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Quanzhou Huixin Micro-credit Co., Ltd.*

泉州匯鑫小額貸款股份有限公司

(Established in the People's Republic of China with limited liability)

(Stock Code: 1577)

**DISCLOSEABLE TRANSACTION IN RESPECT OF
PROVISION OF FINANCIAL ASSISTANCE**

PROVISION OF FINANCIAL ASSISTANCE

On 14 December 2020 (after trading hours), the Company, as the lender, entered into the Loan Agreement with the Customer, as the borrower, pursuant to which the Company agreed to grant the Loan in the principal amount of RMB25.6 million (equivalent to approximately HK\$30.4 million) to the Customer at the interest rate of 15.6% per annum.

Prior to the entering into of the Loan Agreement, the Group has entered into the Previous Loan Agreement on 19 November 2020 for the provision of the Previous Loan to the Customer.

LISTING RULES IMPLICATIONS

On a standalone basis, none of the applicable percentage ratios (as defined in the Listing Rules) in respect of each of the Loans exceed 5%. When the Loans are aggregated, one or more of the applicable percentage ratios (as defined in the Listing Rules) exceed 5% but is less than 25%, and the provision of the Loans constitute discloseable transactions of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Company's failure to make timely disclosure of the Loans after the signing of the Loan Agreement was due to a misunderstanding of the definition of "transaction" under Rule 14.04(1) of the Listing Rules, in particular the applicability of the exclusion set out in sub-paragraph (g) of Rule 14.04(1) of the Listing Rules.

INTRODUCTION

On 14 December 2020 (after trading hours), the Company, as the lender, entered into the Loan Agreement with the Customer, as the borrower, pursuant to which the Company agreed to grant the Loan in the principal amount of RMB25.6 million (equivalent to approximately HK\$30.4 million) to the Customer at the interest rate of 15.6% per annum.

Prior to the entering into of the Loan Agreement, the Group has entered into the Previous Loan Agreement on 19 November 2020 for the provision of the Previous Loan to the Customer.

LOAN AGREEMENT

The principal terms of the Loan Agreement are as follows:

Date: 14 December 2020 (after trading hours)

Parties: (a) the Company (as the lender);
(b) the Customer (as the borrower);
(c) the Mortgagor (as the mortgagor and one of the guarantors); and
(d) Individual A (as one of the guarantors).

Principal amount: RMB25.6 million (equivalent to approximately HK\$30.4 million)

Interest rate: 15.6% per annum

Term: 61 days from the date of the Loan Agreement

Repayment: the Customer shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity

Security: the share charge of 10% interest in Fund A

FUNDING OF THE LOANS

The Group is to finance the Loans with its internal resources.

INFORMATION ON THE CREDIT RISK RELATING TO THE LOANS

The making of the Loans is collateralised.

The collateral provided by the Mortgagor for the Loans is sufficient as the loan-to-value ratio of the security for the Previous Loan and the Loan is approximately 53.0% and 60.2% based on the value of the security which was determined with reference to the net value of RMB125.8 million of Fund B as of 31 December 2019 and the net value of RMB425.3 million of Fund A as of 31 December 2019, respectively.

The provision of the Loans was also made on the basis of the Company's credit assessments made on (i) the collateral provided by the Mortgagor, which involve the interests in the Fund A and Fund B, (ii) the fact that the Customer was our existing customer with no default record; and (iii) the financial strength and repayment ability of the Customer and guarantors. After having taken into account the factors as disclosed above in assessing the risks of the Loans, the Directors (including the independent non-executive Directors) considered that the risks involved in the provision of the Loans to the Customer is relatively low.

REASONS FOR AND BENEFITS OF THE LOAN AGREEMENTS

The Group is principally engaged in providing loans to SMEs, micro enterprises and individual entrepreneurs and investment consulting services in the PRC. The provision of the Loans to the Customer is in the ordinary and usual course of business of the Group.

The terms of the Loan Agreements were negotiated on an arm's length basis between the Group and the Customer with reference to the prevailing commercial practice, the securities provided and the amount of the Loans.

Having considered (i) the interest income to be received by the Group; (ii) the value of the collateral; and (iii) the satisfactory financial background of the Customer and the guarantors, the Directors are of the view that the Loan Agreements (i) are on normal commercial terms; and (ii) are on terms that are fair and reasonable and in the interests of the Company and Shareholders as a whole.

GENERAL INFORMATION ON THE PARTIES

The Group

The Group is primarily engaged in providing microfinance services to local entrepreneurial individuals, SMEs and microenterprises in the PRC.

The Company

The Company is the largest licensed microfinance company in Fujian Province in terms of revenue in 2024, according to the statistics of Fujian Financial Supervision Bureau (福建省地方金融监督管理局). The Company is primarily dedicated to providing local entrepreneurial individuals, SMEs and microenterprises with practical and flexible short-term financing solutions to support their continued development and address their ongoing liquidity needs. The Company was listed on the Main Board of the Hong Kong Stock Exchange on 30 September 2016.

The Customer

The Customer, controller of the Mortgagor, is a PRC individual and an investor. The Customer has good reputation, proven track records and a long relationship with the Group.

Mortgagor

Mortgagor, one of the guarantors, is a investment company established in the PRC which is 80% owned by the Customer and 20% owned by Individual A.

Individual A

Individual A, one of the guarantors, is a PRC individual and the sister of the Customer.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Customer, Mortgagor, Individual A, their respective associates and ultimate beneficial owners are Independent Third Parties and are not connected with the Company or any of its connected persons.

LISTING RULES IMPLICATIONS

On a standalone basis, none of the applicable percentage ratios (as defined in the Listing Rules) in respect of each of the Loans exceed 5%. When the Loans are aggregated, one or more of the applicable percentage ratios (as defined in the Listing Rules) exceed 5% but is less than 25%, and the provision of the Loans constitute discloseable transactions of the Company and are therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

REMEDIAL MEASURES

The Company is a licensed microfinance company heavily regulated and supervised by financial regulatory authorities in the PRC. The Company's lending business is revenue in nature and is conducted in its ordinary and usual course of business. This led the Company to believe that the transactions under the lending business do not fall within the definition of "transaction" under Rule 14.04(1) of the Listing Rules and are not subject to the notifiable transaction requirements under Chapter 14 of the Listing Rules. The Company's failure to make timely disclosure of the Loan after the signing of the Loan Agreement was due to a misunderstanding of the definition of "transaction" under Rule 14.04(1) of the Listing Rules, in particular the applicability of the exclusion set out in subparagraph (g) of Rule 14.04(1) of the Listing Rules.

To prevent the occurrence of similar non-compliance incident in the future, the Company will implement the following measures:

1. its internal control policy and system on notifiable transaction will be updated to include its lending business;

2. the updated internal control policy will be circulated as soon as practicable internally, emphasizing the importance of working out size tests of each lending transaction prior to its execution; and
3. a dedicated personnel will monitor the lending business to ensure full compliance with the requirements of the Listing Rules.

The Directors confirm that save for the above, they are not aware of any other notifiable transaction with the Customer that the Company failed to disclose under the relevant requirements of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	the board of the Company
“Company”	Quanzhou Huixin Micro-credit Co., Ltd.* (泉州匯鑫小額貸款股份有限公司), a company incorporated in the PRC and the H Shares of which are listed on the Hong Kong Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Customer”	the borrower under the Loan Agreements, being a PRC individual and an Independent Third Party to the Company
“Directors”	the directors of the Company
“Domestic Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi by PRC nationals and/or PRC-incorporated entities
“Fujian” or “Fujian Province”	Fujian Province (福建省), the PRC
“Fund A”	a limited partnership established in Xiamen, the PRC with a total investment of RMB248.7 million, principally invests in service industry
“Fund B”	a limited partnership established in Xiamen, the PRC with a total investment of RMB348.0 million, principally invests in service industry
“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 PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“H Share(s)”	overseas listed foreign shares in the share capital of the Company, with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“Independent Third Party(ies)”	person(s) which is/are third party(ies) independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“Individual A”	one of the guarantors, being a PRC individual and Independent Third Party to the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Loan”	a loan in the amount of RMB25.6 million (equivalent to approximately HK\$30.4 million) granted to the Customer
“Loan Agreement”	the loan agreement dated 14 December 2020 entered into between the Company and the Customer in relation to the grant of the Loan
“Loan Agreements”	the Loan Agreement and the Previous Loan Agreement
“Loans”	the Loan and the Previous Loan
“Mortgagor”	a investment company established in the PRC and an Independent Third Party to the Company
“PRC” or “China”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Previous Loan”	a loan in the amount of RMB10.0 million (equivalent to approximately HK\$11.9 million) granted to the Customer
“Previous Loan Agreement”	the loan agreement dated 19 November 2020 entered into between the Company and the Customer in relation to the grant of the Previous Loan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	Domestic Share(s) and/or H Share(s)

“Shareholder(s)”	holder(s) of the Share(s)
“SME(s)”	small and medium-sized enterprise(s), as defined in the Notice on the Provisions for Classification Standards of Small and Medium-sized Enterprises (關於印發中小企業劃型標準規定的通知)
“%”	per cent

By order of the Board
Quanzhou Huixin Micro-credit Co., Ltd.*
JIANG Bin
Chairman

Hong Kong, 12 December 2025

As of the date of this announcement, the executive Directors are Mr. JIANG Bin, Mr. ZHOU Yongwei, Mr. YAN Zhijiang and Ms. LIU Aiqin; the non-executive Directors are Mr. JIANG Haiying and Mr. CAI Rongjun; and the independent non-executive Directors are Mr. ZHENG Wenjian, Mr. YANG Dong and Mr. YANG Zhanghua.

For the purpose of this announcement, translations of RMB into HK\$ or vice versa have been calculated by using an exchange rate of RMB0.84322 equal to HK\$1.00. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

* *For identification purpose only*