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Excalibur Global Financial Holdings Limited

駿溢環球金融控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8350)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF MORTGAGES**

ACQUISITION OF MORTGAGES

The Board announces that on 10 January 2022 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company), entered into: i) the Memorandum for Mortgage Sale and Purchase; and (ii) the Transfer of Mortgages with the Vendor, an Independent Third Party, pursuant to which the Purchaser conditionally agreed to purchase and the Vendor conditionally agree to sell the Mortgages at the consideration of HK\$6,032,665, which shall be satisfied by the Purchaser in cash upon Completion.

THE GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in Rules 19.07 of the GEM Listing Rules in respect of the Acquisition is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction on the part of the Company under the GEM Listing Rules and is subject to the reporting and announcement requirements.

After the Acquisition, the provision of the Mortgages to each of the Borrowers constitutes provision of financial assistance under the GEM Listing Rules. As each Borrower is independent from one another, the Mortgages should not be aggregated and regarded as one transaction (other than in relation to customer B who entered into two Mortgages which shall be aggregated and regarded as one transaction under the GEM Listing Rules). As none of the applicable percentage ratio(s) in respect of each of the Borrower exceeds 5%, the entering into of each Borrower's relevant Mortgages, on a stand-alone basis, does not constitute a discloseable transaction of the Company under the GEM Listing Rules and is therefore not subject to the reporting and announcement requirements.

ACQUISITION OF MORTGAGES

On 10 January 2022 (after trading hours), the Purchaser (an indirect wholly-owned subsidiary of the Company) entered into: i) the Memorandum for Mortgage Sale and Purchase; and (ii) the Transfer of Mortgages with the Vendor, an Independent Third Party, pursuant to which the Purchaser conditionally agreed to purchase and the Vendor conditionally agree to sell the Mortgages at the consideration of HK\$6,032,665, which shall be satisfied by the Purchaser in cash upon Completion.

THE MEMORANDUM FOR MORTGAGE SALE AND PURCHASE

The principal terms of the Memorandum for Mortgage Sale and Purchase are summarised below:

- Date: 10 January 2022
- Parties:
 - (i) the Purchaser, an indirect wholly-owned subsidiary of the Company; and
 - (ii) the Vendor, who is, to the best of the Directors’ knowledge, information and belief, and after having made all reasonable enquires, an Independent Third Party as at the date of this announcement
- Assets to be acquired: Mortgages in the aggregate principal amount of HK\$5,616,444 together with all outstanding interests (as of 31 December 2021 amounting to HK\$416,221), and including: (i) all the estate, right, title interest, and benefits held by the Vendor in and under the Mortgages, including but not limited to the right to demand, sue for, recover, receive and give receipts for the outstanding principal amounts of the Mortgages; and (ii) all other rights, title, interest and benefit of the Vendor in relation to the Mortgages and any related security (collectively, the “**Assets**”)
- Consideration: HK\$6,032,665. The consideration shall be paid in cash by the Purchaser to the Vendor on Completion
- Conditions precedent: Completion shall be conditional upon the following conditions precedents having been fulfilled:
 - (a) Notifications having been sent to the Borrowers and customer H (as guarantor under the relevant Mortgage);

- (b) 31 days have passed since the completion of the registration process with the Lands Registry of Hong Kong in relation to the Mortgages and the registration records being available for public review;
- (c) Saved for the encumbrances disclosed to the Purchaser on the date of the Memorandum for Mortgage Sale and Purchase, there is no additional encumbrances registered to the mortgaged properties in relation to the Mortgages; and
- (d) no material adverse change having occurred, after the date of the Memorandum for Mortgage Sale and Purchase in relation to the Purchaser, the Vendor, the Borrower, customer H (as guarantor under the relevant Mortgage), or the Mortgages before the completion of conditions precedents (a) to (c) above.

Completion Completion shall occur one business day from the last of the conditions precedent is satisfied.

THE TRANSFER OF MORTGAGES

The principal terms of the Transfer of Mortgages are summarised below:

Date: 10 January 2022

Parties: The Vendor as transferor in favour of the Purchaser as transferee

Assets to be assigned Pursuant to the Transfer of Mortgages, the Vendor agreed to assign and transfer unto the Purchaser the Assets in accordance with the terms of the Memorandum for Mortgage Sale and Purchase.

INFORMATION ON THE MORTGAGES

The summaries of the Mortgages were tabled as follows:

Borrowers	Mortgage type	Maturity date	Principal (HK\$)	Interest rate per annum	Interest & installment receivable (as of 31 December 2021) (HK\$)	Guarantee and/or other security given
Customer A	Second mortgage on one property located in Hong Kong	12/8/2024	548,149	18.00%	5,701	N/A
Customer B	Second mortgage on one property located in Hong Kong	1/9/2024	663,556	18.00%	Nil	Personal guarantee by customer H
Customer B	Second mortgage on one property located in Hong Kong	4/9/2024	918,728	18.00%	43,854	Personal guarantee by customer H
Customer C	First mortgage on one property located in Hong Kong	On demand	500,000	19.20%	5,333	N/A
Customer D	Second mortgage on one property located in Hong Kong	On demand	499,480	19.20%	Nil	N/A
Customer E	Second mortgage on one property located in Hong Kong	28/3/2027	929,986	18.00%	150,475	N/A
Customer F	Second mortgage on one property located in Hong Kong	On demand	561,545	24.00%	201,433	N/A

Borrowers	Mortgage type	Maturity date	Principal (HK\$)	Interest rate per annum	Interest & installment receivable (as of 31 December 2021) (HK\$)	Guarantee and/or other security given
Customer G	Second mortgage on two properties located in Hong Kong	On demand	995,000	18.00%	9,425	N/A
Total			<u>5,616,444</u>		<u>416,221</u>	

The consideration was determined after arm's length negotiations between the Purchaser and the Vendor with reference to, among others, the book value (being the aggregate principal amounts and interest receivable as of 31 December 2021) of the Mortgages of approximately HK\$6,032,665. The Directors consider the consideration of the transaction to be fair and reasonable and on normal commercial terms and are in the interests of the Company and the Shareholders as a whole. The consideration will be funded by internal resources of the Group.

REASONS FOR AND BENEFITS OF ACQUISITION OF THE MORTGAGES

The Group mainly provides brokerage services for futures, securities and options traded on the exchanges in Hong Kong, the United States, Japan, Singapore and the United Kingdom. In order to better provide our clients with all rounded financial service offerings and thereby acting as an additional distribution channel for our core brokerage services, the Group recently entered into money lending business by obtaining money lenders license in September 2021 through an indirect wholly-owned subsidiary of the Company. As the money lending business is developing, the Directors believed that it is beneficial to the Company to kick start by acquiring existing mortgages from other money lenders so that the Group could generate cash flow from these loans.

The terms of the Memorandum for Mortgage Sale and Purchase and Transfer of Mortgages were negotiated on arm's length basis between the Purchaser and the Vendor and were on normal commercial terms. The Directors consider that the terms of the transaction are fair and reasonable and the entering into of the same is in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE BORROWERS AND CUSTOMER H

Customer A, B, C, D, E, F, G and H are individuals.

To the best knowledge, information and belief of the Directors having made all reasonable enquires, each of the Borrowers, customer H and its/his/her ultimate beneficial owners (where applicable) are Independent Third Parties.

INFORMATION ON THE GROUP AND THE VENDOR

The Group mainly provides brokerage service for futures, securities and options traded on the exchanges in Hong Kong, the United States, Japan, Singapore and the United Kingdom.

The Purchaser is an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong with money lenders license registered under Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). It is principally engaged in money lending business.

The Vendor is a company incorporated in Hong Kong with limited liability with money lenders licence registered under Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), and an indirect wholly owned subsidiary of Enriched Goldenroad Financial Services Holdings Limited. The Vendor is principally engaged in money lending business.

Enriched Goldenroad Financial Services Holdings Limited is a company incorporated under the laws of the Cayman Island and owned as to approximately 94% by its single largest shareholder Deng Jingjing. It is principally engaged in investment holding.

To the best knowledge, information and belief of the Directors having made all reasonable enquires, the Vendor and its ultimate beneficial owners are Independent Third Parties.

THE GEM LISTING RULES IMPLICATIONS

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After the Acquisition, the provision of the Mortgages to each of the Borrowers constitutes provision of financial assistance under the GEM Listing Rules. As each Borrower is independent from one another, the Mortgages should not be aggregated and regarded as one transaction (other than in relation to customer B who entered into two Mortgages which shall be aggregated and regarded as one transaction under the GEM Listing Rules). As none of the applicable percentage ratio(s) in respect of each of the Borrower exceeds 5%, the entering into of each Borrower's relevant Mortgages, on a stand-alone basis, does not constitute a discloseable transaction of the Company under the GEM Listing Rules and is therefore not subject to the reporting and announcement requirements.

DEFINITIONS

In this announcement, the following expression shall, unless the context requires otherwise, have the following meanings:

“Acquisition”	the acquisition of the Mortgages pursuant to the Memorandum for Mortgage Sale and Purchase and the Transfer of Mortgages
“Board”	the board of Directors of the Company
“Borrowers”	collectively, the borrowers of the Mortgages and each a “Borrower”
“Company”	Excalibur Global Financial Holdings Limited, a company incorporated in Cayman Island with limited liability, the issued shares of which are listed on GEM of the Stock Exchange (stock code: 8350)
“Completion”	the completion of the Acquisition pursuant to the Memorandum for Mortgage Sale and Purchase
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities of GEM of Stock Exchange
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	persons or companies who are independent of and not connected (within the meaning of GEM Listing Rules) with the Company and its connected persons
“Memorandum for Mortgage Sale and Purchase”	A memorandum for the mortgage sale and purchase entered between the Purchaser and Vendor dated 10 January 2022 in respect of the Acquisition

“Mortgages”	the eight mortgages to be acquired under the Memorandum for Mortgage Sale and Purchase and Transfer of Mortgages, and each a “Mortgage”
“Purchaser”	Excalibur Finance Limited, a company incorporated in Hong Kong with limited liability with money lenders licence registered under Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary share(s) of the nominal value of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer of Mortgages”	A deed of transfer of mortgage executed by the Vendor in favour of the Purchaser on 10 January 2022 in respect of the Acquisition
“Vendor”	Enriched Goldenroad (H.K.) Credit Limited, a company incorporated in Hong Kong with limited liability with money lenders licence registered under Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong), and an indirect wholly owned subsidiary of Enriched Goldenroad Financial Services Holdings Limited
“%”	per cent

By Order of the Board
Excalibur Global Financial Holdings Limited
Poon Kwok Wah Allan
Chairman

Hong Kong, 10 January 2022

As at the date of this announcement, the executive directors of the Company are Mr. Poon Kwok Wah Allan, Ms. Lee Mei Chun and Ms. Choi Ching Jennifer; and the independent non-executive directors of the Company are Mr. Chin Kam Cheung, Mr. Siu Miu Man, M.H. and Mr. Lam Ka Tai.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors of the Company, 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 Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.excalibur.com.hk.