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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 –
VARIOUS LOAN TRANSACTIONS**

Pursuant to the Facility Agreement 1 dated 21 June 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 bearing interest at a rate of 7.75% per annum was granted by the Co-lenders to the Borrower. Any drawdown of the facility under the 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 Facility Agreement 1, the Borrower has applied for and the Co-lenders have approved (i) the First Drawdown in the principal amount of HK\$13,400,000; (ii) the Second Drawdown in the principal amount of HK\$8,000,000; and (iii) the Third Drawdown in the principal amount of HK\$3,000,000; each bearing interest at a rate of 7.75% 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 Mortgage 1 and (ii) the Guarantee 1; the loan advanced under the Second Drawdown was secured by (i) the Mortgage 2 and (ii) the Guarantee 1; and the loan advanced under the Third Drawdown was secured by (i) the Mortgage 3 and (ii) the Guarantee 1. The maturity dates of the First Drawdown and the Third Drawdown fell on 21 December 2018 and 28 February 2019 respectively. The principal and interest of the Second Drawdown have been fully repaid prior to its maturity date.

As between the Co-lenders, it has been agreed that the Group contributed (i) HK\$12,730,000 to the First Drawdown, (ii) HK\$5,700,000 to the Second Drawdown and (iii) HK\$2,100,000 to the Third Drawdown and the remainder of each of the Three Drawdowns was contributed by the Operator.

Pursuant to the Facility Agreement 2 dated 17 December 2018 entered into between the Co-lenders and the Borrower, an uncommitted revolving loan facility bearing interest at a rate of 9.5% per annum was granted by the Co-lenders to the Borrower. Any drawdown of the facility under the 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 Facility Agreement 2, the Borrower has applied for and the Co-lenders have approved a drawdown in the principal amount of HK\$13,400,000 bearing interest at a rate of 9.5% per annum for a period of six months from the date of drawdown. Such principal amount was used to re-finance the repayment of the principal amount of the First Drawdown under the Facility Agreement 1 and bears interest at a rate of 9.5% per annum with effect from 21 December 2018 (i.e. the date of drawdown). Such loan is secured by (i) the Mortgage 1 and (ii) the Guarantee 2.

As between the Co-lenders, it has been agreed that HK\$12,730,000 out of the Extended Loan under the First Drawdown was contributed by the Group and the remainder of the Extended Loan under the First Drawdown was contributed by the Operator.

The advance of loan under the Three Drawdowns and the Extension of Loan under the First 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 announces that on 26 February 2019, the Co-lenders entered into the Loan Extension Documentation with the Borrower whereby the Co-lenders have agreed to extend the repayment date of the loan under the Third Drawdown (i.e. the Extension of Loan under the Third Drawdown) to 27 August 2019 and the interest rate shall be increased from 7.75% per annum to 9.5% per annum with effect from 28 February 2019. The Extended Loan under the Third Drawdown shall be secured by (i) the Mortgage 3 and (ii) the Guarantee 3.

As between the Co-lenders, it has been agreed that HK\$2,100,000 out of the Extended Loan under the Third Drawdown was contributed by the Group and the remainder of the Extended Loan under the Third Drawdown was contributed by the Operator.

The Extension of Loan under the Third Drawdown itself did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the Various Loan Transactions occurred within a 12-month period, the transactions contemplated under the Various Loan Transactions 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 the Various Loan Transactions (on an aggregated basis) exceeds 5% and is lower than 25%, the Various Loan Transactions (on an aggregated basis) constitute 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.

Pursuant to the Facility Agreement 1, the Co-lenders have granted the Borrower an uncommitted revolving loan facility bearing interest at a rate of 7.75% per annum. Any drawdown of the facility under the Facility Agreement 1 shall be subject to approval by the Co-lenders at their sole discretion. Three drawdowns of loans have been made under the Facility Agreement 1, details of such drawdowns are set out in this announcement below.

Pursuant to the Facility Agreement 2, the Co-lenders have granted the Borrower an uncommitted revolving loan facility bearing interest at a rate of 9.5% per annum. Any drawdown of the facility under the Facility Agreement 2 shall be subject to approval by the Co-lenders at their sole discretion. One drawdown has been made under the Facility Agreement 2 and the principal amount of such drawdown has been used to repay the principal amount of the First Drawdown (i.e. the Extension of Loan under the First Drawdown). Details of such drawdown are set out in this announcement below.

Pursuant to the Loan Extension Documentation, the Co-lenders have agreed to extend the repayment date of the loan under the Third Drawdown (i.e. the Extension of Loan under the Third Drawdown) to 27 August 2019 and the interest rate shall be increased from 7.75% per annum to 9.5% per annum with effect from 28 February 2019.

THE VARIOUS LOAN TRANSACTIONS

The principal terms of the Various Loan Transactions are summarised as follows:

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| Date of transaction | : | First Drawdown: | 21 June 2018 |
| | | Second Drawdown: | 29 August 2018 |
| | | Third Drawdown: | 29 August 2018 |
| | | Effective date of the Extension of Loan under the First Drawdown: | 21 December 2018 |
| | | Effective date of the Extension of Loan under the Third Drawdown: | 28 February 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 Various Loan Transactions

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 Three Drawdowns, the Extended Loan under the First Drawdown and the Extended Loan under the Third Drawdown : First Drawdown: HK\$13,400,000 (HK\$12,730,000 of which was contributed by the Lender)

Second Drawdown: HK\$8,000,000 (HK\$5,700,000 of which was contributed by the Lender)

Third Drawdown: HK\$3,000,000 (HK\$2,100,000 of which was contributed by the Lender)

Extended Loan under the First Drawdown: HK\$13,400,000 (HK\$12,730,000 of which was contributed by the Lender)

Extended Loan under the Third Drawdown: HK\$3,000,000 (HK\$2,100,000 of which was contributed by the Lender)

Maturity date : First Drawdown: 21 December 2018
 Second Drawdown: 28 February 2019 (*Note*)
 Third Drawdown: 28 February 2019
 Extended Loan under 22 May 2019
 the First Drawdown:
 Extended Loan under 27 August 2019
 the Third Drawdown:

Note: The principal and interest of the Second Drawdown have been fully repaid prior to its maturity date.

Interest rate per annum : First Drawdown: 7.75%
 Second Drawdown: 7.75%
 Third Drawdown: 7.75%
 Extended Loan under 9.5%
 the First Drawdown:
 Extended Loan under 9.5%
 the Third Drawdown:

Security : First Drawdown: the Mortgage 1 and the Guarantee 1
 Second Drawdown: the Mortgage 2 and the Guarantee 1
 Third Drawdown: the Mortgage 3 and the Guarantee 1
 Extended Loan under the Mortgage 1 and the Guarantee 2
 the First Drawdown:
 Extended Loan under the Mortgage 3 and the Guarantee 3
 the Third Drawdown:

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Guarantor is an Independent Third Party

The Lender's proportion in each of the Three 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 VARIOUS LOAN TRANSACTIONS

Money lending business is currently one of the Group's principal business activities. The terms and conditions of the Various Loan Transactions 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 Various Loan Transactions would be beneficial to the Group in terms of return (i.e. additional interest income), the Directors consider that the terms of the Various Loan Transactions 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 Three Drawdowns and the Extension of Loan under the First 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 Extension of Loan under the Third Drawdown itself did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the Various Loan Transactions occurred within a 12-month period, the transactions contemplated under the Various Loan Transactions 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 the Various Loan Transactions (on an aggregated basis) exceeds 5% and is lower than 25%, the Various Loan Transactions (on an aggregated basis) constitute 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:

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| “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 |

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| “Director(s)” | the director(s) of the Company |
| “Extended Loan under the First Drawdown” | a loan in the principal amount of HK\$13,400,000 pursuant to the Facility Agreement 2, as approved by the Co-lenders |
| “Extended Loan under the Third Drawdown” | a loan in the principal amount of HK\$3,000,000 under the Loan Extension Documentation |
| “Extension of Loan under the First Drawdown” | the extension of the maturity date of loan under the First Drawdown from 21 December 2018 to 22 May 2019 |
| “Extension of Loan under the Third Drawdown” | the extension of the maturity date of loan under the Third Drawdown from 28 February 2019 to 27 August 2019 pursuant to the Loan Extension Documentation |
| “Facility Agreement 1” | the facility agreement dated 21 June 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 7.75% per annum |
| “Facility Agreement 2” | the facility agreement dated 17 December 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 9.5% per annum |
| “First Drawdown” | a drawdown in the principal amount of HK\$13,400,000 on 21 June 2018 pursuant to the Facility Agreement 1, as approved by the Co-lenders |
| “Group” | the Company and its subsidiaries |
| “Guarantee 1” | guarantee given by the 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 Facility Agreement 1 |
| “Guarantee 2” | guarantee given by the 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 Facility Agreement 2 |
| “Guarantee 3” | guarantee given by the 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 Loan Extension Documentation |

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| “Guarantor” | an individual, being the sole director of the Borrower and an Independent Third Party |
| “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 confirmation letter dated 26 February 2019 made between the Co-lenders and the Borrower in relation to, among other matters, the Extension of Loan under the Third Drawdown |
| “Money Lenders Ordinance” | Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong |
| “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 and its extension |
| “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 |
| “Mortgage 3” | 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 Third Drawdown and its extension |
| “Operator” | a company incorporated in Hong Kong with limited liability, an Independent Third Party and one of the Co-lenders |

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| “Second Drawdown” | a drawdown in the principal amount of HK\$8,000,000 on 29 August 2018 pursuant to the Facility Agreement 1, as approved by the Co-lenders |
| “Shareholder(s)” | holder(s) of the share(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Third Drawdown” | a drawdown in the principal amount of HK\$3,000,000 on 29 August 2018 pursuant to the Facility Agreement 1, as approved by the Co-lenders and where the context so requires, as extended by the Loan Extension Documentation |
| “Three Drawdowns” | collectively, the First Drawdown, the Second Drawdown and the Third Drawdown, as approved by the Co-lenders |
| “Various Loan Transactions” | collectively, the advance of loan under the Three Drawdowns, the Extension of Loan under the First Drawdown and the Extension of Loan under the Third Drawdown |
| “%” | per cent |

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

Hong Kong, 26 February 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.