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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

PROVISION OF FINANCIAL ASSISTANCE

The Board is pleased to announce that on 10 August 2023, the New 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 and Guarantor B as guarantors. Pursuant to the New Loan Agreement, ETC Finance agreed to grant a mortgage loan in the principal sum of HK\$25,000,000 to the Customer for a term of 12 months.

Before entering into of the New Loan Agreement, ETC Finance has entered into the Existing Loan Agreement with the Customer and the Guarantors for granting a mortgage loan to the Customer in the principal sum of HK\$5,954,744 for a term of 14 months.

LISTING RULES IMPLICATIONS

The grant of the New Loan requires aggregation with the Existing Loan under Rule 14.22 of the Listing Rules. As certain of the applicable percentage ratios in respect of the New Loan and the Existing Loan in aggregate are more than 5% but less than 25% under Rule 14.07 of the Listing Rules, the grant of the New Loan and the Existing Loan 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 10 August 2023, the New 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 and Guarantor B as guarantors. Pursuant to the New Loan Agreement, ETC Finance agreed to grant a mortgage loan in the principal sum of HK\$25,000,000 to the Customer for a term of 12 months. The principal terms of the New Loan Agreement are set out below:

NEW LOAN AGREEMENT

Date of agreement : 10 August 2023

Lender : ETC Finance

Borrower : The Customer

Guarantors : Guarantor A and Guarantor B

Principal : HK25,000,000

Interest rate : 8.0% 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) a residential property located in Tsim Sha Tsui with valuation conducted by an independent professional property valuer on 2 August 2023 in amount of

HK\$11,000,000;

(b) an industrial property located in Shatin with valuation conducted by an independent professional property valuer

on 2 August 2023 in amount of HK\$17,000,000; and

(c) an industrial property located in Chai Wan with valuation conducted by an independent professional property valuer

on 2 August 2023 in amount of HK\$8,300,000

Loan-To-Value (LTV) Ratio

: 68.9%

PROVISION OF THE EXISTING LOAN

Before entering into of the New Loan Agreement, ETC Finance has entered into the Existing Loan Agreement with the Customer and the Guarantors for granting a mortgage loan in the principal sum of HK\$5,954,744 to the Customer for a term of 14 months. The principal terms of the Existing Loan Agreement are set out as follows:

EXISTING LOAN AGREEMENT

Date of agreement : 29 June 2023

Lender : ETC Finance

Borrower : The Customer

Guarantors : Guarantor A and Guarantor B

Principal : HK5,954,744

Interest rate : 8.0% per annum

Repayment : Interest repayable by 14 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 Central with valuation conducted by an independent professional property valuer on 27 February 2023 in amount

of HK\$10,500,000

Loan-To-Value

(LTV) Ratio

: 56.7%

FUNDING OF THE NEW LOAN

The Group will finance the New Loan with its general working capital.

INFORMATION ON THE CREDIT RISK RELATING TO THE NEW LOAN

The grant of the New Loan was based on the collaterals provided by the Customer, the credit assessments on the financial strength and repayment ability of the Customer and the Guarantors, together with the relatively short-term nature of the New Loan. In accordance with its credit risk assessment procedure, ETC Finance has assessed the credit risks relating to the New Loan. After taking into account (i) the quality of the collaterals and LTV ratio at 68.9%; (ii) no bankruptcy record for the Customer and the Guarantors; and (iii) no irregularities from the legal and land search results, the Directors consider that the risks involved in the New Loan are relatively low and manageable. Accordingly, the New Loan is approved in accordance with the internal credit policy of ETC Finance.

INFORMATION ON THE CUSTOMER AND THE GUARANTORS

Customer

The Customer is a company incorporated in Hong Kong and its principal activity is property investment and a repeated customer of ETC Finance with no default record. Guarantor A and Guarantor B are the directors and shareholders of the Customer. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Customer 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 spouse of Guarantor B, one of the directors and shareholders of the Customer and one of the Guarantors under the New Loan Agreement and the Existing Loan Agreement. Guarantor A holds 80% equity and beneficial interests of the Customer. 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 spouse of Guarantor A, one of the directors and shareholders of the Customer and one of the Guarantors under the New Loan Agreement and the Existing Loan Agreement. Guarantor B holds 20% equity and beneficial interests of the Customer. 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 NEW LOAN AGREEMENT

The principal activities of the Group comprise money lending, property investment and securities trading.

The terms of the New Loan Agreement (including the interest rate) were negotiated on an arm's length basis among ETC Finance, the Customer and the Guarantors based on the credit policy of ETC Finance. After taking into account the financial background and repayment ability of the Customer and the 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 New Loan. The Directors consider and believe that the terms of the New Loan Agreement are fair and reasonable and the entering into of the New Loan Agreement is in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

The grant of the New Loan requires aggregation with the Existing Loan under Rule 14.22 of the Listing Rules. As certain of the applicable percentage ratios in respect of the New Loan and the Existing Loan in aggregate are more than 5% but less than 25% under Rule 14.07 of the Listing Rules, the grant of the New Loan and the Existing Loan 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.

Pursuant to Rule 14.58(2) of the Listing Rules, the identity of the Customer and the Guarantors are required to be disclosed. As (i) the Customer and the Guarantors have confirmed to the Group that they will not consent to the disclosure of their respective identity in this announcement, the Company encounters practical difficulty for the strict compliance of the aforesaid disclosure requirement; (ii) the Company is of the view that the grant of the New Loan is not regarded as a material transaction of the Group as compared to the Group's overall financial positions; (iii) the disclosure of the respective identity of the Customer and the Guarantors does not reflect their financial standing or repayment abilities and thus will serve little purpose in assisting the Shareholders to evaluate the Customer's and the Guarantors' creditworthiness and the risk exposure of the New Loan; and (iv) the Company has made alternative disclosure in respect of the New Loan in this announcement, including but not limited to, the details of the collaterals in respect of the New Loan, the information disclosed could already enable the Shareholders to assess the risk exposure of the New Loan, the Company has applied to the Stock Exchange for and has been granted with a waiver from strict compliance with Rule 14.58(2) of 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" the borrower under the New Loan Agreement and the

Existing Loan Agreement, being a company incorporated

in Hong Kong

"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

"Existing Loan" a mortgage loan in the principal sum of HK\$5,954,744

granted by ETC Finance to the Customer pursuant to the

Existing Loan Agreement

"Existing Loan Agreement" the loan agreement dated 29 June 2023 entered into

between ETC Finance, the Customer and the Guarantors, particulars of which are stated in the section headed

"Existing Loan Agreement" in this announcement

"Group" the Company and its subsidiaries

"Guarantor A" one of the Guarantors under the New Loan Agreement and

the Existing Loan Agreement, being an individual

"Guarantor B" one of the Guarantors under the New Loan Agreement and

the Existing Loan Agreement, being an individual

"Guarantors" Guarantor A and Guarantor B

"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

"New Loan" a mortgage loan in the principal sum of HK\$25,000,000

granted by ETC Finance to the Customer pursuant to the

New Loan Agreement

"New Loan Agreement" the loan agreement dated 10 August 2023 entered into

between ETC Finance, the Customer and the Guarantors, particulars of which are stated in the section headed "New

Loan Agreement" in this announcement

"Stock Exchange" The Stock Exchange of Hong Kong Limited

"HK\$" Hong Kong dollars, the lawful currency of Hong Kong

"%" per cent.

By order of the Board

New Century Group Hong Kong Limited

Ng Wee Keat

Chairman

Hong Kong, 10 August 2023

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, Mr. Yu Wai Man and Ms. Huang Si Teng as executive directors and Mr. Cheung Chun Kwok, Mr. Kwan Kai Kin, Kenneth, Mr. Ho Yau Ming and Mr. Wong Steve Cheuk Hung as independent non-executive directors.