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**Power Financial Group Limited**  
**權威金融集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock code: 397)**

**DISCLOSEABLE TRANSACTION –  
REDEMPTION OF FUND**

The Board is pleased to announce that on 30 October 2018, Plenty Cash and Profitsway (each a wholly-owned subsidiary of the Company) served the Redemption Notices to request the Fund to redeem an aggregate of 1,693.7269 Fund Shares held by Plenty Cash and Profitsway at the Redemption Price.

The Fund is an exempted company incorporated in the Cayman Islands with limited liability and principally engaged in investment. The investment objective of the Fund is to achieve capital growth by investing in securities, private equity, derivatives and related instruments issued by companies whose majority of their business and/or revenue is closely related to the economic growth of the People's Republic of China, Hong Kong, Singapore and Taiwan.

After completion of the Redemption, the Group will cease to have any interest in the Fund.

**IMPLICATIONS UNDER THE LISTING RULES**

The Redemption constitutes a disposal by the Company through Plenty Cash and Profitsway. As the highest relevant percentage ratio (as defined under the Listing Rules) in respect of the Redemption is more than 5% but less than 25%, the Redemption constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements set out in Rule 14.34 of the Listing Rules.

The Board is pleased to announce that on 30 October 2018, Plenty Cash and Profitsway (each a wholly-owned subsidiary of the Company) served the Redemption Notices to request the Fund to redeem an aggregate of 1,693.7269 Fund Shares held by Plenty Cash and Profitsway at the Redemption Price.

Major terms of the Redemption are set out below.

## **THE REDEMPTION**

Date of the Redemption Notices : 30 October 2018

Parties : (1) Plenty Cash and Profitsway, each being a wholly-owned subsidiary of the Company  
(2) the Fund

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Fund and the other investors of the Fund is an Independent Third Party.

### **Assets to be disposed of**

The assets being disposed of under the Redemption are 363.1258 and 1,330.6011 Fund Shares held by Plenty Cash and Profitsway respectively.

### **Redemption Price**

Plenty Cash's and Profitsway's interest in the Fund is redeemed at the Redemption Price in cash. The Redemption Price represents the prevailing net asset value per Fund Share as of the last business day of each month on which the net asset value per Fund Share will be calculated.

Based on the latest quarterly information provided by the Fund, the unaudited net asset value per Fund Share was approximately HK\$17,745.3197 as at 28 September 2018. Assuming the net asset value of each Fund Share remains unchanged from 28 September 2018 to the date on which the Redemption Price is determined, the Redemption Price would be approximately HK\$17,745.3197 per Fund Share and the total Redemption Price for the Redemption would be approximately HK\$30,056,000 (before deduction of redemption fee).

### **Basis of consideration**

The total consideration for the Redemption will be determined in accordance with the terms of the Fund with reference to the net asset value of the Fund at the time of the Redemption.

## Completion

Completion of the Redemption will take place 30 days after the Redemption Notices are served.

After completion of the Redemption, the Group will cease to have any interest in the Fund.

The Group classified its investment in the Fund as financial assets at fair value through other comprehensive income prior to the Redemption.

## INFORMATION ABOUT THE FUND

The Fund is an exempted company incorporated in the Cayman Islands and principally engaged in investment. The investment objective of the Fund is to achieve capital growth by investing in securities, private equity, derivatives and related instruments issued by companies whose majority of their business and/or revenue is closely related to the economic growth of the People's Republic of China, Hong Kong, Singapore and Taiwan.

Set out below is certain audited financial information of the Fund for the two years ended 30 June 2018:

	<b>For the year ended 30 June 2017</b>	<b>For the year ended 30 June 2018</b>
	<i>US\$'000</i>	<i>US\$'000</i>
	(approximately)	(approximately)
Net profit (before and after taxation)	35,338	42,299

Based on the audited financial statements of the Fund for the year ended 30 June 2018, the audited consolidated net asset value of the Fund amounted to approximately US\$461,385,000 as at 30 June 2018. Based on the latest quarterly information provided by the Fund, the unaudited net asset value per Fund Share was approximately HK\$17,745.3197 as at 28 September 2018.

## INFORMATION ABOUT THE GROUP

The Group is principally engaged in financial services business, money lending business and assets investment.

## REASONS FOR AND BENEFITS OF THE REDEMPTION

The Directors expect to recognise an unaudited gain of approximately HK\$4 million from the Redemption, being the difference between the estimated Redemption Price and the carrying amount of the Fund Shares recorded by the Group in its book of approximately HK\$26 million as at 30 June 2018. Shareholders should note that the actual amount of gain on the

Redemption to be recorded by the Company will be subject to audit. The Board intends to use the proceeds from the Redemption for general working capital purpose and to fund the upcoming investments of the Group in the future.

The Group first invested in the Fund in November 2014 and its related total investment cost amounted to approximately HK\$27 million. Taking into account the estimated gain on the Redemption, the Directors consider that the Redemption represents a good opportunity for the Group to realise such investment so that it can re-allocate its resources to its other existing businesses.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Redemption are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

The Redemption constitutes a disposal by the Company through Plenty Cash and Profitsway. As the highest relevant percentage ratio (as defined under the Listing Rules) in respect of the Redemption is more than 5% but less than 25%, the Redemption constitutes a discloseable transaction for the Company under the Listing Rules and is subject to the notification and announcement requirements set out in Rule 14.34 of the Listing Rules.

## **DEFINITIONS**

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	Power Financial Group Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Fund”	an exempted company incorporated in the Cayman Islands with limited liability
“Fund Share(s)”	Class A HK\$ shares of the Fund
“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”	third party(ies) independent of the Company and its connected persons (as defined in the Listing Rules) of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Plenty Cash”	Plenty Cash Investment Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Profitsway”	Profitsway Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Redemption”	the redemption of an aggregate of 1,693.7269 Fund Shares by Plenty Cash and Profitsway
“Redemption Notices”	the redemption notices dated 30 October 2018 served by Plenty Cash and Profitsway for the Redemption
“Redemption Price”	the price per Fund Share to be calculated based on the prevailing net asset value per Fund Share
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	the United States of America dollars, the lawful currency of the United States of America

On behalf of the Board  
**Power Financial Group Limited**  
**Choi Chun Chung, Danny**  
*Chairman*

Hong Kong, 30 October 2018

*As at the date of this announcement, the executive Directors are Mr. Wu William Wai Leung and Mr. Sit Sai Hung, Billy; the non-executive Director is Mr. Choi Chun Chung, Danny; and the independent non-executive Directors are Mr. Wong Kun To, Mr. Chu Hau Lim and Ms. Lim Xue Ling, Charlene.*