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CL GROUP (HOLDINGS) LIMITED

昌利（控股）有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8098)

DISCLOSEABLE TRANSACTION

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On 29 July 2022, the Lender, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower pursuant to which the Lender has agreed to grant a loan of HK\$4 million to the Borrower for a term of five years.

Prior to the entering into of the Loan Agreement, the Lender and the Borrower entered into the First Existing Loan Agreement and the Second Existing Loan Agreement on 29 March 2017 and 7 June 2022 respectively pursuant to which the borrower is indebted to the Lender in the aggregate sum of approximately HK\$5.8 million.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Loan Agreement in aggregate with the First Existing Loan Agreement and Second Existing Loan Agreement is more than 5% but less than 25%, the Loan Agreement in aggregate with the First Existing Loan Agreement and Second Existing Loan Agreement constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under the GEM Listing Rules.

On 29 July 2022, the Lender, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Borrower pursuant to which the Lender has agreed to grant a loan of HK\$4 million to the Borrower for a term of five years.

LOAN AGREEMENT

Date: 29 July 2022

Parties: the Lender and the Borrower

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower is an Independent Third Party and a merchant.

Amount of the Loan

HK\$4,000,000

Term

Five years from the date of drawdown.

Interest

Interest on the Loan shall accrue at the rate of 15% per annum.

Repayment

The Borrower shall repay the Loan principal and loan interest on a monthly basis.

Security

A legal charge / mortgage in respect of a residential property located in Hong Kong.

FIRST EXISTING LOAN AGREEMENT

On 29 March 2017, the Lender and the Borrower entered into the First Existing Loan Agreement. A summary of the First Existing Loan Agreement is set out as follows:

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|---|--|
| Date: | 29 March 2017 as supplemented on 28 September 2017, 28 March 2018, 27 September 2018 and 26 April 2019 |
| Parties: | (i) The Lender as lender (ii) The Borrower as borrower |
| Outstanding principal as at date of this announcement: | Approximately HK\$ 2,771,000 |
| Term: | up to May 2024 |
| Interest rate: | 18% per annum |
| Repayment: | The Borrower shall repay the loan principal and loan interest on a monthly basis |
| Security: | A legal charge / mortgage in respect of a residential property located in Hong Kong |

SECOND EXISTING LOAN AGREEMENT

On 7 June 2022, the Lender and the Borrower entered into the Second Existing Loan Agreement. A summary of the Second Existing Loan Agreement is set out as follows:

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|---|---|
| Date: | 7 June 2022 |
| Parties: | (i) The Lender as lender (ii) The Borrower as borrower |
| Outstanding principal as at date of this announcement: | Approximately HK\$ 3,000,000 |
| Term: | 5 years from the date of drawdown |
| Interest rate: | 15% per annum |
| Repayment: | The Borrower shall repay the loan principal and loan interest on a monthly basis |
| Security: | A legal charge / mortgage in respect of a residential property located in Hong Kong |

REASONS FOR THE LOAN AGREEMENT

The Group is principally engaged in the provision of securities brokerage, trading and advisory services, margin and other loan financing services. The Lender is a wholly owned subsidiary of the Company and a money lender licensed in Hong Kong under the Money Lenders Ordinance, Cap 163, laws of Hong Kong. The Loan Agreement is conducted in the ordinary and usual course of business of the Group which provides interest income to the Group.

The terms of the Loan Agreement is negotiated on an arm's length basis between the Lender and the Borrower. The Directors are of the view that the terms of the Loan Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Loan Agreement in aggregate with the First Existing Loan Agreement and Second Existing Loan Agreement is more than 5% but less than 25%, the Loan Agreement in aggregate with the First Existing Loan Agreement and Second Existing Loan Agreement constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under the GEM Listing Rules.

DEFINITIONS

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|---------------------------|--|
| “Board” | the board of Directors |
| “Borrower” | Wai Ching |
| “Company” | CL Group (Holdings) Limited, is incorporated in the Cayman Islands as an exempted company with limited liability, the shares of which are listed on the GEM |
| “Director(s)” | the director(s) of the Company |
| “GEM” | GEM operated by the Stock Exchange |
| “GEM Listing Rules” | the Rules Governing the Listing of Securities on GEM |
| “Group” | the Company and its subsidiaries |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People's Republic of China |
| “Independent Third Party” | the person(s), the beneficial owner(s) which, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, is/are third party(ies) independent of the Company and its connected person(s) |
| “Lender” | CLC Finance Limited, a limited liability company incorporated in Hong Kong and a wholly-owned subsidiary of the Company |

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| “Loan” | The loan in the principal sum of HK\$4 million advanced pursuant to the Loan Agreement |
| “Loan Agreement” | The loan agreement dated 29 July 2022 made between the Lender and the Borrower in respect of a loan facility of HK\$4 million |
| “First Existing Loan Agreement” | The loan agreement dated 29 March 2017 as supplemented on 28 September 2017, 28 March 2018, 27 September 2018 and 26 April 2019 made between the Lender and the Borrower |
| “Second Existing Loan Agreement” | The loan agreement dated 7 June 2022 |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent. |

By Order of the Board
CL Group (Holdings) Limited
Kwok Kin Chung
Executive Director

Hong Kong, 29 July 2022

The Directors of the Company as at the date of this announcement are:-

Executive Directors:

Mr. Kwok Kin Chung (Chief Executive Officer)

Mr. Lau Kin Hon

Ms. Yu Linda

Independent non-executive Directors:

Mr. Poon Wing Chuen

Mr. Wang Rongqian

Mr. Song Guangyuan

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcements” page for 7 days from the date of its posting and on the website of the Company.