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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 Loan Agreement dated 26 March 2018 entered into between the Lender, an indirect wholly-owned subsidiary of the Company, and the Borrower, an Independent Third Party, the Loan in the principal amount of HK\$20,000,000 for a term of 12 months from 9 April 2018 bearing interest at rates from 9% to 17.5% per annum was advanced by the Lender to the Borrower. The Loan was secured by (i) the Mortgage; (ii) the Guarantee A; and (iii) the Guarantee B. The maturity date of the Loan shall fall on 8 April 2019.

The advance of the Loan did not constitute any discloseable transaction of the Company under Chapter 14 of the Listing Rules.

The Board announces that on 8 April 2019, the Lender entered into the Loan Extension Documentation with the Borrower whereby the Lender has agreed to advance a loan in the principal amount of HK\$19,000,000 to the Borrower. The loan is for a term of 12 months from 9 April 2019 and bears interest at a rate of 11% per annum. Such loan will be applied towards the repayment of the outstanding principal amount of HK\$19,000,000 under the Loan (i.e. Extended Loan), in effect extending the maturity date of the outstanding principal amount of HK\$19,000,000 under the Loan from 8 April 2019 to 8 April 2020 (i.e. Extension). The Extended Loan shall be secured by (i) the Mortgage; (ii) the Guarantee C; and (iii) the Guarantee D.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the Extension exceeds 5% and is lower than 25%, the Extension 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.

Pursuant to the Loan Agreement, the Loan in the principal amount of HK\$20,000,000 for a term of 12 months from 9 April 2018 bearing interest at rates from 9% to 17.5% per annum was advanced by the Lender to the Borrower. The Loan was secured by (i) the Mortgage; (ii) the Guarantee A; and (iii) the Guarantee B. The maturity date of the Loan shall fall on 8 April 2019.

The Board announces that on 8 April 2019, the Lender entered into the Loan Extension Documentation with the Borrower which, in substance, (i) extends the maturity date of the outstanding principal amount of HK\$19,000,000 under the Loan from 8 April 2019 to 8 April 2020 (i.e. Extension); and (ii) changes the interest rate in respect of the Extended Loan to 11% per annum. Details of the advance of the Loan and the Extension are set out in this announcement below.

THE ADVANCE OF THE LOAN AND THE EXTENSION

The principal terms of the advance of the Loan and the Extension are summarised as follows:

Date of transaction	:	The Loan Agreement:	26 March 2018
		The Loan Extension	8 April 2019
		Documentation:	
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 wholly-owned by the Personal Guarantor and, to the best of the Directors' knowledge, principally engages in property investment	
		To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Borrower and its ultimate beneficial owner (i.e. the Personal Guarantor) is an Independent Third Party	
Principal amount of the Loan and the Extended Loan	:	The Loan:	HK\$20,000,000
		Extended Loan:	HK\$19,000,000

Note: As at the date of this announcement, the Borrower has repaid HK\$1,000,000 towards the principal amount of the Loan. The outstanding principal amount of the Loan (i.e. the Extended Loan) is therefore HK\$19,000,000.

Maturity date	:	The Loan:	8 April 2019
		Extended Loan:	8 April 2020
Interest rate per annum	:	The Loan:	17.5% for the first month and 9% for the remaining eleven months up to 8 April 2019
		Extended Loan:	11% with effect from 9 April 2019 to 8 April 2020
Collateral security	:	The Loan:	(i) the Mortgage; (ii) the Guarantee A; and (iii) the Guarantee B
		Extended Loan:	(i) the Mortgage; (ii) the Guarantee C; and (iii) the Guarantee D

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the guarantors and (where applicable) its ultimate beneficial owner is an Independent Third Party

The advance of the 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 ADVANCE OF THE LOAN AND THE EXTENSION

Money lending business is currently one of the Group's principal business activities. The terms of the advance of the Loan and the Extension 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 advance of the 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 advance of the Loan and the Extension 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 the Loan did not constitute any discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the highest applicable percentage ratio as defined under the Listing Rules in respect of the Extension exceeds 5% and is lower than 25%, the Extension 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
“Corporate Guarantor”	a company incorporated in Hong Kong with limited liability, which is (i) wholly-owned by the Personal Guarantor; and (ii) an Independent Third Party
“Director(s)”	the director(s) of the Company
“Extended Loan”	a loan in the principal amount of HK\$19,000,000 advanced under the Loan Extension Documentation
“Extension”	the extension of the maturity date of the outstanding principal amount of HK\$19,000,000 under the Loan from 8 April 2019 to 8 April 2020
“Group”	the Company and its subsidiaries
“Guarantee A”	a guarantee given by the Personal Guarantor 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

“Guarantee B”	a guarantee given by the Corporate Guarantor 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
“Guarantee C”	a guarantee given by the Personal Guarantor 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 Extension Documentation
“Guarantee D”	a guarantee given by the Corporate Guarantor 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 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”	a loan in the principal amount of HK\$20,000,000 for a term of 12 months from 9 April 2018 pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 26 March 2018 entered into between the Lender and the Borrower in connection with the advance of the Loan, as the context so requires, as supplemented by the Loan Extension Documentation
“Loan Extension Documentation”	the loan agreement dated 8 April 2019 entered into between the Lender and the Borrower in connection with the Extended Loan
“Money Lenders Ordinance”	Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong

“Mortgage”	a first mortgage over three landed properties in Hong Kong given by the Borrower 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
“Personal Guarantor”	an individual who is (i) the sole shareholder and a director of the Borrower; (ii) the sole shareholder and a director of the Corporate Guarantor; and (iii) an Independent Third Party
“Shareholder(s)”	holder(s) of the share(s) 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, 8 April 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.