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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)

PROPOSED ADOPTION OF THE NEW BYE-LAWS OF THE COMPANY

This announcement is made by Power Financial Group Limited (“**Company**”, together with its subsidiaries as the “**Group**”) pursuant to Rule 13.51(1) of the Rules (“**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”).

The board (“**Board**”) of directors (“**Directors**”) of the Company proposes to amend (“**Proposed Amendments**”) the bye-laws of the Company (“**Existing Bye-Laws**”) to be in line with the latest legal and regulatory requirements, including the amendments made to Appendix 3 to the Listing Rules which took effect on 1 January 2022, which have introduced a common set of core shareholder protection standards which shall apply to all listed issuers in Hong Kong. As the Proposed Amendments are rather extensive, the Board proposes to put forward to the shareholders of the Company (“**Shareholders**”) a special resolution to adopt a new bye-laws with the Proposed Amendments incorporated (“**New Bye-Laws**”) in substitution for, and to the exclusion of, the Existing Bye-Laws.

The major areas of the Proposed Amendments are set out below:

1. to add or modify the definition of “address”, “announcement”, “Auditor”, “the Board”, “Clearing House”, “close associate”, “Designated Stock Exchange”, “electronic communication”, “electronic means”, “electronic meeting”, “extraordinary resolution”, “full financial statements”, “hybrid meeting”, “Meeting Location”, “Newspapers”, “Notice”, “physical meeting”, “Principal Meeting Place”, “Relevant Territory”, “summarized financial statements” and “writing” or “printing”, and to delete the definition of “associate”, “the Chairman”, and making corresponding changes to the

relevant provisions (including the provision providing that a Director shall not vote (nor be counted in the quorum) on any Board resolution approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested);

2. to provide that the principal register and branch register of members shall be open to inspection;
3. to provide that any preference share may, subject to the Companies Act 1981 of Bermuda (“**Companies Act**”) and with the sanction of an ordinary resolution, be issued on the terms that it is liable to be redeemed upon the happening of a specified event or upon a given date and either at the option of the Company or, if so authorised by the memorandum of association of the Company, at the option of the holder;
4. to allow all general meetings (including an annual general meeting, any adjourned meeting or postponed meeting) of the Company to be held as a physical meeting in any part of the world and at one or more locations, or as a hybrid meeting (being a general meeting convened for the (i) physical attendance by Shareholders and/or proxies at a or certain physical location and (ii) virtual attendance and participation by Shareholders and/or proxies by means of electronic facilities), or as an electronic meeting, as may be determined by the Board in its absolute discretion;
5. to provide that the Board may issue, among others, convertible securities or securities of similar nature on such terms as the Board may from time to time determine;
6. to provide that at an adjourned meeting or postponed meeting of Shareholders to approve variation of class rights, the quorum shall be two Shareholders (whatever the number of shares in the Company (“**Shares**”) held by them);
7. to insert the amount of authorised share capital of the Company at the date the New Bye-Laws come into effect;
8. to provide that, subject to compliance with the Listing Rules and the rules and regulations of any other competent regulatory authority, the Company may give financial assistance for the purpose of or in connection with a purchase made or to be made by any person of any Shares;
9. to delete the provision regarding offer of Shares to existing Shareholders before the Company may issue any new Shares;
10. to empower the Board not to offer the Shares to Shareholders on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place based on the legal opinions provided by legal advisers;

11. to provide that the Company must hold an annual general meeting in each financial year and such annual general meeting must be held within six months after the end of the Company's financial year;
12. to elaborate on the procedure for holding special general meeting upon requisition by Shareholders;
13. to provide that an annual general meeting of the Company must be called by notice of not less than twenty-one clear days, while all other general meetings (including a special general meeting) may be called by notice of not less than fourteen clear days but if permitted by the Listing Rules, a general meeting may be called by shorter notice, subject to the Companies Act if it is so agreed under the circumstances set out in the New Bye-Laws;
14. to provide that a resolution put to the vote of a meeting shall be decided by way of a poll save that chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands;
15. to provide that all Shareholders shall have the right to (i) speak at a general meeting of the Company; and (ii) vote at a general meeting of the Company, except where a Shareholder is required, by the Listing Rules or the rules, codes or regulations of any competent regulatory authority, to abstain from voting to approve the matter under consideration;
16. to provide for the procedures to conduct general meetings of the Company which may be held at one or more locations, or as a hybrid meeting or an electronic meeting, and the powers of the Board and the chairman of the meeting in relation thereto;
17. to update the provisions regarding appointment of alternate Directors and the rights of alternate Directors;
18. to permit the Directors to attend the general meetings of the Company by way of electronic means;
19. to update the provision regarding rotation of Director so that not less than one-third of the Directors shall retire at each annual general meeting;
20. to update the provision regarding nomination of new Director by Shareholders;
21. to update the provision regarding removal of Director;
22. to remove the requirement of appointment of chairman and deputy chairman of the Company;

23. to permit a Director to give his/her consent to a resolution in writing by any means (including by means of electronic communication);
24. to provide that the Board shall have the power to provide in every notice calling a general meeting the circumstances in which a postponement or change of the relevant general meeting may occur automatically without further notice including, without limitation, where a tropical cyclone warning signal number 8 or above, black rainstorm warning or other similar event is in force at any time prior to or at the time of the general meeting on the day of the general meeting;
25. to provide that any Director appointed by the Board to fill a casual vacancy on the Board or as an addition to the existing Board shall hold office until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election;
26. to update the provision providing the circumstances under which a Director is not prohibited from voting (or being counted in the quorum) on any resolution of the Board approving any contract or arrangement or any other proposal in which he or any of his close associates is materially interested, in accordance with the requirements under Rule 13.44 of the Listing Rules;
27. to provide that the Board may capitalize all or any part of any amount for the time being standing to the credit of any reserve or fund (including the profit and loss account) for paying up unissued shares to be allotted to employees or trustee in connection with the operation of share incentive scheme or employee benefit scheme or other arrangement that has been adopted or approved by Shareholders;
28. to provide that the Company in general meeting may make distribution to Shareholders out of any contributed surplus (as ascertained in accordance with the Companies Act);
29. to update the provision regarding signing of balance sheet so that any one Director may sign the balance sheet on behalf of the Board;
30. to update the provision regarding sending of summarized financial statement;
31. to clarify that (i) the appointment of the auditor of the Company shall be by way of an ordinary resolution and (ii) the remuneration of the auditor of the Company shall be fixed by ordinary resolution;
32. to provide that the Shareholders may approve the removal of the auditor of the Company at any time before the expiration of his term of office by way of an extraordinary resolution (i.e. a resolution which has been passed by a majority of not less than two-thirds of votes cast by the shareholders permitted to vote on such resolution);

33. to update the provision regarding the appointment of the auditor of the Company to fill any casual vacancy in the office of the auditor of the Company to include in the event that Shareholders have failed to appoint or re-appoint the auditor;
34. to provide that the Company may upon the recommendation of the Board by ordinary resolution resolve in respect of any one particular dividend of the Company that a dividend may be satisfied wholly in the form of an allotment of shares credited as fully paid up; and
35. to update and tidy up definitions and other references, and to make consequential amendments in line with the above amendments and other house-keeping amendments.

The adoption of the New Bye-Laws is subject to the approval of the Shareholders by way of a special resolution at the forthcoming annual general meeting of the Company (“AGM”), and will become effective upon the approval by the Shareholders at the AGM.

A circular containing, among other matters, details of the AGM and particulars relating to, among others, the Proposed Amendments and the adoption of the New Bye-Laws, together with a notice of the AGM, will be despatched to the Shareholders in due course.

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

Hong Kong, 23 May 2022

As at the date of this announcement, the executive Directors are Mr. Choi Chun Chung, Danny, Mr. Tau Sai Kit, Terry, Mr. Li Wing Cheong and Mr. Cheng Chun Shing; and the independent non-executive Directors are Ms. Chan Lai Ping, Ms. Tam Mei Chu and Mr. Ho Yuen Tung.