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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 14 October 2019, the Loan Agreement was entered into between ETC Finance, an indirect non-wholly owned subsidiary of the Company, as lender, the Customer as borrower and Guarantor A as guarantor. Pursuant to the Loan Agreement, ETC Finance granted a secured loan in the principal sum of HK\$15,800,000 to the Customer for a term of 12 months.

Before entering into of the Loan Agreement, ETC Finance has entered into the Previous Loan Agreements with Customer X and Customer Y for granting two secured loans in the principal sum of HK\$14,200,000 and HK\$600,000 to Customer X and Customer Y, respectively.

LISTING RULES IMPLICATIONS

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

The Board is pleased to announce that on 14 October 2019, the Loan Agreement was entered into between ETC Finance, an indirect non-wholly owned subsidiary of the Company, as lender, the Customer as borrower and Guarantor A as guarantor. Pursuant to the Loan Agreement, ETC Finance granted a secured loan in the principal sum of HK\$15,800,000 to the Customer for a term of 12 months. The principal terms of the Loan Agreement are set out below:

LOAN AGREEMENT

Date of agreement	:	14 October 2019
Lender	:	ETC Finance
Borrower	:	The Customer
Guarantor	:	Guarantor A
Principal	:	HK\$15,800,000
Interest rate	:	10% 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 and a car parking space located in Hong Kong (the "Property"), with valuation conducted by an independent professional property valuer on 23 August 2019 with an aggregate amount of approximately HK\$25,500,000

PROVISION OF THE PREVIOUS LOANS

Before entering into of the Loan Agreement, ETC Finance has entered into the Previous Loan Agreements with Customer X and Customer Y for granting two secured loans in the principal sum of HK\$14,200,000 and HK\$600,000 to Customer X and Customer Y, respectively. The principal terms of the Previous Loan Agreements are set out as follows:

PREVIOUS LOAN AGREEMENTS

Loan Agreement X

Date of the agreement	:	21 August 2019
Lender	:	ETC Finance
Borrower	:	Customer X
Guarantors	:	Guarantor A and Guarantor B
Principal	:	HK\$14,200,000
Interest rate	:	10% 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 Hong Kong (the "Property X"), with valuation conducted by an independent professional property valuer on 5 August 2019 with an amount of approximately HK\$22,000,000

The securities under Loan Agreement X and Loan Agreement Y are cross-collateralised with each other

Loan Agreement Y

Date of the agreement	:	21 August 2019
Lender	:	ETC Finance
Borrower	:	Customer Y
Guarantors	:	Guarantor A and Guarantor B
Principal	:	HK\$600,000
Interest rate	:	10% 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 car parking space located in Hong Kong (the “Property Y”), with valuation conducted by an independent professional property valuer on 5 August 2019 with an amount of approximately HK\$1,000,000
- The securities under Loan Agreement X and Loan Agreement Y are cross-collateralised with each other

FUNDING OF THE LOANS

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

INFORMATION ON THE CREDIT RISK RELATING TO THE LOANS

The grant of the Loans was based on the quality of collaterals provided by the Customers, which are at prime location in Hong Kong, the credit assessments on the financial strength and repayment ability of the Customers and their guarantors, together with the relatively short term nature of the Loans. After taking into account all such factors, the Directors consider that the risks involved in the Loans are relatively low and manageable.

INFORMATION ON THE CUSTOMERS

Customer

The Customer is the mother of Guarantor A, Guarantor B and Ms. Chan. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, the Customer is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Customer X

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

Customer Y

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

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT AND THE PREVIOUS LOAN AGREEMENTS

The principal activities of the Group comprise the provision of cruise ship charter services, property investments, securities trading and provision of money lending services.

The terms of the Loan Agreement and the Previous Loan Agreements (including the interest rate) were negotiated on an arm's length basis between ETC Finance and the Customers based on the credit policy of ETC Finance. Taking into account the financial background and repayment ability of the Customers and their guarantors, the Directors are of view that a stable revenue and cashflow stream from interest income is expected to be generated from the Loans. The Directors consider and believe that the terms of the Loan Agreement and the Previous Loan Agreements are fair and reasonable and the entering into of the Loan Agreement and the Previous Loan Agreements are in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As the borrowers of the Loans are associated with each other (details of their relationship are set out in the section headed "Information on the Customers" in this announcement), the grant of the New Loan and the Previous Loans shall be aggregated under Rule 14.22 of the Listing Rules. As certain applicable percentage ratios in respect of the Loans are more than 5% but less than 25% under Rule 14.07 of the Listing Rules, the grant of the New Loan and the Previous 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
"Customer"	Ms. Wong Suet Wan, the borrower under the Loan Agreement
"Customer X"	Sun Century International Limited, a company incorporated in Hong Kong and the borrower under Loan Agreement X

“Customer Y”	Pan-Palace Company Limited, a company incorporated in Hong Kong and the borrower under Loan Agreement Y
“Customers”	Customer, Customer X and Customer Y, collectively
“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
“Directors”	the directors of the Company
“ETC Finance”	ETC 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 is an indirectly non-wholly owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“Guarantor A”	Mr. Chan Tak Wing, Vincent
“Guarantor B”	Mr. Chan Tak Ling
“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
“Loans”	the New Loan and the Previous Loans
“Loan Agreement”	the loan agreement dated 14 October 2019 entered into between ETC Finance and the Customer, particulars of which are stated in the section headed “Loan Agreement” in this announcement
“Loan Agreement X”	the loan agreement dated 21 August 2019 entered into between ETC Finance and Customer X, particulars of which are stated in the section headed “Loan Agreement X” in this announcement
“Loan Agreement Y”	the loan agreement dated 21 August 2019 entered into between ETC Finance and Customer Y, particulars of which are stated in the section headed “Loan Agreement Y” in this announcement
“Ms. Chan”	Ms. Chan Man Ying

“New Loan”	the mortgage loan with the principal sum of HK\$15,800,000 granted by ETC Finance to the Customer pursuant to the Loan Agreement
“Previous Loans”	the mortgage loans with the principal sum of HK\$14,200,000 and HK\$600,000 granted by ETC Finance to Customer X and Customer Y, respectively pursuant to Loan Agreement X and Loan Agreement Y
“Previous Loan Agreements”	Loan Agreement X and Loan Agreement Y
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

On behalf of the Board
Ng Wee Keat
Chairman

Hong Kong, 14 October 2019

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 and Mr. Yu Wai Man as executive directors and Mr. Cheung Chun Kwok, Mr. Kwan Kai Kin, Kenneth and Mr. Ho Yau Ming as independent non-executive directors.