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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 –
ADVANCE OF LOANS**

Pursuant to Loan Agreement A dated 23 August 2020 entered into between the Lender, an indirect wholly-owned subsidiary of the Company, and Borrower A, an Independent Third Party, Loan A in the principal amount of HK\$5,046,000 bearing interest at a rate of 12% per annum and for a term of one year from 23 August 2020 maturing on 23 August 2021 was advanced by the Lender to Borrower A. Loan A was secured by (i) Mortgages A; and (ii) Guarantee A.

Pursuant to Loan Agreement B dated 23 August 2020 entered into between the Lender and Borrower B, an Independent Third Party, Loan B in the principal amount of HK\$3,536,000 bearing interest at a rate of 12% per annum and for a term of one year from 23 August 2020 maturing on 23 August 2021 was advanced by the Lender to Borrower B. Loan B was secured by (i) Mortgages B; and (ii) Guarantee B.

The Board announces that on 10 September 2020, the Lender and Borrower C, an Independent Third Party, entered into Loan Agreement C in relation to the advance of Loan C in the principal amount of HK\$37,200,000 bearing interest at a rate of 10.5% per annum and for a term of one year from 10 September 2020 maturing on 10 September 2021. Loan C is secured by (i) Mortgages C; and (ii) Guarantee C1 and Guarantee C2.

Given (i) Borrower A is the sole shareholder of each of Borrower B and Borrower C; and (ii) Loan A, Loan B and Loan C were advanced within a 12-month period, Loan A, Loan B and Loan C 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 advance of Loan A, Loan B and Loan C (on an aggregated basis) exceeds 5% and is lower than 25%, the advance of Loan A, Loan B and Loan C (on an aggregated basis) 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.

The advance of Loan A and Loan B (either individually or on an aggregated basis) did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

BACKGROUND

Pursuant to Loan Agreement A, Loan A in the principal amount of HK\$5,046,000 bearing interest at a rate of 12% per annum and for a term of one year from 23 August 2020 maturing on 23 August 2021 was advanced by the Lender to Borrower A.

Pursuant to Loan Agreement B, Loan B in the principal amount of HK\$3,536,000 bearing interest at a rate of 12% per annum and for a term of one year from 23 August 2020 maturing on 23 August 2021 was advanced by the Lender to Borrower B.

The Board announces that on 10 September 2020, the Lender and Borrower C entered into Loan Agreement C in relation to the advance of Loan C in the principal amount of HK\$37,200,000 bearing interest at a rate of 10.5% per annum and for a term of one year from 10 September 2020 maturing on 10 September 2021.

THE ADVANCE OF THE LOANS

The principal terms of Loan A, Loan B and Loan C are summarised as follows:

Date of transaction : Loan A: 23 August 2020

Loan B: 23 August 2020

Loan C: 10 September 2020

Lender : E Finance Limited, a company incorporated in Hong Kong with limited liability, which (i) principally engages in money lending business in Hong Kong and is a licensed money lender in Hong Kong under the Money Lenders Ordinance; and (ii) is an indirect wholly-owned subsidiary of the Company

Borrower A : Ms. Ng Man Kuen, an individual, who, to the best of the Directors' knowledge, is (i) the sole director and sole shareholder of Borrower B; and (ii) the sole shareholder of Borrower C

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

Borrower B : Trend Capital Development Limited, a company incorporated in Hong Kong with limited liability, which, to the best of the Directors' knowledge, (i) principally engages in property investment; and (ii) is beneficially owned by Borrower A

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Borrower B and its ultimate beneficial owner, being Borrower A, is an Independent Third Party

Borrower C : King Tat Finance Limited, a company incorporated in Hong Kong with limited liability, which, to the best of the Directors' knowledge, (i) principally engages in money lending business in Hong Kong and is a licensed money lender in Hong Kong under the Money Lenders Ordinance; and (ii) is beneficially owned by Borrower A

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Borrower C and its ultimate beneficial owner, being Borrower A, is an Independent Third Party

Principal amount : Loan A: HK\$5,046,000

Loan B: HK\$3,536,000

Loan C: HK\$37,200,000

Maturity date : Loan A: 23 August 2021

Loan B: 23 August 2021

Loan C: 10 September 2021

Interest rate per annum : Loan A: 12%

Loan B: 12%

Loan C: 10.5%

Collateral security : Loan A: (i) Mortgages A; and (ii) Guarantee A

Loan B: (i) Mortgages B; and (ii) Guarantee B

Loan C: (i) Mortgages C; and (ii) Guarantee C1 and
Guarantee C2

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

Each of the advance of Loan A, Loan B and Loan C was funded by internal resources of the Group.

INFORMATION ABOUT THE GROUP

The Group principally engages in financial services business, money lending business, trading business and assets investment.

REASONS FOR AND BENEFITS OF THE ADVANCE OF THE LOANS

Money lending business is currently one of the Group's principal business activities. The terms of the advance of Loan A, Loan B and Loan C 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 Loan A, Loan B and Loan C 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 Loan A, Loan B and Loan C 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

Given (i) Borrower A is the sole shareholder of each of Borrower B and Borrower C; and (ii) Loan A, Loan B and Loan C were advanced within a 12-month period, Loan A, Loan B and Loan C 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 advance of Loan A, Loan B and Loan C (on an aggregated basis) exceeds 5% and is lower than 25%, the advance of Loan A, Loan B and Loan C (on an aggregated basis) 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.

The advance of Loan A and Loan B (either individually or on an aggregated basis) did not constitute a discloseable transaction of the Company 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”	Ms. Ng Man Kuen, an individual, who, to the best of the Directors’ knowledge, is (i) the sole director and sole shareholder of Borrower B; (ii) the sole shareholder of Borrower C; and (iii) an Independent Third Party
“Borrower B”	Trend Capital Development Limited, a company incorporated in Hong Kong with limited liability, which, to the best of the Directors’ knowledge, (i) principally engages in property investment; and (ii) is beneficially owned by Borrower A. Each of Borrower B and its ultimate beneficial owner, being Borrower A, is an Independent Third Party
“Borrower C”	King Tat Finance Limited, a company incorporated in Hong Kong with limited liability, which, to the best of the Directors’ knowledge, (i) principally engages in money lending business in Hong Kong and is a licensed money lender in Hong Kong under the Money Lenders Ordinance; and (ii) is beneficially owned by Borrower A. Each of Borrower C and its ultimate beneficial owner, being Borrower A, 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”	a guarantee given by Borrower B in favour of the Lender in respect of all monies and obligations owing by Borrower A to the Lender from time to time under Loan Agreement A
“Guarantee B”	a guarantee given by Borrower A in favour of the Lender in respect of all monies and obligations owing by Borrower B to the Lender from time to time under Loan Agreement B
“Guarantee C1”	a guarantee given by Borrower A in favour of the Lender in respect of all monies and obligations owing by Borrower C to the Lender from time to time under Loan Agreement C
“Guarantee C2”	a guarantee given by Mr. Au Yeung Kwong Yiu, an individual, who, to the best of the Directors’ knowledge, is (i) the sole director of Borrower C; and (ii) an Independent Third Party, in favour of the Lender in respect of all monies and obligations owing by Borrower C to the Lender from time to time under Loan Agreement C
“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, which (i) principally engages in money lending business in Hong Kong and is a licensed money lender in Hong Kong under the Money Lenders Ordinance; and (ii) is an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan A”	a term loan in the principal amount of HK\$5,046,000 for a term of one year from 23 August 2020 maturing on 23 August 2021 pursuant to Loan Agreement A

“Loan B”	a term loan in the principal amount of HK\$3,536,000 for a term of one year from 23 August 2020 maturing on 23 August 2021 pursuant to Loan Agreement B
“Loan C”	a term loan in the principal amount of HK\$37,200,000 for a term of one year from 10 September 2020 maturing on 10 September 2021 pursuant to Loan Agreement C
“Loan Agreement A”	the loan agreement dated 23 August 2020 entered into between (a) the Lender, as the lender; and (b) Borrower A, as the borrower, in connection with the advance of Loan A
“Loan Agreement B”	the loan agreement dated 23 August 2020 entered into between (a) the Lender, as the lender; and (b) Borrower B, as the borrower, in connection with the advance of Loan B
“Loan Agreement C”	the loan agreement dated 10 September 2020 entered into between (a) the Lender, as the lender; and (b) Borrower C, as the borrower, in connection with the advance of Loan C
“Money Lenders Ordinance”	Money Lenders Ordinance, Chapter 163 of the Laws of Hong Kong
“Mortgages A”	the first mortgages over 22 industrial units in Tsuen Wan, New Territories, Hong Kong executed by Borrower A in favour of the Lender in respect of all monies and obligations owing by Borrower A to the Lender from time to time under Loan Agreement A
“Mortgages B”	the first mortgages over 16 industrial units in Tsuen Wan, New Territories, Hong Kong executed by Borrower B in favour of the Lender in respect of all monies and obligations owing by Borrower B to the Lender from time to time under Loan Agreement B
“Mortgages C”	the sub-mortgages over six residential units in Tsim Sha Tsui, Kowloon, Hong Kong executed by Borrower C in favour of the Lender in respect of all monies and obligations owing by Borrower C to the Lender from time to time under Loan Agreement C
“Shareholder(s)”	holder(s) of the share(s) in the share capital 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, 10 September 2020

As at the date of this announcement, the executive Directors are Mr. Choi Chun Chung, Danny and Mr. Siu Kam Chau; and the independent non-executive Directors are Ms. Chan Kar Yin, Polly, Mr. Chiu Ka Wai, Ellis and Mr. Kwok Sze Kong.