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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 –
PROPOSED GRANT OF LOAN**

The Board wishes to announce that on 25 January 2019, the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower, an Independent Third Party, entered into the Loan Agreement, pursuant to which the Lender has agreed to grant the loans under (i) Tranche A in the principal amount of HK\$32,000,000 for a period of 12 months from the date of its drawdown; and (ii) Tranche B in the principal amount of HK\$2,000,000 for a period of 4 months from the date of its drawdown to the Borrower, each bearing interest at a rate from 12% to 13.98% per annum. The loans to be advanced under the Loan Agreement will be secured by the Mortgages and the Guarantees.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the proposed grant of loans under the Loan Agreement exceeds 5% and is lower than 25%, the proposed grant of loans under the Loan Agreement 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 25 January 2019, the Lender has agreed to grant the Borrower the loans under (i) Tranche A in the principal amount of HK\$32,000,000 for a period of 12 months from the date of its drawdown; and (ii) Tranche B in the principal amount of HK\$2,000,000 for a period of 4 months from the date of its drawdown, each bearing interest at a rate from 12% to 13.98% per annum. The loans to be advanced under the Loan Agreement will be secured by the Mortgages and the Guarantees.

THE PROPOSED GRANT OF LOANS UNDER THE TWO TRANCHES

The principal terms of the proposed grant of loans under the Two Tranches are summarised as follows:

Date of the Loan Agreement	:	25 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
Borrower	:	A company incorporated in Hong Kong with limited liability and principally engages in provision of consulting services and trading of education materials 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 Amounts of the Two Tranches	:	Tranche A: HK\$32,000,000 Tranche B: HK\$2,000,000
Maturity Dates	:	Tranche A: the last date of the 12-month period from its drawdown Tranche B: the last date of the 4-month period from its drawdown
Interest Rate per annum	:	Tranche A: 13.98% for the first month and 12% for the remaining 11 months Tranche B: 13.98% for the first month and 12% for the remaining 3 months
Security	:	The loans to be advanced under Tranche A and Tranche B will be secured by the Mortgages and the Guarantees Each of the mortgagors and the guarantors providing the collateral security is an Independent Third Party

The loans to be advanced under the Two Tranches will be 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 PROPOSED GRANT OF LOANS UNDER THE LOAN AGREEMENT

Money lending business is currently one of the Group's principal business activities. The terms of the 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 proposed grant of loans under the Loan Agreement would be beneficial to the Group in terms of return (i.e. additional interest income), the Directors consider that the terms of the Loan Agreement and the proposed grant of loans under the Two Tranches 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

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the proposed grant of loans under the Loan Agreement exceeds 5% and is lower than 25%, the proposed grant of loans under the Loan Agreement 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
“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
“Group”	the Company and its subsidiaries

“Guarantees”	two separate personal guarantees given by (i) an individual, being a shareholder and a director of the Borrower and an Independent Third Party, and (ii) another Independent Third Party in favour of the Lender in respect of all monies and obligations owing by the Borrower to the Lender from time to time under the Loan Agreement
“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) 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 Agreement”	the loan agreement dated 25 January 2019 entered into between the Lender and the Borrower in connection with the proposed grant of loans under the Two Tranches
“Money Lenders Ordinance”	Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong
“Mortgages”	collectively, (i) the first mortgage over two landed properties in Hong Kong to be given by an individual, being a shareholder and a director of the Borrower and an Independent Third Party, and (ii) the first mortgage over other two landed properties in Hong Kong to be given by the same individual and another Independent Third Party, in favour of the Lender in respect of all monies and obligations owing by the Borrower to the Lender from time to time under the Loan Agreement
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tranche A”	a fixed term loan in the principal amount of HK\$32,000,000 to be advanced to the Borrower for a period of 12 months pursuant to the Loan Agreement
“Tranche B”	a fixed term loan in the principal amount of HK\$2,000,000 to be advanced to the Borrower for a period of 4 months pursuant to the Loan Agreement
“Two Tranches”	collectively, Tranche A and Tranche B
“%”	per cent

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

Hong Kong, 25 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.