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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 –  
EXTENSION OF LOAN**

Pursuant to the Original Facility Agreement dated 13 July 2018 made between the Co-lenders (i.e. the Lender, an indirect wholly-owned subsidiary of the Company, and the Operator, an Independent Third Party) and the Borrower, an Independent Third Party, the Original Loan in the principal amount of HK\$38,000,000, bearing interest at a rate of 7.7% per annum for a period of six months, was advanced by the Co-lenders to the Borrower. The Original Maturity Date of the Original Loan shall fall on 13 January 2019. The Original Loan advanced by the Co-lenders to the Borrower under the Original Facility Agreement was secured by (i) the Mortgage and (ii) the Guarantee.

As between the Co-lenders, it has been agreed that the Group shall only contribute HK\$25,000,000 of the Original Loan and the remainder of the Original Loan shall be contributed by the Operator.

The Board announces that on 11 January 2019, the Co-lenders entered into the Loan Extension Documentation with the Borrower whereby the Co-lenders have, in substance, extended the repayment date of the Original Loan in the principal amount of HK\$38,000,000 to 10 July 2019 (i.e. the Extended Maturity Date) and increased the interest rate from 7.7% per annum to 9.5% per annum with effect from 11 January 2019. The Extended Loan is also secured by (i) the Mortgage and (ii) the Guarantee.

The entering into of the Loan Extension Documentation is in substance a re-financing of the Original Loan which will mature on 13 January 2019.

The advance of the Original Loan by itself did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the Original Facility Agreement and the Loan Extension Documentation were entered into between the Co-lenders and the Borrower within a 12-month period, the transactions contemplated under the Original Facility Agreement and the Loan Extension Documentation are aggregated for the purpose of determining the highest applicable percentage ratio under Chapter 14 of the Listing Rules.

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

## **BACKGROUND**

The Lender is an indirect wholly-owned subsidiary of the Company and principally engages in money lending business in Hong Kong. On 13 July 2018, the Co-lenders advanced the Original Loan in the principal amount of HK\$38,000,000 to the Borrower. The Original Loan bore interest at a rate of 7.7% per annum and shall mature on 13 January 2019.

As between the Co-lenders, it has been agreed that the Group shall only contribute HK\$25,000,000 of the Original Loan and the remainder of the Original Loan shall be contributed by the Operator.

Pursuant to the Loan Extension Documentation, the maturity date of the Original Loan has been extended to the Extended Maturity Date and the interest rate in respect of the Extended Loan has been increased from 7.7% per annum to 9.5% per annum, in substance.

## **THE ORIGINAL LOAN AND THE EXTENDED LOAN**

The principal terms of the Original Facility Agreement and the Loan Extension Documentation are summarised as follows:

Date of the Original Facility Agreement : 13 July 2018

Date of the Loan Extension Documentation : 11 January 2019

- 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
- Operator : A company incorporated in Hong Kong with limited liability and a licensed money lender which principally engages in sub-mortgage loan business
- To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Operator and its ultimate beneficial owner(s) is an Independent Third Party
- The Lender and the Operator are collectively the Co-lenders under the Original Facility Agreement and the Loan Extension Documentation
- Borrower : A company incorporated in Hong Kong with limited liability and principally engages in money lending business in Hong Kong
- To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Borrower and its ultimate beneficial owners is an Independent Third Party
- Principal Amount of the Original Loan : HK\$38,000,000 (HK\$25,000,000 of which was contributed by the Lender)
- Principal Amount of the Extended Loan : HK\$38,000,000, which is the same as the principal amount of the Original Loan (HK\$25,000,000 of which was contributed by the Lender)
- Maturity Date : (i) the Original Maturity Date shall fall on 13 January 2019 pursuant to the Original Facility Agreement; and
- (ii) the Extended Maturity Date shall fall on 10 July 2019 pursuant to the Loan Extension Documentation
- Interest Rate : (i) 7.7% per annum for the Original Loan from 13 July 2018 up to the Original Maturity Date
- (ii) 9.5% per annum for the Extended Loan from 11 January 2019 to the Extended Maturity Date

Up to the date of the Loan Extension Documentation, the Borrower has made the interest payments in respect of the Original Loan in accordance with the terms of the Original Facility Agreement

Security : The loan under the Original Facility Agreement and the Loan Extension Documentation is secured by (i) the Mortgage and (ii) the Guarantee

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the individual guarantor who executed the Guarantee is an Independent Third Party

The Lender's proportion of the Original Loan 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 GRANT OF ORIGINAL LOAN AND EXTENSION**

Money lending business is currently one of the Group's principal business activities. The terms of the Original Facility Agreement and the Loan Extension Documentation 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 Extension would be beneficial to the Group in terms of return (i.e. additional interest income), the Directors consider that the terms of the Original Facility Agreement and the Loan Extension Documentation are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The entering into of the Loan Extension Documentation is in substance a re-financing of the Original Loan which will mature on 13 January 2019.

## **IMPLICATIONS UNDER THE LISTING RULES**

The advance of the Original Loan by itself did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the Original Facility Agreement and the Loan Extension Documentation were entered into between the Co-lenders and the Borrower within a 12-month period, the transactions contemplated under the Original Facility Agreement and the Loan Extension Documentation are aggregated for the purpose of determining the highest applicable percentage ratio under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of each of (i) the Extension itself; and (ii) the grant of the Original Loan and the Extension (on an aggregated basis) exceeds 5% and is lower than 25%, each of (i) the Extension itself; and (ii) the grant of the Original Loan and the Extension (on an aggregated basis) constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to notification and announcement requirements under 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 and an Independent Third Party
“Co-lenders”	collectively, the Lender and the Operator
“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
“Extended Loan”	a loan in the principal amount of HK\$38,000,000 under the Loan Extension Documentation (which is the same as the principal amount of the Original Loan)
“Extended Maturity Date”	being 10 July 2019 pursuant to the Loan Extension Documentation
“Extension”	the extension of the Original Maturity Date to the Extended Maturity Date pursuant to the Loan Extension Documentation
“Group”	the Company and its subsidiaries
“Guarantee”	the personal guarantee executed by a director of the Borrower in favour of the Co-lenders in respect of all monies and obligations owing by the Borrower to the Co-lenders from time to time under the Original Facility Agreement or, as the case may be, the Loan Extension Documentation
“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 (as defined in the Listing Rules) of the Company and their respective associates (as defined in the Listing Rules)
“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 Extension Documentation”	a facility agreement dated 11 January 2019 entered into between the Co-lenders and the Borrower in relation to the grant of a revolving loan facility of HK\$38,000,000, together with a drawdown notice signed by the Borrower in respect of the drawdown of a loan in the principal amount of HK\$38,000,000 and a related updated repayment schedule
“Money Lenders Ordinance”	Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong
“Mortgage”	sub-mortgage over a landed property given by the Borrower in favour of the Co-lenders in respect of all monies and obligations owing by the Borrower to the Co-lenders from time to time under the Original Facility Agreement or, as the case may be, the Loan Extension Documentation
“Operator”	a company incorporated in Hong Kong with limited liability, an Independent Third Party and one of the Co-lenders
“Original Facility Agreement”	a facility agreement dated 13 July 2018 entered into between the Co-lenders and the Borrower together with a related repayment schedule
“Original Loan”	a loan in the principal amount of HK\$38,000,000 advanced by the Co-lenders to the Borrower pursuant to the Original Facility Agreement
“Original Maturity Date”	being 13 January 2019 in accordance with the Original Facility Agreement
“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 and Chief Executive Officer*

Hong Kong, 11 January 2019

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