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## **CL GROUP (HOLDINGS) LIMITED**

### **昌利（控股）有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8098)**

#### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2022**

Reference is made to the annual report of CL Group (Holdings) Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 March 2022 (the “**Annual Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Annual Report.

The Board would like to provide the following additional information under the heading “Loan and Financing” in the “MANAGEMENT DISCUSSION AND ANALYSIS” section on page 6 of the Annual Report:

Our money lending business’s main target customers are high net worth individuals and corporations. As at 31 March 2022, the total number of borrowers was 23 (2021: 21). The details of our clients are as below:

Types of clients	Number of clients
Individuals	18
Corporations	5
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	23
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Our corporate clients were principally engaged in investment holding and service industry and were located in Hong Kong, the British Virgin Islands and the Cayman Islands.

The loans granted were for a term from 2 months to 156 months. The details of the loan repayment are as below:

Within 12 months	66.9%
Within 12 - 60 months	27.1%
Over 60 months	6.0%
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	100.0%
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The interest rates charged were in the range of 12% to 24% per annum (2021: 8% to 30% per annum). Approximately 92.6% of the loans receivables are secured by marketable securities listed in Hong Kong, unlisted securities in Hong Kong and first legal charge or second legal charges in respect of properties or land located in Hong Kong (2021: approximately 96.9%). The largest borrower represented approximately 17.8% (2021: approximately 16.0%) of our entire loan portfolio and the top 5 borrowers constituted approximately 58.9% (2021: approximately 68.2%) of the loan portfolio. During the year the impairment loss on loan receivables under expected credit loss model amounting approximately HK\$13.2 million (2021: approximately HK\$20.6 million) due to delinquency in interest or principal payment. The recoveries of the impairment loss on loan receivables under expected credit loss during the year under review amounting approximately HK\$4.5 million (2021: approximately HK\$2.6 million).

The credit risk assessment of customers we conducted involves obtaining land search, valuation report from banks on properties and valuation check on the marketable securities; ascertaining the financial condition of the customers including reviewing income/asset proof of individual customers and financial information of corporate customers; and conducting litigation searches and credit search on customers. The loan terms are determined with reference to factors including customers' requirements; result of credit assessment of customers, including whether regular income of customers are sufficient to cover loan repayment instalments; value of collaterals; past collection history and relevant forward-looking information of each customer.

The Company has adopted the procedures on monitoring loan repayment and recovery which involve the finance department of the Group performing financial analysis such as comparatives and outstanding loans, and valuation review of pledged assets and reporting to the executive directors at least monthly. In respect of delinquent loans, we will first issue standard demand letters. If no satisfactory response is received, we will instruct solicitors to issue formal legal demand letters. Thereafter formal legal proceedings may be issued where appropriate.

By Order of the Board of  
**CL Group (Holdings) Limited**  
**Kwok Kin Chung**  
*Executive Director*

Hong Kong, 9 December 2022

The Directors of the Company as at the date of this announcement are:-

*Executive Directors:*

**Mr. Kwok Kin Chung (Chief Executive Officer)**

**Mr. Lau Kin Hon**

**Ms. Yu Linda**

*Independent non-executive Directors:*

**Mr. Poon Wing Chuen**

**Mr. Wang Rongqian**

**Mr. Song Guangyuan**

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

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