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Zero Fintech Group Limited
零在科技金融集團有限公司

(Incorporated in Bermuda with limited liability)
(Stock Code: 00093)

VOLUNTARY ANNOUNCEMENT
ESTABLISHMENT OF
ASSET-BACKED SECURITISATION PROGRAMME

ESTABLISHMENT OF ASSET-BACKED SECURITISATION PROGRAMME

The Board is pleased to announce that on 17 October 2024, Zero Finance, a wholly-owned subsidiary of the Company, has established an asset-backed securitisation programme.

Under the asset-backed securitisation programme, (a) the Receivables Purchase Agreement has been entered into on 17 October 2024 between Zero Finance as the Seller, the Issuer as the buyer and the Security Trustee as the security trustee for the transfer of receivables; (b) the Servicing Agreement has been entered into on 17 October 2024 between Zero Finance as the Seller and the Servicer, the Issuer as the issuer and the Security Trustee as the security trustee for administering the receivables assigned under the Receivables Purchase Agreement; and (c) the Subordinated Note Issuance Deed has been entered into on 17 October 2024 between Zero Finance as the subordinated noteholder, the Issuer as the issuer, the Registrar as the registrar and the Security Trustee as the security trustee for the subscription of subordinated notes issued by the Issuer, pursuant to which the Bank has granted a Facility of up to HK\$800,000,000 in the form of senior loan notes, which shall be used to purchase the Receivables originated by Zero Finance and shall be backed by the transfer of Receivables by Zero Finance to the Issuer and subscription of notes issued by the Issuer.

The funding request under the Facility and intention to transfer the Receivables are at the discretion of Zero Finance, Zero Finance shall transfer a respective portfolio of the Receivables to the Issuer when the Facility is requested. Zero Finance will continue to act as the Servicer to administer the Receivables after the transfer to the Issuer and the Receivables shall continue to be repaid to Zero Finance.

BACKGROUND INFORMATION

The Board is pleased to announce that on 17 October 2024, Zero Finance, a wholly-owned subsidiary of the Company, has established an asset-backed securitisation programme.

Under the asset-backed securitisation programme, (a) the Receivables Purchase Agreement has been entered into on 17 October 2024 between Zero Finance as the Seller, the Issuer as the buyer and the Security Trustee as the security trustee for the transfer of Receivables; (b) the Servicing Agreement has been entered into on 17 October 2024 between Zero Finance as the Seller and the Servicer, the Issuer as the issuer and the Security Trustee as the security trustee for administering the Receivables assigned under the Receivables Purchase Agreement; and (c) the Subordinated Note Issuance Deed has been entered into on 17 October 2024 between Zero Finance as the subordinated noteholder, the Issuer as the issuer, the Registrar as the registrar and the Security Trustee as the security trustee for the subscription of subordinated notes issued by the Issuer, pursuant to which the Bank has granted a Facility of up to HK\$800,000,000 in the form of senior loan notes, which shall be used to purchase the Receivables originated by Zero Finance and shall be backed by the transfer of Receivables by Zero Finance to the Issuer and subscription of notes issued by the Issuer.

MAJOR TERMS OF THE RECEIVABLES PURCHASE AGREEMENT

Date	:	17 October 2024
Parties	:	Zero Finance as the Seller and the Servicer the Issuer as the buyer of the Receivables the Security Trustee as the security trustee
Facility	:	Up to HK\$800,000,000 and amounts repaid may be re-drawn.
Permitted Use of Facility	:	Proceeds may be used by the Issuer to fund the purchase of Receivables originated by the Seller.
Funding Request	:	Funding requests may be made by Zero Finance at its absolute discretion according to its funding needs and subject to the conditions precedent.
Transfer of Receivables	:	(i) The Seller may indicate its intention to transfer Receivables to the Issuer during the availability period. (ii) Subject to fulfilment of conditions precedent, the Seller shall sell and the Issuer shall buy the Receivables on the agreed sale date.

Consideration and Payment	:	The consideration in respect of the transfer of Receivables shall be the amount of principal outstanding balance of such Receivables. The consideration shall be paid by the Issuer to Zero Finance on the respective agreed sale date.
Representation and Warranties	:	Zero Finance has provided customary warranties and representations on the Receivables and its power and authority to enter into the documents.
Repurchase of receivables	:	Zero Finance shall repurchase the Receivables transferred to the Issuer at the principal outstanding balance of such Receivables plus any accrued but unpaid interest thereon under certain circumstances as set out in the Receivables Purchase Agreement.
Conditions precedent	:	The conditions precedent for the transfer of receivables by Zero Finance to the Issuer include: <ul style="list-style-type: none"> (i) the relevant receivables are eligible receivables on the sale date; (ii) the purchase price for the Receivables has been calculated and confirmed; (iii) the Seller has delivered a transfer notice to the Issuer; and no event of default or early amortisation event has occurred and is continuing; and (iv) the Seller has provided the Issuer with a list of the loan agreements to be sold to the Issuer.

MAJOR TERMS OF THE SERVICING AGREEMENT AND THE SUBORDINATED NOTE ISSUANCE DEED

Ancillary to the Receivables Purchase Agreement, Zero Finance shall also enter into the Servicing Agreement and the Subordinated Note Issuance Deed.

Date	:	17 October 2024
Parties	:	Zero Finance as the Seller, the Servicer and the subordinated noteholder the Bank as the bank for the Facility the Issuer as the issuer of the notes the Security Trustee as the security trustee the Registrar as the registrar

Servicer: : Zero Finance will continue to act as the servicer to administer the Receivables after the transfer of Receivables to the Issuer and the consumer loans constituting the Receivables shall continue to be repaid to Zero Finance unless terminated otherwise.

Subscription of Subordinated Note : Ancillary to the grant of Facility by the Bank, Zero Finance shall subscribe subordinated notes issued by the Issuer.

FINANCIAL IMPACTS OF THE TRANSACTION

The Group will incur financing costs in the asset-backed securitisation programme, including interest expenses, upfront fees and professional fees. The final amount of the financing costs of the asset-backed securitisation programme shall be determined based on the total amount of funding request made under the Facility.

The Receivables will continue to be consolidated in the consolidated financial statements of the Group after the Receivables are transferred to the Issuer. Apart from the financing costs, there is no other financial impact to the Group.

The proceeds from the asset-backed securitisation programme will be used to replenish the Group's working capital and to originate additional unsecured consumer loans.

REASONS FOR AND BENEFITS OF THE ASSET-BACKED SECURITISATION PROGRAMME

The Board believes that the establishment of the asset-backed securitisation programme will help (a) support the Group's assets origination and business growth; (b) provide flexibility on funding with the request of the Facility at the discretion of Zero Finance; and (c) increase the Group's liquidity and improve its asset efficiency and financial condition. The Directors consider that the asset-backed securitisation programme is entered into on normal commercial terms in the usual and ordinary course of business of the Group, is fair and reasonable, and in the interests of the Company and its shareholders as a whole.

GENERAL INFORMATION

Information on the Group and Zero Finance

The Group is principally engaged in property investment and development, and the money lending business.

Zero Finance is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. Zero Finance is a registered money lender holding a valid money lenders licence under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the provision of loans as money lending.

Information on the Issuer, the Registrar, the Security Trustee and the Bank

The Issuer is a special purpose company incorporated under the laws of the Cayman Islands held by offshore registered agent, Ogier Global Trustee (Cayman) Limited as trustee of Zenith Funding (Cayman) Trust. Its principal activities are to facilitate the provision of Facility by the Bank, the transfer of Receivables under the Receivables Purchase Agreement and the issuance of notes for subscription by the Bank and the Seller.

The Registrar and the Security Trustee is a private limited company incorporated under the laws of Singapore. Its principal activities are to provide global business administration and compliance solutions, offer specialized administrative services, and facilitate transactions involving capital market participants.

The Bank is a licensed bank in Hong Kong and is principally engaged in banking and provision of other financial services.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Issuer, the Registrar, the Security Trustee, the Bank and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

The Company will keep the shareholders and potential investors informed of further development in connection with the asset-backed securitisation programme in accordance with the requirements under the Listing Rules as and when appropriate.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Bank”	a licensed bank in Hong Kong
“Board”	the board of Directors
“Company”	Zero Fintech Group Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Facility”	up to HK\$800,000,000 funding limit in the form of senior loan notes
“Group”	the Company together with its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Issuer”	Zenith Funding No.1 Limited, a special purpose company incorporated in the Cayman Islands with limited liability for the purpose of issuing the notes
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Receivables”	the unsecured consumer loans receivables originated by Zero Finance as a money lender
“Receivables Purchase Agreement”	the receivables purchase agreement entered into by Zero Finance as the Seller and the Servicer, the Issuer as the buyer and the Security Trustee as the security trustee for the transfer of Receivables
“Registrar” and “Security Trustee”	CSCGlobal Capital Markets (Singapore) Pte. Ltd.
“Seller”, “Servicer” or “Zero Finance”	Zero Finance Hong Kong Limited, a wholly-owned subsidiary of the Company, and a registered money lender in Hong Kong, and also the seller under the Receivables Purchase Agreement, the servicer under the Servicing Agreement and the noteholder under the Subordinated Note Issuance Deed
“Servicing Agreement”	the servicing agreement entered into by Zero Finance as the Seller and the Servicer with the Issuer and Security Trustee on 17 October 2024 for administering the Receivables assigned under the Receivables Purchase Agreement when the Facility are drawn down and Receivables are assigned under the Receivables Purchase Agreement
“Share(s)”	share(s) of HK\$0.08 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subordinated Note Issuance Deed”	the subordinated note issuance deed entered into by Zero Finance as the subordinated noteholder with the Issuer, the Registrar and the Security Trustee on 17 October 2024 for the subscription of subordinated note when the Facility is drawn down and Receivables are assigned under the Receivables Purchase Agreement

By order of the Board
Zero Fintech Group Limited
Lee Lap
Chairman

Hong Kong, 17 October 2024

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Lee Lap (*Chairman*)

Mr. Tommy Lee (*Vice Chairman & Chief Executive Officer*)

Mr. Chau Hau Shing

Independent Non-Executive Directors:

Mr. Shu Wa Tung, Laurence

Mr. Wu Wai Pan

Ms. Chak Wai Ting