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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**

The Board announces that on 15 July 2019, the Lender entered into the Loan Agreement with the Borrower whereby the Lender has advanced the Loan in the principal amount of HK\$22,000,000 to the Borrower. The Loan is for a term of 6 months from 15 July 2019 and bears interest at rates from 10% to 13.82% per annum. The Loan is secured by (i) the Guarantee; and (ii) the Second Mortgages. The maturity date of the Loan shall fall on 14 January 2020.

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

The Board announces that on 15 July 2019, the Lender entered into the Loan Agreement with the Borrower whereby the Lender has advanced the Loan in the principal amount of HK\$22,000,000 to the Borrower. The Loan is for a term of 6 months from 15 July 2019 and bears interest at rates from 10% to 13.82% per annum. Details of the advance of the Loan are set out in this announcement below.

THE ADVANCE OF THE LOAN

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

Date of transaction	:	15 July 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 which 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 is an Independent Third Party
Principal amount of the Loan	:	HK\$22,000,000
Maturity date	:	14 January 2020
Interest rate per annum	:	13.82% for the first month and 10% for the remaining five months up to 14 January 2020
Collateral security	:	(i) the Guarantee; and (ii) the Second Mortgages To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Guarantor, the mortgagors and (where applicable) their ultimate beneficial owner is an Independent Third Party

The advance of the Loan is 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

Money lending business is currently one of the Group's principal business activities. The terms of the advance of the Loan 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 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 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 Loan exceeds 5% and is lower than 25%, the Loan 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 which (i) principally engages in property investment; and (ii) is 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
“Guarantee”	a guarantee given by the 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
“Guarantor”	an individual who is (i) the sole shareholder and a director of each of the Borrower and various other corporate mortgagors providing the relevant second mortgages; and (ii) 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”	a loan in the principal amount of HK\$22,000,000 for a term of 6 months from 15 July 2019 pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 15 July 2019 entered into between the Lender and the Borrower in connection with the advance of the Loan
“Money Lenders Ordinance”	Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong
“Second Mortgages”	a deed of second mortgage over a total of nine landed properties executed by the Borrower, the Guarantor, or as the case may be, companies owned by the 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
“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, 15 July 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.