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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 2022, ETC Finance, an indirect non-wholly owned subsidiary of the Company as lender, entered into Loan Agreement A with Customer A, as borrower and with Customer B, Guarantor A and Guarantor B as guarantors, pursuant to which, ETC Finance agreed to grant a mortgage loan in the principal sum of HK\$41,000,000 to Customer A for a term of 12 months. On the same date, ETC Finance, as lender, also entered into Loan Agreement B with Customer B, as borrower and with Customer A, Guarantor A and Guarantor B as guarantors, pursuant to which, ETC Finance agreed to grant a mortgage loan in the principal sum of HK\$16,000,000 to Customer B for a term of 12 months.

LISTING RULES IMPLICATIONS

As each of the Customers and their respective guarantors is associated with each other (details of their relationship are set out in the section headed “Information on the Customers and their respective guarantors” in this announcement), the grant of the Loans shall be aggregated under Rule 14.22 of the Listing Rules. As certain of the 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 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 LOANS

The Board is pleased to announce that on 5 September 2022, ETC Finance, an indirect non-wholly owned subsidiary of the Company as lender, entered into Loan Agreement A with Customer A, as borrower and with Customer B, Guarantor A and Guarantor B as guarantors, pursuant to which, ETC Finance agreed to grant a mortgage loan in the principal sum of HK\$41,000,000 to Customer A for a term of 12 months. On the same date, ETC Finance, as lender, also entered into Loan Agreement B with Customer B, as borrower and with Customer A, Guarantor A and Guarantor B as guarantors, pursuant to which, ETC Finance agreed to grant a mortgage loan in the principal sum of HK\$16,000,000 to Customer B for a term of 12 months. The principal terms of the Loan Agreements are set out below:

LOAN AGREEMENTS

Loan Agreement A

| | |
|-------------------|---|
| Date of agreement | : 5 September 2022 |
| Lender | : ETC Finance |
| Borrower | : Customer A |
| Guarantors | : Customer B, Guarantor A and Guarantor B |
| Principal | : HK\$41,000,000 |
| Interest rate | : 8.5% 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 two retail shops located in Tai Wai with valuation conducted by an independent professional property valuer on 24 August 2022 in aggregate amount of HK\$60,000,000 |

Loan Agreement B

| | |
|-------------------|---|
| Date of agreement | : 5 September 2022 |
| Lender | : ETC Finance |
| Borrower | : Customer B |
| Guarantors | : Customer A, Guarantor A and Guarantor B |
| Principal | : HK\$16,000,000 |
| Interest rate | : 8.5% 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 an office unit located in Kowloon Bay with valuation conducted by an independent professional property valuer on 24 August 2022 in amount of HK\$28,000,000 |

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 collaterals provided by the Customers, the credit assessments on the financial strength and repayment ability of the Customers, Guarantor A and Guarantor B, 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 AND THEIR RESPECTIVE GUARANTORS

Customer A

Customer A is a company incorporated in Hong Kong and its principal activity is investment holding. Guarantor A is the sole director and the sole shareholder of Customer A. Customer A is also one of the guarantors under Loan Agreement B. 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 a company incorporated in Hong Kong and its principal activity is investment holding. Guarantor A and Guarantor B are the directors and shareholders of Customer B. Customer B is also one of the guarantors under Loan Agreement A. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Customer B and its ultimate beneficial owners are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

Guarantor A

Guarantor A is an individual, a merchant, the father of Guarantor B, the sole director and the sole shareholder of Customer A, one of the directors and shareholders of Customer B as well as one of the guarantors under the Loan Agreements. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Guarantor A is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

Guarantor B

Guarantor B is an individual, a merchant, the son of Guarantor A, one of the directors and shareholders of Customer B as well as one of the guarantors under the Loan Agreements. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, Guarantor B 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 LOAN AGREEMENTS

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

The terms of the Loan Agreements (including the interest rate) were negotiated on an arm's length basis between ETC Finance and the Customers, Guarantor A and Guarantor B based on the credit policy of ETC Finance. Taking into account the financial background and repayment ability of the Customers and their respective guarantors, 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 Loans. The Directors consider and believe that the terms of the Loan Agreements are fair and reasonable and the entering into of the Loan Agreements is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As each of the Customers and their respective guarantors is associated with each other (details of their relationship are set out in the section headed "Information on the Customers and their respective guarantors" in this announcement), the grant of the Loans shall be aggregated under Rule 14.22 of the Listing Rules. As certain of the 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 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 |
| "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" | Procida Limited, a company incorporated in Hong Kong, the borrower under Loan Agreement A and one of the guarantors under Loan Agreement B |
| "Customer B" | New Action International Limited, a company incorporated in Hong Kong, the borrower under Loan Agreement B and one of the guarantors under Loan Agreement A |
| "Customers" | Customer A and Customer B |
| "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 |

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|--------------------|--|
| “Group” | the Company and its subsidiaries |
| “Guarantor A” | Mr. Lau Kong Sing, one of the guarantors under the Loan Agreements |
| “Guarantor B” | Mr. Lau Ka Ho, one of the guarantors under the Loan Agreements |
| “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” | two mortgage loans in the principal sum of HK\$41,000,000 and HK\$16,000,000 granted by ETC Finance to Customer A and Customer B pursuant to Loan Agreement A and Loan Agreement B, respectively |
| “Loan Agreement A” | the loan agreement dated 5 September 2022 entered into between ETC Finance and Customer A, particulars of which are stated in the section headed “Loan Agreement A” in this announcement |
| “Loan Agreement B” | the loan agreement dated 5 September 2022 entered into between ETC Finance and Customer B, particulars of which are stated in the section headed “Loan Agreement B” in this announcement |
| “Loan Agreements” | Loan Agreement A and Loan Agreement B |
| “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, 5 September 2022

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 and Ms. Chen Ka Chee as executive directors and Mr. Cheung Chun Kwok, Mr. Kwan Kai Kin, Kenneth and Mr. Ho Yau Ming as independent non-executive directors.