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*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 2323)**

## **INSIDE INFORMATION**

### **COMMENCEMENT OF PROCEEDINGS BY THE GROUP IN CONNECTION WITH THE BREACH OF TERMS OF A LOAN AGREEMENT ENTERED INTO IN MARCH 2017**

This announcement is made by HKBridge Financial Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (“**Listing Rules**”) on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the Company’s announcement dated 22 March 2017 (“**2017 Announcement**”) in relation to the Loan Facility Agreement entered into between the Lender (namely, 至卓飛高企業管理諮詢服務(韶關)有限公司, which has subsequently changed its name to 韶關港橋企業管理諮詢服務有限公司), the Borrower (湛江市鼎盛房地產開發有限公司), Guarantor A (陳觀武), Guarantor B (黃秋梅) and Guarantor C (深圳市方鼎實業投資發展有限公司) (collectively, the “**Guarantors**”). Pursuant to the Loan Facility Agreement, the Lender has agreed to provide a loan facility of not more than RMB200 million to the Borrower for an initial term of two years, which term may be extended for another one year upon mutual agreement. Capitalised terms used in this announcement shall, unless the context requires otherwise, have the same meanings of those as defined in the 2017 Announcement.

This announcement is made to update shareholders of the Company and potential investors of the progress about interest payment of the Loan Amount and the actions taken by the Group to seek recovery from the Borrower and the Guarantors of the principal amount and the interests accrued and outstanding under the Loan Facility Agreement.

Pursuant to the Loan Facility Agreement, a total sum of RMB200 million was drawn by the Borrower in March 2017. Since 20 March 2018, the Borrower has defaulted in making payment of the full amount of interests accrued and failed to repay the entire principal amount of the Loan Amount. Accordingly, the Borrower has been in breach of the Loan Facility Agreement. The Lender has actively negotiated with the Borrower for the settlement solutions and increased further securities. The Borrower failed to fulfill its repayment obligation as promised in its seven written commitments and had rejected the Lender's suggested solution. Therefore, legal actions have to be taken by the Lender for the purpose of seeking recovery of the principal amount and the interests accrued and which remained outstanding owing by the Borrower.

The principal amount owed by the Borrower under the Loan Facility Agreement amounted to RMB200 million, and the interests accrued and which remained outstanding amounted to approximately RMB60.75 million as at 30 June 2019. Any interests which will accrue on the principal amount of the loan from 1 July 2019 until the final settlement of the principal amount should be charged at the rate of 24%.

Because of the above default, on 30 June 2019, the Lender filed a statement of claims (起訴狀) at the Intermediate People's Court of Shaoguan (韶關市中級人民法院) (“**Shaoguan Court**”) against the Borrower and the Guarantors. Subsequent to the filing, the Lender received a notice of acceptance for litigation proceedings (受理案件通知書) issued by Shaoguan Court on 16 July 2019. On 24 July 2019, the Lender paid the required litigation fee to Shaoguan Court to confirm the first hearing of the said litigation proceedings which is currently expected to be held on 20 August 2019. The Lender will consider to take further legal actions in order to claim against the assets under the Borrower and the Guarantors. Further announcement(s) will be made regarding any significant developments on the above litigation as and when appropriate.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

\* *The English translation of Chinese names or words in this announcement, where indicated, is included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

By Order of the Board  
**HKBridge Financial Holdings Limited**  
**Su Zhiyang**  
*Company Secretary*

Hong Kong, 25 July 2019

*As at the date of this announcement, the board of directors of the Company comprises Mr. Liu Tingan and Mr. Cheok Ho Fung being executive Directors; and Mr. Mao Yumin being non-executive Director; and Mr. Ng Man Kung, Mr. Lau Fai Lawrence and Mr. Mak Kwok Kei being independent non-executive Directors.*