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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 –
GRANT OF LOAN**

Pursuant to the Original Loan Agreement dated 1 June 2018 made between the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower, an Independent Third Party, the Original Loan in the principal amount of HK\$20,000,000 bearing interest at a rate of 12% per annum for a period of six months, was advanced to the Borrower. The Original Maturity Date of the Original Loan fell on 30 November 2018. The Borrower had fully paid the interest accrued on the Original Loan under the Original Loan Agreement to the Lender as at the date of this announcement.

The Board announces that on 3 December 2018, the Lender entered into the New Loan Agreement with the Borrower whereby the Lender has agreed to grant the Loan in the principal amount of HK\$20,000,000 bearing interest at a rate of 8.5% per annum for a period of six months.

Each of the loan advanced by the Lender to the Borrower under the Original Loan Agreement and the New Loan Agreement is secured by a personal guarantee executed by the Personal Guarantor.

Each of the advance of the Original Loan and the Loan did not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the grant of the Original Loan and the Loan (on an aggregated basis) exceeds 5% and is lower than 25%, the grant of the Original Loan and the Loan (on an aggregated basis) constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules and is subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

BACKGROUND

The Lender is an indirect wholly-owned subsidiary of the Company and principally engages in money lending activities in Hong Kong. In June 2018, the Lender advanced the Original Loan in the principal amount of HK\$20,000,000 to the Borrower. The Original Loan bore interest at a rate of 12% per annum and, according to the terms of the Original Loan Agreement, matured on 30 November 2018.

THE ORIGINAL LOAN AND THE LOAN

The principal terms of the Original Loan Agreement and the New Loan Agreement are summarised as follows:

Date of the Original Loan Agreement	:	1 June 2018
Date of the New Loan Agreement	:	3 December 2018
Lender	:	E Finance Limited, an indirect wholly-owned subsidiary of the Company. E Finance Limited is a licensed money lender in Hong Kong under the Money Lenders Ordinance
Borrower	:	A company incorporated in Hong Kong with limited liability
		To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Borrower and its ultimate beneficial owner (being the Personal Guarantor) is an Independent Third Party and the Borrower principally engages in property investment, securities investment and property leasing
Principal Amount of the Original Loan	:	HK\$20,000,000

Principal Amount of the Loan	:	HK\$20,000,000, which is equal to the principal amount of the Original Loan
Maturity Date	:	(i) the Original Maturity Date fell on 30 November 2018 pursuant to the Original Loan Agreement; and (ii) the New Maturity Date shall fall on 3 June 2019 pursuant to the New Loan Agreement
Interest Rate	:	(i) 12% per annum for the Original Loan up to the Original Maturity Date (ii) 8.5% per annum for the Loan from 3 December 2018 to the New Maturity Date
Security and Guarantee	:	Each of Original Loan and the Loan is secured by a personal guarantee executed by the Personal Guarantor in favour of the Lender

The advance of the Loan under the New Loan Agreement was in substance a re-financing of the Original Loan under the Original Loan Agreement. All interest accrued on the Original Loan under the Original Loan Agreement has been repaid as at the date of this announcement.

The Original Loan granted by the Lender to the Borrower under the Original Loan Agreement was funded by internal resources of the Group.

INFORMATION ABOUT THE GROUP

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

REASONS FOR AND BENEFITS OF THE PROVISION OF THE ORIGINAL LOAN AND THE LOAN

Money lending business is currently one of the Group's principal business activities. The terms of the Original Loan Agreement and the New Loan Agreement were arrived at by the parties after arm's length negotiations with reference to the prevailing or then prevailing market conditions and practices. Having considered that the grant of the Original Loan and the Loan would be beneficial to the Group in terms of return (i.e. additional interest income), the Directors consider that the terms of the Original Loan Agreement and the New Loan Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Each of the advance of the Original Loan and the Loan did not constitute a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the grant of the Original Loan and the Loan (on an aggregated basis) exceeds 5% and is lower than 25%, the grant of the Original Loan and the Loan (on an aggregated basis) constitutes a discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules and is subject to notification and announcement requirements pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Borrower”	a company incorporated in Hong Kong with limited liability, which is wholly-owned by the Personal Guarantor
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“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 independent of the Company and its connected persons
“Lender”	E Finance Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	a loan in the principal amount of HK\$20,000,000 pursuant to the New Loan Agreement
“Money Lenders Ordinance”	Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong
“New Loan Agreement”	a loan agreement dated 3 December 2018 entered into between the Lender and the Borrower in connection with the provision of the Loan
“New Maturity Date”	being 3 June 2019 pursuant to the New Loan Agreement
“Original Loan”	a loan in the principal amount of HK\$20,000,000 advanced by the Lender to the Borrower pursuant to the Original Loan Agreement
“Original Loan Agreement”	a loan agreement dated 1 June 2018 entered into between the Lender and the Borrower in relation to the provision of the Original Loan
“Original Maturity Date”	being 30 November 2018 pursuant to the Original Loan Agreement
“Personal Guarantor”	an individual being the ultimate beneficial owner of the Borrower and an Independent Third Party
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 3 December 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.