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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 –  
DISPOSAL OF PROPERTY**

The Board is pleased to announce that on 2 December 2021, the Vendor, an indirect wholly-owned subsidiary of the Company, the Purchaser and the Property Agent entered into the Preliminary Sale and Purchase Agreement, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Property at a consideration of HK\$56,000,000.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement requirement under the Listing Rules.

**INTRODUCTION**

The Board is pleased to announce that on 2 December 2021, the Vendor, an indirect wholly-owned subsidiary of the Company, the Purchaser and the Property Agent entered into the Preliminary Sale and Purchase Agreement, pursuant to which the Purchaser agreed to purchase and the Vendor agreed to sell the Property at a consideration of HK\$56,000,000 subject to the terms and conditions therein.

## THE DETAILS OF THE DISPOSAL OF THE PROPERTY

A summary of the principal terms of the Preliminary Sale and Purchase Agreement is as follows:

Date: 2 December 2021

Parties:

- (1) Bonus First Group Limited, an indirect wholly-owned subsidiary of the Company, as the Vendor
- (2) Kaweta Limited as the Purchaser
- (3) Centaline Property Agency Limited as the Property Agent

The Property: The Property is a commercial unit located at Office 503 (also known as Unit 503) on 5th Floor, Wing On House, No. 71 Des Voeux Road Central, Hong Kong. The Property is a commercial property with a saleable area of approximately 1,960 square feet.

Immediately prior to the Disposal, the Property is vacant and the Vendor would sell the Property to the Purchaser on an as is basis.

Consideration: The consideration for the Disposal is HK\$56,000,000, which shall be paid by the Purchaser to the Vendor in the following manner:

- (1) HK\$2,000,000 has been paid upon signing of the Preliminary Sale and Purchase Agreement as initial deposit;
- (2) HK\$9,200,000 shall be paid on or before 16 December 2021; and
- (3) the balance in the sum of HK\$44,800,000 shall be paid in full upon the Completion.

The consideration has been determined after arm's length negotiations between the Vendor and the Purchaser by reference to, amongst other things, (a) the prevailing market conditions; (b) the location of the Property; (c) the market prices of other comparable properties and the prevailing market value of commercial properties of similar size and in the vicinity; and (d) valuation of the Property made by an independent valuer as at 1 December 2021 of approximately HK\$55 million.

**Formal Agreement:** The Formal Agreement will be signed by the Vendor and the Purchaser on or before 16 December 2021.

**Completion:** Completion of the Disposal shall take place on or before 10 February 2022. The Vendor shall deliver vacant possession of the Property to the Purchaser on an as is basis at Completion.

## **INFORMATION ON THE GROUP, THE PARTIES AND THE PROPERTY**

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

The Vendor is an indirect wholly-owned subsidiary of the Company and engages in property holding.

The Property is a commercial unit occupying a saleable area of approximately 1,960 square feet, located in Central, Hong Kong. Prior to it being vacant, the Property had been used by the Group. The Property did not generate any rental income for the Group for the past two years. As at 30 November 2021, the carrying value of the Property amounted to approximately HK\$47.6 million.

The Purchaser is a company incorporated in Hong Kong with limited liability, and is owned as to 50% by Yih Lai Bong Jean Paul, 49.5% by Yih Siu Lai Har and 0.5% by Yih Dieter. One of the three directors of the Purchaser, namely, Mr. Choy Ping Chung, is the elder brother of Mr. Choi Chun Chung, Danny, the chairman, chief executive officer and an executive director of the Company. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, (i) the Purchaser principally engages in property holding; (ii) the Property Agent is a property agency company incorporated in Hong Kong with limited liability; and (iii) each of the Purchaser, the Property Agent and their respective ultimate beneficial owners are Independent Third Parties.

## **FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS**

The Disposal is expected to enable the Group to recognize a gain of approximately HK\$8.4 million (before deducting any related expenses), being the premium of the Consideration over the carrying value of the Property of approximately HK\$47.6 million as at 30 November 2021. The actual gain or loss in connection with the Disposal will be assessed after the Completion and is subject to the final review and audit by the Company's auditor.

The net proceeds (after deducting expenses) from the Disposal are estimated to be approximately HK\$55.8 million. The Group intends to apply them as general working capital of the Group.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

As disclosed in the annual report of the Company for the year ended 31 December 2020, the Group would continue to cautiously monitor the business environment and market conditions as it relates to assets investment business operations. The Group would work towards prudently securing and managing new market opportunities, carefully reviewing investment policies and procedures, and looking to rationally adjust the direction of the Group's investments. In view of the uncertain economic outlook of Hong Kong as well as the expected gradual decrease in market demand for commercial property in Hong Kong, the Directors consider that the Disposal represents a good business opportunity for the Group to realize its investment in the Property.

Based on the foregoing, the Directors consider that the terms and conditions of the Disposal are on normal commercial terms, which are fair and reasonable and in the interests of the Company and the shareholders of Company as a whole.

## **LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the Disposal is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the announcement requirement under the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Board”	means the board of Directors
“Company”	means Power Financial Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 397)
“Completion”	means the completion of the Disposal pursuant to the terms and conditions of the Preliminary Sale and Purchase Agreement and the Formal Agreement
“Completion Date”	means the date on which the Completion takes place
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the aggregate sum of HK\$56,000,000, being the consideration of the sale and purchase of the Property
“Director(s)”	means the director(s) of the Company
“Disposal”	means the disposal of the Property by the Vendor to the Purchaser
“Formal Agreement”	means the formal agreement for sale and purchase in relation to the Disposal which will be entered into between the Vendor and the Purchaser on or before 16 December 2021
“Group”	means the Company and its subsidiaries as at the date of this announcement
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	means third party(ies) independent of the Company and its connected persons

“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange
“Preliminary Sale and Purchase Agreement”	means the preliminary sale and purchase agreement for sale and purchase in relation to the Disposal dated 2 December 2021 entered into by and among the Vendor, the Purchaser and the Property Agent
“Property”	means the property referred to under the heading “The Details of the Disposal of The Property” – “The Property” of this announcement
“Property Agent”	means Centaline Property Agency Limited, a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Purchaser”	means Kaweta Limited, a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Shares”	ordinary shares in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	means Bonus First Group Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	means per cent.

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

Hong Kong, 3 December 2021

*As at the date of this announcement, the executive Directors are Mr. Choi Chun Chung, Danny, Ms. Sin Pui Ying and Mr. Tau Sai Kit, Terry; and the independent non-executive Directors are Mr. Chiu Ka Wai, Ellis, Ms. Chan Lai Ping and Ms. Leung Mabel.*