

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**MAJOR TRANSACTION
LOAN TRANSACTION AND
ADVANCE TO AN ENTITY**

THE LOAN AGREEMENT

The Board wishes to announce that on 3 December 2024, X8 Finance, an indirect wholly-owned subsidiary of the Company, as lender, the Borrower as borrower and the Guarantors as guarantors have entered into the Loan Agreement, pursuant to which, X8 Finance agreed to, among other things, make available to the Borrower the Loan on the terms and subject to the conditions therein.

LISTING RULES IMPLICATIONS

As the Previous Loan Transaction II contemplated under the Previous Loan Agreement II was conducted within the 12-month period from the Loan Transaction and two of the borrowers under the Previous Loan Transaction II are the Guarantor I and the Guarantor II, the Previous Loan Transaction II and the Loan Transaction are to be aggregated together pursuant to Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the aggregated amount of the Previous Loan Transaction II and the Loan Transaction exceeds 25% under Rule 14.07 of the Listing Rules, the Loan Transaction, upon aggregating with the Previous Loan Transaction II, constitutes a major transaction of the Company and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the assets ratio as defined under Rule 14.07(1) of the Listing Rules in respect of the Loan Transaction (after aggregating with the Previous Loan Transaction II) exceeds 8%, the Loan Transaction is also subject to the general disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules. The information required to be disclosed pursuant to Rules 13.13 and 13.15 of the Listing Rules in respect of the Loan is disclosed in this announcement.

WRITTEN SHAREHOLDERS' APPROVAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Loan Transaction. Written shareholders' approval of the Loan Transaction was obtained from each of Lee & Leung (B.V.I.) and Earth Axis, who are a closely allied group of Shareholders and held an aggregate of more than 50% of the total issued shares and voting rights of the Company as at the date of this announcement, in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. As such, no special general meeting will be convened by the Company to approve the Loan Transaction as written Shareholders' approval in lieu of holding a general meeting has been obtained under Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Loan Transaction; (ii) financial information of the Group; and (iii) other information required under the Listing Rules shall be despatched within 15 business days after publication of this announcement. As additional time is required to prepare the financial information to be included in the circular, the Company will apply for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules from the Stock Exchange so that the despatch date of the circular can be postponed to a date more than 15 business days after the publication of this announcement, which is expected to be on or before 15 January 2025 for Shareholders' information only.

BACKGROUND

The Board wishes to announce that on 3 December 2024, X8 Finance, an indirect wholly-owned subsidiary of the Company, as lender, the Borrower as borrower and the Guarantors as guarantors have entered into the Loan Agreement, pursuant to which, X8 Finance agreed to, among other things, make available to the Borrower the Loan on the terms and subject to the conditions therein.

Prior to the entering into of the Loan Agreement:

- (i) on 17 January 2024, X8 Finance as lender entered into a loan agreement (the "**Previous Loan Agreement I**") with Horn King, the Guarantor I and the Guarantor II as co-borrowers, pursuant to which X8 Finance granted a term loan in the principal amount of HK\$85,000,000 to the co-borrowers; and
- (ii) on 7 October 2024, X8 Finance as lender entered into a loan agreement (the "**Previous Loan Agreement II**") with Horn King, the Guarantor I and the Guarantor II as co-borrowers, pursuant to which X8 Finance granted a term loan in the principal amount of HK\$100,000,000 to the co-borrowers (the "**Previous Loan Transaction II**"). The loan under the Previous Loan Agreement II was used to fully settle the loan and interest accrued under the Previous Loan Agreement I.

The transactions contemplated under the Previous Loan Agreement I and Previous Loan Agreement II (collectively, the "**Previous Loan Transactions**") respectively constituted a major transaction of the Company and were subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. Further details of

the Previous Loan Transactions were disclosed in the announcements of the Company dated 17 January 2024 and 7 October 2024 and in the circulars of the Company dated 4 March 2024 and 28 November 2024, respectively.

PRINCIPAL TERMS OF THE LOAN AGREEMENT

The principal terms of the Loan Agreement are as follows:

Date:	3 December 2024
Lender:	X8 Finance, an indirect wholly-owned subsidiary of the Company
Borrower:	the Borrower
Guarantors:	the Guarantor I and the Guarantor II
Principal Loan Amount:	HK\$50,000,000
Drawdown date:	3 December 2024
Term and Repayment Date:	The term of the Loan is six months. The outstanding principal amount of the Loan shall be fully repaid in one lump sum within six months after the date of drawdown of the Loan
Interest rate:	18% per annum
Default interest rate:	30% per annum
Security for the Loan:	First mortgage in respect of a commercial building in Hong Kong executed by the Borrower as mortgagor in favour of X8 Finance for securing, among others, all loans advanced by X8 Finance and the interest accrued thereon, rental assignment of the said property and debenture executed by the Borrower

As at the date of this announcement, the total outstanding balance of loan principal under the Previous Loan Agreement II and the Loan Agreement (after drawdown being made) is HK\$150,000,000.

LISTING RULES IMPLICATIONS

As the Previous Loan Transaction II contemplated under the Previous Loan Agreement II was conducted within the 12-month period from the Loan Transaction and two of the borrowers under the Previous Loan Transaction II are the Guarantor I and the Guarantor II, the Previous Loan Transaction II and the Loan Transaction are to be aggregated together pursuant to Rule 14.22 of the Listing Rules. As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the aggregated amount of the Previous Loan Transaction II and the Loan Transaction exceeds 25% under Rule 14.07 of the Listing Rules, the Loan Transaction, upon aggregating with

the Previous Loan Transaction II, constitutes a major transaction of the Company and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

As the assets ratio as defined under Rule 14.07(1) of the Listing Rules in respect of the Loan Transaction (after aggregating with the Previous Loan Transaction II) exceeds 8%, the Loan Transaction is also subject to the general disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules. The information required to be disclosed pursuant to Rules 13.13 and 13.15 of the Listing Rules in respect of the Loan is disclosed in this announcement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

The terms of the Loan Agreement, including the interest rate applicable, were arrived at after arm's length negotiations between X8 Finance and the Borrower having taken into account the prevailing market interest rates and practices. The Loan Agreement was entered into by X8 Finance having regard to (i) the costs of borrowing in providing the Loan to the Borrower; (ii) the interest income to be generated by providing the Loan; (iii) the security provided by the Borrower and the personal guarantee given by the Guarantors; and (iv) creditworthiness of the Borrower and the Guarantors. In addition, the transactions contemplated under the Loan Agreement are part of the ordinary and usual course of business of X8 Finance. In view of the above, the Directors are of the view that the terms of the Loan Agreement are on normal commercial terms, are fair and reasonable, and are in the interests of the Company and its shareholders as a whole.

WRITTEN SHAREHOLDERS' APPROVAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Loan Transaction and is required to abstain from voting if the Company were to convene a general meeting for the approval of the Loan Transaction. Written shareholders' approval of the Loan Transaction was obtained from each of Lee & Leung (B.V.I.) and Earth Axis, who directly held an aggregate of more than 50% of the total issued Shares and voting rights of the Company.

As at the date of this announcement, 1,252,752,780 Shares (representing approximately 46.96% of the total issued Shares) were held by Lee & Leung (B.V.I.). Lee & Leung (B.V.I.) is wholly-owned by Lee & Leung Family Investment Limited, which is wholly-owned by HSBC International Trustee Limited as trustee for the Lee & Leung Family Trust. Mr. Lee Lap is the settlor of the Lee & Leung Family Trust, and the discretionary beneficiaries of the Lee & Leung Family Trust are the spouse (Mdm. Leung Lai Ping) and certain children of Mr. Lee Lap (including Mr. Tommy Lee) and the offspring of such children. Further, 710,000,000 Shares (representing approximately 26.62% of the total issued Shares) were held by Earth Axis as at the date of this announcement. Earth Axis is a company ultimately owned as to 99.99% by Mr. Tommy Lee and 0.01% by Mr. Lee Lap.

Given the above beneficial ownership of Lee & Leung (B.V.I.) and Earth Axis being owned by Mr. Lee Lap and his associates, the above Shareholders are a closely allied group of Shareholders. As such, no special general meeting will be convened by the Company to approve the Loan Transaction as written Shareholders' approval in lieu of holding a general meeting has been obtained under Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, (i) details of the Loan Transaction; (ii) financial information of the Group; and (iii) other information required under the Listing Rules shall be despatched within 15 business days after publication of this announcement. As additional time is required to prepare the financial information to be included in the circular, the Company will apply for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules from the Stock Exchange so that the despatch date of the circular can be postponed to a date more than 15 business days after the publication of this announcement, which is expected to be on or before 15 January 2025 for Shareholders' information only.

GENERAL

Information on the Group and X8 Finance

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

X8 Finance is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company. X8 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. The Loan will be funded from internal resources of the Group.

Information on the Borrower and the Guarantors

The Borrower is a company incorporated in Hong Kong with limited liability and is principally engaged in property investments. As at the date hereof, the Borrower is ultimately owned by the Guarantor I as to 87.5% and an individual, who is a family member of the Guarantors and an independent third party of the Company, as to 12.5%. The Guarantor I and the Guarantor II is each an individual, and the Guarantor II is the nephew of the Guarantor I.

The Company confirms that to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Borrower and the Guarantors is a third party independent of the Company and its connected persons.

DEFINITIONS

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

“Board”	the board of Directors
“Borrower”	Kowloon Investment Company Limited, a company incorporated in Hong Kong with limited liability, which is ultimately owned as to 87.5% by the Guarantor I and an individual, who is an independent third party of the Company, as to 12.5% as at the date of this announcement

“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
“Earth Axis”	Earth Axis Investment Limited, a company incorporated in the British Virgin Islands with limited liability which is ultimately owned as to 99.99% by Mr. Tommy Lee and 0.01% by Mr. Lee Lap as at the date of this announcement
“Group”	the Company together with its subsidiaries from time to time
“Guarantor I”	Mr. Ho Shung Pun, one of the personal guarantors for the Loan under the Loan Agreement
“Guarantor II”	Mr. Ho Sai Wing, one of the personal guarantors for the Loan under the Loan Agreement
“Guarantors”	Guarantor I and Guarantor II
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Horn King”	Horn King Limited, a company incorporated in Hong Kong with limited liability, which is ultimately wholly-owned by the Guarantor I as at the date of this announcement
“Lee & Leung (B.V.I.)”	Lee & Leung (B.V.I.) Limited, a company incorporated in the British Virgin Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the term loan in the principal amount of HK\$50,000,000 granted by X8 Finance to the Borrower pursuant to the terms of the Loan Agreement
“Loan Agreement”	the loan agreement dated 3 December 2024 entered into between X8 Finance as lender and the Borrower as borrower, details of which are disclosed in the section headed “PRINCIPAL TERMS OF THE LOAN AGREEMENT” of this announcement
“Loan Transaction”	the grant of the Loan under the Loan Agreement

“Mr. Lee Lap”	Mr. Lee Lap, an executive Director and the Chairman of the Company
“Mr. Tommy Lee”	Mr. Tommy Lee, an executive Director and the Vice Chairman and Chief Executive Officer of the Company
“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
“X8 Finance”	X8 Finance Limited, an indirect wholly-owned subsidiary of the Company and also the lender under the Loan Agreement

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

Hong Kong, 3 December 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