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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 5 September 2024, 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\$30,200,000 to the Customers for a term of 12 months.

Before entering into of the New Loan Agreement, ETC Finance as lender has entered into the Previous Loan Agreements with Customer A as borrower and Customer B and Customer C as guarantors for granting two mortgage loans to Customer A in the principal sum of HK\$5,954,744 and HK\$11,500,000 for a term of 14 months and 6 months, respectively. Part of the loan proceed from the New Loan has been used to fully settle the outstanding principal of the Previous Loans on 5 September 2024.

LISTING RULES IMPLICATIONS

As certain of the applicable percentage ratios in respect of the New Loan are more than 5% but less than 25% under Rule 14.07 of the Listing Rules, the grant of the New 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 5 September 2024, 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\$30,200,000 to the Customers for a term of 12 months. The principal terms of the New Loan Agreement are set out below:

NEW LOAN AGREEMENT

- Date of agreement : 5 September 2024
- Lender : ETC Finance
- Borrowers : The Customers
- Principal : HK\$30,200,000
- Interest rate : 9.85% per annum
- Repayment : Interest repayable by 12 monthly instalments with the principal repayable at the last instalment
- Security : A first legal charge over the following properties in favour of the lender:
- (a) an office unit located in Central (“Property I”) with valuation conducted by an independent professional property valuer on 17 July 2024 in amount of HK\$9,500,000;
 - (b) an office unit located in Central (“Property II”) with valuation conducted by an independent professional property valuer on 17 July 2024 in amount of HK\$21,000,000;
 - (c) a residential property located in Tsim Sha Tsui (“Property III”) with valuation conducted by an independent professional property valuer on 17 July 2024 in amount of HK\$9,000,000;
 - (d) an industrial property located in Chai Wan (“Property IV”) with valuation conducted by an independent professional property valuer on 17 July 2024 in amount of HK\$7,800,000; and

- (e) an industrial property located in Kwai Chung (“Property V”) with valuation conducted by an independent professional property valuer on 25 July 2024 in amount of HK\$5,500,000

PROVISION OF THE PREVIOUS LOANS

Before entering into of the New Loan Agreement, ETC Finance as lender has entered into the Previous Loan Agreements with Customer A as borrower and Customer B and Customer C as guarantors for granting two mortgage loans to Customer A in the principal sum of HK\$5,954,744 and HK\$11,500,000 for a term of 14 months and 6 months, respectively. The principal terms of the Previous Loan Agreements are set out as follows:

PREVIOUS LOAN AGREEMENTS

Previous Loan Agreement A

Date of agreement	: 29 June 2023
Lender	: ETC Finance
Borrower	: Customer A
Guarantors	: Customer B and Customer C
Principal	: HK\$5,954,744
Interest rate	: 8.00% per annum
Repayment	: Interest repayable by 14 monthly instalments with the principal repayable at the last instalment
Security	: A first legal charge in favour of the lender over Property I with valuation conducted by an independent professional property valuer on 27 February 2023 in amount of HK\$10,500,000

The outstanding principal of Previous Loan A has been fully settled by part of the loan proceed from the New Loan on 5 September 2024.

Previous Loan Agreement B

Date of agreement	: 31 January 2024
Lender	: ETC Finance
Borrower	: Customer A
Guarantors	: Customer B and Customer C
Principal	: HK\$11,500,000
Interest rate	: 8.00% per annum
Repayment	: Interest repayable by 6 monthly instalments with the principal repayable at the last instalment
Security	: A first legal charge over the following properties in favour of the lender: <ul style="list-style-type: none">(a) Property III with valuation conducted by an independent professional property valuer on 8 December 2023 in amount of HK\$10,000,000; and(b) Property IV with valuation conducted by an independent professional property valuer on 8 December 2023 in amount of HK\$8,300,000

The outstanding principal of Previous Loan B has been fully settled by part of the loan proceed from the New Loan on 5 September 2024.

FUNDING OF THE NEW LOAN

The Group will finance the New Loan with its general working capital. Part of the loan proceed from the New Loan has been used to fully settle the outstanding principal of the Previous Loans on 5 September 2024.

INFORMATION ON THE CREDIT RISK RELATING TO THE NEW LOAN

The grant of the New Loan was based on the collaterals provided by Customer A and Customer C, 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 company incorporated in Hong Kong and its principal activity is property investment and a repeated customer of ETC Finance with no default record. Customer B and Customer C are the directors and shareholders of Customer A. 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 an individual, a merchant, the spouse of Customer C, one of the directors and shareholders of Customer A and a repeated customer of ETC Finance with no default record. Customer B holds 80% equity and beneficial interests of Customer A. 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).

Customer C

Customer C is an individual, a merchant, the spouse of Customer B, one of the directors and shareholders of Customer A and a repeated customer of ETC Finance with no default record. Customer C holds 20% equity and beneficial interests of Customer A. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Customer C 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 among ETC Finance and the Customers based on the credit policy of ETC Finance. After 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

As certain of the applicable percentage ratios in respect of the New Loan are more than 5% but less than 25% under Rule 14.07 of the Listing Rules, the grant of the New 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”	Y. K. Audio Limited, a company incorporated in Hong Kong, one of the borrowers under the New Loan Agreement and the borrower under the Previous Loan Agreements
“Customer B”	Mr. Chan Ying Kwong, one of the borrowers under the New Loan Agreement and one of the guarantors under the Previous Loan Agreements
“Customer C”	Ms. Chan Tak Wai, Daisy, one of the borrowers under the New Loan Agreement and one of the guarantors under the Previous Loan Agreements
“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
“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\$30,200,000 granted by ETC Finance to the Customers pursuant to the New Loan Agreement
“New Loan Agreement”	the loan agreement dated 5 September 2024 entered into between ETC Finance and the Customers, particulars of which are stated in the section headed “New Loan Agreement” in this announcement
“Previous Loan A”	a mortgage loan in the principal sum of HK\$5,954,744 granted by ETC Finance as lender to Customer A as borrower and Customer B and C as guarantors pursuant to the Previous Loan Agreement A
“Previous Loan B”	a mortgage loan in the principal sum of HK\$11,500,000 granted by ETC Finance as lender to Customer A as borrower and Customer B and C as guarantors pursuant to the Previous Loan Agreement B
“Previous Loans”	Previous Loan A and Previous Loan B
“Previous Loan Agreement A”	the loan agreement dated 29 June 2023 entered into between ETC Finance as lender, Customer A as borrower and Customer B and Customer C as guarantors, particulars of which are stated in the section headed “Previous Loan Agreement A” in this announcement
“Previous Loan Agreement B”	the loan agreement dated 31 January 2024 entered into between ETC Finance as lender, Customer A as borrower and Customer B and Customer C as guarantors, particulars of which are stated in the section headed “Previous Loan Agreement B” in this announcement

“Previous Loan Agreements”	Previous Loan Agreement A and Previous Loan Agreement B
“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, 5 September 2024

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.