage loan in the principal sum of HK\$41,000,000 to Customer A for a term of 12 months; and (ii) the Existing Loan Agreement B with Customer B, as borrower and with Customer A, Guarantor A and Guarantor B as guarantors, for granting a mortgage loan in the principal sum of HK\$16,000,000 to Customer B for a term of 12 months. The principal terms of the Existing Loan Agreements are set out as follows:

EXISTING LOAN AGREEMENTS

Existing Loan Agreement A

Date of agreement	:	18 September 2023
Lender	:	ETC Finance
Borrower	:	Customer A
Guarantors	:	Customer B, Guarantor A and Guarantor B
Principal	:	HK\$41,000,000
Interest rate	:	8.5% per annum
Repayment	:	Interest repayable by 12 monthly instalments with the principal repayable at the last instalment
Prepayment	:	The borrower 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 two retail shops located in Tai Wai with valuation conducted by an independent professional property valuer on 3 August 2023 in aggregate amount of HK\$60,000,000

Existing Loan Agreement B

Date of agreement	:	18 September 2023
Lender	:	ETC Finance
Borrower	:	Customer B
Guarantors	:	Customer A, Guarantor A and Guarantor B
Principal	:	HK\$16,000,000
Interest rate	:	8.5% per annum
Repayment	:	Interest repayable by 12 monthly instalments with the principal repayable at the last instalment

- Prepayment : The borrower 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 an office unit located in Kowloon Bay with valuation conducted by an independent professional property valuer on 3 August 2023 in amount of HK\$25,000,000

FUNDING OF THE LOAN

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

INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN

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

INFORMATION ON THE CUSTOMERS AND THEIR RESPECTIVE GUARANTORS

Customer A

Customer A is a company incorporated in Hong Kong and its principal activity is investment holding. Customer A is a repeated customer of ETC Finance with no default record. Guarantor A is the sole director and the sole shareholder of Customer A. Customer A is also one of the guarantors under the Existing Loan Agreement B. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Customer A and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Customer B

Customer B is a company incorporated in Hong Kong and its principal activity is investment holding. Customer B is a repeated customer of ETC Finance with no default record. Guarantor A and Guarantor B are the directors and shareholders of Customer B. Customer B is also one of the guarantors under the Existing Loan Agreement A. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Customer B and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Customer C

Customer C is a company incorporated in Hong Kong and its principal activity is investment holding. Guarantor A is the sole director and the sole shareholder of Customer C. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Customer C and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Guarantor A

Guarantor A is an individual, a merchant, the father of Guarantor B, the sole director and the sole shareholder of Customer A and Customer C, one of the directors and shareholders of Customer B, the guarantor of the Loan Agreement as well as one of the guarantors under the Existing Loan Agreements. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Guarantor A is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Guarantor B

Guarantor B is an individual, a merchant, the son of Guarantor A, one of the directors and shareholders of Customer B as well as one of the guarantors under the Existing Loan Agreements. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Guarantor 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 LOAN AGREEMENT

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

The terms of the Loan Agreement (including the interest rate) were negotiated on an arm's length basis between ETC Finance, Customer C and Guarantor A based on the credit policy of ETC Finance. Taking into account the financial background and repayment ability of the Customer C and Guarantor A, 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 Loan. The Directors consider and believe that the terms of the Loan Agreement are fair and reasonable and the entering into of the Loan Agreement is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As each of the Customers and their respective guarantors are associated with each other (details of their relationship are set out in the section headed "Information on the Customers and their respective guarantors" in this announcement), the grant of the Loan and the Existing Loans shall be aggregated under Rule 14.22 of the Listing Rules. As certain of the applicable percentage ratios in respect of the Loan and the Existing Loans are more than 5% but less than 25% under Rule 14.07 of the Listing Rules, the grant of the Loan and the Existing Loans 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”	Procida Limited, a company incorporated in Hong Kong, the borrower under the Existing Loan Agreement A and one of the guarantors under the Existing Loan Agreement B
“Customer B”	New Action International Limited, a company incorporated in Hong Kong, the borrower under the Existing Loan Agreement B and one of the guarantors under the Existing Loan Agreement A
“Customer C”	Cosmo Pro Limited, a company incorporated in Hong Kong and the borrower under the Loan Agreement
“Customers”	Customer A, Customer B and Customer C
“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 Loans”	two mortgage loans in the principal sum of HK\$41,000,000 and HK\$16,000,000 granted by ETC Finance to Customer A and Customer B pursuant to the Existing Loan Agreement A and the Existing Loan Agreement B, respectively
“Existing Loan Agreement A”	the loan agreement dated 18 September 2023 entered into between ETC Finance, Customer A, Customer B, Guarantor A and Guarantor B, particulars of which are stated in the section headed “Existing Loan Agreement A” in this announcement
“Existing Loan Agreement B”	the loan agreement dated 18 September 2023 entered into between ETC Finance, Customer A, Customer B, Guarantor A and Guarantor B, particulars of which are stated in the section headed “Existing Loan Agreement B” in this announcement

“Existing Loan Agreements”	Existing Loan Agreement A and Existing Loan Agreement B
“Group”	the Company and its subsidiaries
“Guarantor A”	Mr. Lau Kong Sing, the guarantor under the Loan Agreement and one of the guarantors under the Existing Loan Agreements
“Guarantor B”	Mr. Lau Ka Ho, one of the guarantors under the Existing Loan Agreements
“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
“Loan”	a mortgage loan in the principal sum of HK\$4,600,000 granted by ETC Finance to Customer C pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 6 October 2023 entered into between ETC Finance, Customer C and Guarantor A, particulars of which are stated in the section headed “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.

By order of the Board
New Century Group Hong Kong Limited
Ng Wee Keat
Chairman

Hong Kong, 6 October 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, Mr. Yu Wai Man and Ms. Huang Si Teng as executive directors and Mr. Cheung Chun Kwok, Mr. Kwan Kai Kin, Kenneth, Mr. Ho Yau Ming and Mr. Wong Steve Cheuk Hung as independent non-executive directors.