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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 Existing Facility Agreement 1 dated 26 July 2018 entered into 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, an uncommitted revolving loan facility at an interest rate of 7.5% per annum was granted by the Co-lenders to the Borrower. Any drawdown of the facility under the Existing Facility Agreement 1 shall be subject to approval by the Co-lenders at their sole discretion.

Prior to the date of this announcement, pursuant to the Existing Facility Agreement 1, the Borrower has applied for and the Co-lenders have approved (i) the First Drawdown in the principal amount of HK\$8,000,000; and (ii) the Second Drawdown in the principal amount of HK\$5,000,000; each bearing interest at a rate of 7.5% per annum for a period of six months from the date of each drawdown. The loan advanced under the First Drawdown was secured by (i) the Existing Mortgage 1 and (ii) the Existing Guarantee 1; while the loan advanced under the Second Drawdown was secured by (i) the Existing Mortgage 2 and (ii) the Existing Guarantee 1. The principal and interest under the First Drawdown and the Second Drawdown have been fully repaid prior to their respective maturity dates.

Pursuant to the Existing Facility Agreement 2 dated 30 July 2018 entered into between the Co-lenders and the Borrower, an uncommitted revolving loan facility at an interest rate of 7.5% per annum was granted by the Co-lenders to the Borrower. Any drawdown of the facility under the Existing Facility Agreement 2 shall be subject to approval by the Co-lenders at their sole discretion.

Prior to the date of this announcement, pursuant to the Existing Facility Agreement 2, the Borrower has applied for and the Co-lenders have approved the Third Drawdown in the principal amount of HK\$12,000,000, at an interest rate of 7.5% per annum for a period of six months from the date of drawdown. The loan advanced under the Third Drawdown was secured by (i) the Existing Mortgage 3 and (ii) the Existing Guarantee 2. The maturity date of the Third Drawdown shall fall on 9 February 2019.

The advance of loan under the First Drawdown, the Second Drawdown and the Third Drawdown, either separately or on an aggregated basis, did not constitute any discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Board is pleased to announce that on 14 January 2019, the Co-lenders and the Borrower entered into the New Facility Agreement under which an uncommitted revolving loan facility subject to a maximum principal amount of HK\$23,500,000 at an interest rate of 10.5% per annum was granted by the Co-lenders to the Borrower. Any drawdown of the facility under the New Facility Agreement shall be subject to approval by the Co-lenders at their sole discretion. It is expected that (i) the Fourth Drawdown in the principal amount of HK\$19,000,000; and (ii) the Fifth Drawdown in the principal amount of HK\$4,500,000 shall be made under the New Facility Agreement on 15 January 2019. The loans to be advanced under such drawdowns will be secured by (i) the New Mortgage 1 and the New Mortgage 2 respectively and (ii) the New Guarantee.

It is expected that the Fourth Drawdown and the Fifth Drawdown will be made on 15 January 2019.

As between the Co-lenders, it has been agreed that the Group (A) contributed (i) HK\$7,600,000 to the First Drawdown, (ii) HK\$4,750,000 to the Second Drawdown and (iii) HK\$11,400,000 to the Third Drawdown, and (B) shall contribute (i) HK\$18,050,000 to the Fourth Drawdown, and (ii) HK\$4,275,000 to the Fifth Drawdown and the remainder of each of the Five Drawdowns shall be contributed by the Operator.

As the advance of loan under the Five Drawdowns were made within a 12-month period, the transactions contemplated thereunder 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 Fourth Drawdown and Fifth Drawdown (as a whole); and (ii) the Five Drawdowns (on an aggregated basis) exceeds 5% and is lower than 25%, each of (i) the Fourth Drawdown and Fifth Drawdown (as a whole); and (ii) the Five Drawdowns (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 26 July 2018, the Co-lenders granted an uncommitted revolving loan facility to the Borrower at an interest rate of 7.5% per annum. Any drawdown of the facility under the Existing Facility Agreement 1 shall be subject to approval by the Co-lenders at their sole discretion. Prior to the date of this announcement, pursuant to the Existing Facility Agreement 1, the Borrower has applied for and the Co-lenders have approved (i) the First Drawdown in the principal amount of HK\$8,000,000; and (ii) the Second Drawdown in the principal amount of HK\$5,000,000; each bearing interest at a rate of 7.5% per annum for a period of six months from the date of each drawdown. The principal and interest under the First Drawdown and the Second Drawdown have been fully repaid prior to their respective maturity dates.

On 30 July 2018, the Co-lenders granted an uncommitted revolving loan facility to the Borrower an interest rate of 7.5% per annum pursuant to the Existing Facility Agreement 2. Any drawdown of such facility shall be subject to approval by the Co-lenders at their sole discretion. Prior to the date of this announcement, pursuant to the Existing Facility Agreement 2, the Borrower has applied for and the Co-lenders have approved the Third Drawdown in the principal amount of HK\$12,000,000, at an interest rate of 7.5% per annum for a period of six months from the date of drawdown. The maturity date of the Third Drawdown shall fall on 9 February 2019.

On 14 January 2019, the Co-lenders and the Borrower entered into the New Facility Agreement under which an uncommitted revolving loan facility subject to a maximum principal amount of HK\$23,500,000 at an interest rate of 10.5% per annum was granted by the Co-lenders to the Borrower. Any drawdown of the facility under the New Facility Agreement shall be subject to approval by the Co-lenders at their sole discretion. It is expected that (i) the Fourth Drawdown in the principal amount of HK\$19,000,000; and (ii) the Fifth Drawdown in the principal amount of HK\$4,500,000 shall be made under the New Facility Agreement on 15 January 2019. The loans to be advanced under such drawdowns shall be secured by (i) the New Mortgage 1 and the New Mortgage 2 respectively and (ii) the New Guarantee and such loans shall bear interest at a rate of 10.5% per annum for a period of twelve months from the date of each drawdown. Assuming the drawdown date falls on 15 January 2019, the maturity date of both the Fourth Drawdown and Fifth Drawdown shall fall on 14 January 2020.

As between the Co-lenders, it has been agreed that the Group (A) contributed (i) HK\$7,600,000 to the First Drawdown, (ii) HK\$4,750,000 to the Second Drawdown and (iii) HK\$11,400,000 to the Third Drawdown, and (B) shall contribute (i) HK\$18,050,000 to the Fourth Drawdown, and (ii) HK\$4,275,000 to the Fifth Drawdown, and the remainder of each of the Five Drawdowns shall be contributed by the Operator.

## THE FIVE DRAWDOWNS

The principal terms of the Five Drawdowns are summarised as follows:

Dates of the Five Drawdowns	:	First Drawdown:	26 July 2018
		Second Drawdown:	30 July 2018
		Third Drawdown:	9 August 2018
		Fourth Drawdown:	15 January 2019 ( <i>Note</i> )
		Fifth Drawdown:	15 January 2019 ( <i>Note</i> )

*Note:* these drawdowns will be made according to the respective drawdown notices. It is expected that the Fourth Drawdown and the Fifth Drawdown will be made on 15 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, a licensed money lender and 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

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 Five Drawdowns	:	First Drawdown:	HK\$8,000,000 (HK\$7,600,000 of which was contributed by the Lender)
		Second Drawdown:	HK\$5,000,000 (HK\$4,750,000 of which was contributed by the Lender)
		Third Drawdown:	HK\$12,000,000 (HK\$11,400,000 of which was contributed by the Lender)
		Fourth Drawdown:	HK\$19,000,000 (HK\$18,050,000 of which shall be contributed by the Lender)
		Fifth Drawdown:	HK\$4,500,000 (HK\$4,275,000 of which shall be contributed by the Lender)

Maturity Date : First Drawdown: 26 January 2019 (*Note 1*)  
Second Drawdown: 30 January 2019 (*Note 1*)  
Third Drawdown: 9 February 2019  
Fourth Drawdown: 14 January 2020 (*Note 2*)  
Fifth Drawdown: 14 January 2020 (*Note 2*)

*Notes:*

1. These drawdowns were repaid in full prior to their respective maturity dates.
2. Assuming the drawdown is made on 15 January 2019.

Interest Rate per annum : First Drawdown: 7.5%  
Second Drawdown: 7.5%  
Third Drawdown: 7.5%  
Fourth Drawdown: 10.5%  
Fifth Drawdown: 10.5%

Security : The loan advanced under the First Drawdown was secured by the Existing Mortgage 1 and the Existing Guarantee 1

The loan advanced under the Second Drawdown was secured by the Existing Mortgage 2 and the Existing Guarantee 1

The loan advanced under the Third Drawdown was secured by the Existing Mortgage 3 and the Existing Guarantee 2

The loan to be advanced under the Fourth Drawdown will be secured by the New Mortgage 1 and the New Guarantee

The loan to be advanced under the Fifth Drawdown will be secured by the New Mortgage 2 and the New Guarantee

The Lender's proportion in each of the Five Drawdowns 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 LOAN UNDER THE FIVE DRAWDOWNS**

Money lending business is currently one of the Group's principal business activities. The terms of the Facility Agreements and the grant of the Five Drawdowns 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 loan under the Five Drawdowns would be beneficial to the Group in terms of return (i.e. additional interest income), the Directors consider that the terms of the Facility Agreements and the grant of loan under the Five Drawdowns 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**

The advance of loan under the First Drawdown, the Second Drawdown and the Third Drawdown, either separately or on an aggregated basis, did not constitute any discloseable transaction of the Company pursuant to Chapter 14 of the Listing Rules.

As the advance of loan under the Five Drawdowns were made within a 12-month period, the transactions contemplated thereunder 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 Fourth Drawdown and Fifth Drawdown (as a whole); and (ii) the Five Drawdowns (on an aggregated basis) exceeds 5% and is lower than 25%, each of (i) the Fourth Drawdown and Fifth Drawdown (as a whole); and (ii) the Five Drawdowns (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

“Corporate Guarantor”	a company incorporated in the British Virgin Islands with limited liability, which indirectly holds 100% of the issued share capital of the Borrower as at the date of the Existing Facility Agreement 1 and the date of the New Facility Agreement, and is an Independent Third Party
“Director(s)”	the director(s) of the Company
“Existing Facility Agreement 1”	the facility agreement dated 26 July 2018 entered into between the Co-lenders and the Borrower in connection with the grant of uncommitted revolving loan facility at an interest rate of 7.5% per annum
“Existing Facility Agreement 2”	the facility agreement dated 30 July 2018 entered into between the Co-lenders and the Borrower in connection with the grant of an uncommitted revolving loan facility at an interest rate of 7.5% per annum
“Existing Guarantee 1”	guarantee given by each of (i) the Corporate Guarantor and (ii) two directors of the Borrower, each being an Independent Third Party, 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 Existing Facility Agreement 1
“Existing Guarantee 2”	a guarantee given by the Corporate Guarantor 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 Existing Facility Agreement 2
“Existing Mortgage 1”	the sub-mortgage over a landed property in Hong Kong 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 advance of loan under the First Drawdown
“Existing Mortgage 2”	the sub-mortgage over a landed property in Hong Kong 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 advance of loan under the Second Drawdown
“Existing Mortgage 3”	the sub-mortgage over various landed properties in Hong Kong 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 advance of loan under the Third Drawdown

“Facility Agreements”	collectively, the Existing Facility Agreement 1, the Existing Facility Agreement 2 and the New Facility Agreement
“Fifth Drawdown”	the expected drawdown in the principal amount of HK\$4,500,000 on 15 January 2019 under the New Facility Agreement
“First Drawdown”	a drawdown in the principal amount of HK\$8,000,000 on 26 July 2018 pursuant to the Existing Facility Agreement 1, as approved by the Co-lenders
“Five Drawdowns”	collectively, the First Drawdown, the Second Drawdown, the Third Drawdown, the Fourth Drawdown and the Fifth Drawdown, as approved by the Co-lenders
“Fourth Drawdown”	the expected drawdown in the principal amount of HK\$19,000,000 on 15 January 2019 under the New Facility Agreement
“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 (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
“Money Lenders Ordinance”	Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong
“New Facility Agreement”	the facility agreement dated 14 January 2019 entered into between the Co-lenders and the Borrower in connection with the grant of uncommitted revolving loan facility at an interest rate of 10.5% per annum

“New Guarantee”	a guarantee given by the Corporate Guarantor 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 New Facility Agreement
“New Mortgage 1”	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 advance of loan under the Fourth Drawdown
“New Mortgage 2”	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 advance of loan under the Fifth Drawdown
“Operator”	a company incorporated in Hong Kong with limited liability, an Independent Third Party and one of the Co-lenders
“Second Drawdown”	a drawdown in the principal amount of HK\$5,000,000 on 30 July 2018 pursuant to the Existing Facility Agreement 1, as approved by the Co-lenders
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Third Drawdown”	a drawdown in the principal amount of HK\$12,000,000 on 9 August 2018 pursuant to the Existing Facility Agreement 2, as approved by the Co-lenders
“%”	per cent

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

Hong Kong, 14 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.*