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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)**

**SUPPLEMENTAL ANNOUNCEMENT ON  
DISCLOSEABLE TRANSACTION –  
DISPOSAL OF FUND**

This announcement is issued by Power Financial Group Limited (“**Company**”) to supplement its announcement dated 6 March 2019 in relation to the Disposal (“**Disposal Announcement**”). Unless the context otherwise requires, capitalised terms defined in the Disposal Announcement have the same meanings when used in this announcement.

The Board would like to provide additional information on the Disposal as follows:

**ADDITIONAL INFORMATION ABOUT THE PURCHASER**

The Purchaser, which represented itself as one of the holders of the Fund Shares, is Convoy Collateral Limited. Based on public searches conducted by the Company, the Purchaser is a company incorporated in Hong Kong with limited liability and as at 31 December 2016, was a wholly-owned subsidiary of Convoy Global Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on the Main Board of the Stock Exchange (Stock code: 1019). Each of the Purchaser and its holding company is an Independent Third Party.

## **ADDITIONAL INFORMATION ABOUT THE FUND AND THE FUND MANAGER**

The name of the Fund is Promising Social Media Private Equity Fund. It is a non-listed exempted company incorporated in the Cayman Islands with limited liability which principally engages in investment. Based on the information provided by the Fund Manager, the Fund has been established to explore investment opportunities in Asia, which investments are engaged in or derive a significant proportion of their income from the field of social media.

The Fund Manager is Convoy Fund Management Limited, an exempted company incorporated in the Cayman Islands with limited liability and an Independent Third Party.

According to the audited financial statements of the Fund for the year ended 31 December 2017 (“**2017 AFS**”) dated 20 December 2018, the Fund held investments in unlisted private companies classified as financial assets at fair value through profit or loss of approximately HK\$87 million. According to the representation made by the Fund Manager in its letter dated 7 December 2018 issued to Plenty Cash, the single asset of the Fund as at 31 December 2017 was its 55% equity interest in a company which operated in the field of multi-media, social media and internet-related business in Hong Kong. According to the 2017 AFS, after the reporting period, the Fund had disposed of its 55% equity interest in the said company.

Pursuant to the investment management agreement relating to the Fund, the Fund Manager has full discretion and authority to manage the assets of the Fund. Up to the date of this announcement, the Fund Manager has not provided the Group with any details relating to the Fund’s investments subsequent to 31 December 2017.

## **FAIRNESS AND REASONABLENESS OF THE TERMS OF THE DISPOSAL**

In addition to the principal factors as set out in the paragraph headed “Reasons for and Benefits of the Disposal” in the Disposal Announcement, in determining the fairness and reasonableness of the terms of the Disposal, the Directors have also taken into account the following facts:

### **Declining performance of the Fund**

According to the 2017 AFS, for the year ended 31 December 2016, the Fund recorded an increase in net assets attributable to holders of the Fund Shares from operations of approximately HK\$2.7 million, and for the year ended 31 December 2017, the Fund recorded a decrease in net assets attributable to holders of the Fund Shares from operations of approximately HK\$7.2 million.

The carrying value of the 3,522.108 Fund Shares held by the Group recorded in the books of the Group as at 31 December 2015 and 31 December 2016 was HK\$33,440,261.00 (i.e. HK\$9,494.39 per Fund Share). The carrying value of the 4,075.809 Fund Shares held by the Group recorded in the books of the Group as at 31 December 2017 was HK\$36,848,540.82 (i.e. HK\$9,040.79 per Fund Share). This shows a declining trend in the carrying value per Fund Share.

## **Redemption and transfer restriction**

Pursuant to the terms of the subscription of the Fund Shares by Plenty Cash,

- (i) the Fund Shares may be redeemed by the Fund in its discretion but are not redeemable at the option of Plenty Cash. Any redemption of the Fund Shares will be at a price equal to the net asset value at the time of the redemption, net of all expenses, including the performance fee and accrued management fee payable to the Fund Manager. The Fund has not been established, and the Fund Shares have not been issued, with a fixed term in which the Fund must realise its investments and make distributions; and
- (ii) the Fund Shares may not be transferred without the prior written consent of the directors of the Fund. Such directors may withhold their consent for any reason.

As such, there is technically no secondary market in respect of the Fund Shares.

As disclosed above, based on the public searches conducted by the Group, the Purchaser, as at 31 December 2016, was a wholly-owned subsidiary of Convoy Global Holdings Limited, a listed company. On such basis, the Directors believe that the Purchaser has sufficient financial resources to pay the Disposal Price. In any event, the completion of the Disposal is conditional upon, among others, the Purchaser having paid the Disposal Price in full in accordance with the schedule described in the Disposal Announcement. Thus the Directors consider it appropriate and in the interests of the Company and its shareholders as a whole to accept the terms of the offer made by the Purchaser.

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

Hong Kong, 11 March 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.*