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## **MEGALOGIC TECHNOLOGY HOLDINGS LIMITED**

**宏創高科集團有限公司**

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

**(Stock Code: 8242)**

### **DISCLOSEABLE TRANSACTION - SUPPLEMENTAL AGREEMENT IN RELATION TO EXTENSION OF FINAL REPAYMENT DATE OF PROVISION OF FINANCIAL ASSISTANCE**

#### **SUPPLEMENTAL AGREEMENT IN RELATION TO EXTENSION OF FINAL REPAYMENT DATE OF PROVISION OF FINANCIAL ASSISTANCE**

On 3 February 2016, the Loan Agreement was entered into between Easy Loan, an indirect wholly-owned subsidiary of the Company as lender, and Customer B as borrower. Pursuant to the Loan Agreement, Easy Loan has agreed to grant an unsecured loan in the amount of HK\$9 million to the Borrower for a term of 6 months.

The Board is pleased to announce that on 24 August 2016, after arm's length negotiation, Easy Loan entered into the Supplemental Agreement to the Loan Agreement with Customer B to extend the Final Repayment Date under the Loan Agreement from 4 August 2016 to 4 August 2017. Save as disclosed herein, all other terms and provisions of the Loan Agreement shall remain unchanged and in full force and effect.

#### **GEM LISTING RULES IMPLICATIONS**

As certain of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the unsecured loan granted under the Supplemental Agreement to the Borrower were more than 5% but less than 25%, the unsecured loan granted under the Supplemental Agreement constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to reporting and announcement requirements under the GEM Listing Rules.

#### **PROVISION OF FINANCIAL ASSISTANCE**

On 3 February 2016, the Loan Agreement was entered into between Easy Loan, an indirect wholly-owned subsidiary of the Company as lender, and Customer B as borrower. Pursuant to the Loan Agreement, Easy Loan has agreed to grant an unsecured loan in the amount of HK\$9 million to the Borrower for a term of 6 months.

Summarised below are the principal terms of the Loan Agreement.

## **LOAN AGREEMENT**

Date of the Loan Agreement	: 3 February 2016
Lender	: Easy Loan
Borrower	: Customer B
Principal	: HK\$9 million
Interest rate	: 12% per annum
Term	: 6 months from 4 February 2016 to 4 August 2016
Final Repayment Date	: 4 August 2016
Repayment	: Borrower shall repay the interest on a monthly basis with principal amount at the loan maturity
Purpose	: For personal use and investment

## **FUNDING OF THE LOAN**

The Group financed the Loan with its internal resources.

## **SUPPLEMENTAL AGREEMENT IN RELATION TO EXTENSION OF FINAL REPAYMENT DATE OF PROVISION OF FINANCIAL ASSISTANCE**

The Board announced that on 24 August 2016, after arm's length negotiation, Easy Loan entered into the Supplemental Agreement to the Loan Agreement with Customer B to extend the Final Repayment Date under the Loan Agreement from 4 August 2016 to 4 August 2017. Save as disclosed herein, all other terms and provisions of the Loan Agreement shall remain unchanged and in full force and effect.

## **INFORMATION ON THE CUSTOMER**

Customer B is existing customer with no default record in the Group and is individuals. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Customer B is Independent Third Party and not connected with the Group.

## **INFORMATION ON THE GROUP AND THE LENDER**

The Company is an investment holding company. The principal activities of the Group are (i) the provision of integrated circuit ("IC") solutions and design, development and sales of ICs, (ii) money lending business; and (iii) the provision of total solutions for information security service, including security assessment, consulting, testing, monitoring and training as well as system integration services of information security business. The Lender is an indirect wholly-owned subsidiary of the Company and is licensed to conduct money lending business in Hong Kong through the provision of

unsecured and secured loans to customers, including individual and corporations, under the provisions of the Money Lenders Ordinance.

## **REASONS FOR LOAN AGREEMENT AND SUPPLEMENTAL AGREEMENT**

Taking into account the principal activities of the Group, the provision of the Loan to the Borrower was in the ordinary and usual course of business of the Group on normal commercial terms within the meaning of the GEM Listing Rules.

The terms of the Loan Agreement, including the applicable interest, were negotiated on an arm's length basis between Easy Loan and the Borrower, with reference to the prevailing market interest rates and practices. The Directors were of the view that the provision of the Loan was on normal commercial terms within the meaning of the GEM Listing Rules. The Directors were of the view that the terms of the Loan Agreement were entered into on normal commercial terms based on the credit policy of the Company. Taking into account the satisfactory financial background of the Borrower and that a stable revenue and cashflow stream from the interest income was expected, the Directors considered that the terms and conditions of the Loan Agreement were fair and reasonable and in the interests of the Company and its shareholders as a whole.

The terms of the Supplemental Agreement are negotiated on an arm's length basis between Easy Loan and the Borrower. Given the time and administrative cost of entering into a new loan agreement, the Directors consider that entering into the Supplemental Agreement with the Borrower is fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As certain of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the unsecured loan granted under the Supplemental Agreement to the Borrower were more than 5% but less than 25%, the unsecured loan granted under the Supplemental Agreement constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to reporting and announcement requirements under the GEM Listing Rules.

## **DEFINITIONS**

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

“Board”	the board of Directors
“Customer B / Borrower”	being an individual and an Independent Third Party
“Company”	Megalagic Technology Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on GEM
“Directors”	the directors of the Company
“Easy Loan” / “Lender”	Easy Loan Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“Final Repayment Date”	4 August 2016
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are third party(ies) independent of the Company and its connected person(s)
“Loan”	an unsecured loan in the principal amount of HK\$9 million granted by Easy Loan as the lender to Customer B as the borrower pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 3 February 2016 entered into between Easy Loan and the Borrower in respect of an unsecured loan in the amount of HK\$9 million
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 24 August 2016 entered into between Easy Loan and the Borrower in relation to the extension of the Final Repayment Date under the Loan Agreement

By Order of the Board  
**Megalogic Technology Holdings Limited**  
**Dr. Sung Tak Wing Leo**  
*Executive Director and Joint Company Secretary*

Hong Kong, 24 August 2016

*As at the date of this announcement, the executive Directors are Mr. Zhang Qing and Dr. Sung Tak Wing Leo; the non-executive Directors are Mr. Ye Jian and Mr. Liu Kam Lung and the independent non-executive Directors are Mr. Cheung Chi Man Dennis, Mr. Chiu Yu Wang and Mr. Ko Yin Wai.*

*This announcement, for which the Directors collectively and individually accept full responsibilities, 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.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at [www.hkgem.com](http://www.hkgem.com) for a minimum period of 7 days from the date of its publication and on the Company’s website at [www.megalogic.com.hk](http://www.megalogic.com.hk).*