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Jun Yang Financial Holdings Limited
君陽金融控股有限公司

(to be renamed as Power Financial Group Limited 權威金融集團有限公司)

(Incorporated in Bermuda with limited liability)

(Stock code: 397)

PROFIT WARNING – ADDITIONAL INFORMATION

This announcement is made by Jun Yang Financial Holdings Limited (to be renamed as Power Financial Group Limited) (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules).

Reference is made to the announcement of the Company dated 5 January 2018 (the “**Announcement**”) in which the Company announced that the Company would be expected to continue to record a significant loss for the FY2017. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board wishes to inform the Shareholders and potential investors of the Company that in addition to the information set out in the Announcement, the Company is expected to record additional losses for the FY2017 which comprise (i) additional losses arising from fair value changes on the Suspended Investments of approximately HK\$59 million based on a recent valuation report issued by an independent professional valuer using the index return method, which adjust the last traded price of the Suspended Investments by the return of a synthetic index that comprises guideline public companies in the period since the suspension date with discount of liquidity (as opposed to the net asset value method adopted by the Company when evaluating such loss as disclosed in the Announcement); and (ii) additional impairment loss on available-for-sale investments (mainly comprised unlisted funds) of approximately HK\$73 million based on further information received from the relevant fund managers recently. All such additional losses are non-cash in nature. While the Group is expected to record such additional losses, the Group is also expected to recognise (i) a gain on disposal of available-for-sale investments of approximately HK\$41 million; and (ii) dividend income from available-for-sale investments of approximately HK\$55 million, for the FY2017.

The statements set out in the preceding paragraph, together with the Profit Warning Statement contained in the Announcement, are collectively referred to as the “**Profit Warning Statements**” for the purpose of this announcement.

The Group is still in the process of finalising its consolidated financial statements for the FY2017. The information contained in this announcement is only based on a preliminary assessment made by the Board with reference to the information currently available, which has not been audited by the auditors of the Company or reviewed by the audit committee of the Board and may be subject to change. The information may also be subject to adjustment after further review and finalisation of the consolidated financial statements for the FY2017 by the Board. Shareholders and potential investors of the Company are advised to refer to the details of the Company’s announcement of its final results for the FY2017, which is expected to be published on 27 March 2018.

Reference is also made to the Offer Announcement. With the publication of the Offer Announcement, the offer period has commenced since 28 November 2017. Pursuant to Rule 10 of the Takeovers Code, the Profit Warning Statements constitute a profit forecast and must be reported on by the Company’s financial adviser and auditors or reporting accountants. In view of the requirements of timely disclosures of the inside information under Rule 13.09 of the Listing Rules and the Inside Information Provisions, the Company is required to issue this announcement as soon as practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code. The Company would like to draw the attention of the Shareholders and potential investors of the Company that the Profit Warning Statements do not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code, and thus they are advised to exercise caution in placing reliance on the Profit Warning Statements in assessing the merits and demerits in dealing with the securities of the Company. The announcement of the audited final results of the Company for the FY2017 is expected to be published on 27 March 2018 and prior to the despatch of the response document in connection with the offers referred to in the Offer Announcement to be sent by the Company to the Shareholders. Following the publication of the audited final results of the Company for the FY2017, the requirement to report on the Profit Warning Statements under Rule 10 of the Takeovers Code will no longer apply.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Jun Yang Financial Holdings Limited
(to be renamed as Power Financial Group Limited)
Choi Chun Chung, Danny
Chairman

Hong Kong, 21 March 2018

As at the date of this announcement, the executive Directors are Dr. Tang Sing Hing, Kenny, Mr. Wu William Wai Leung and Mr. Sit Sai Hung, Billy; the non-executive Director is Mr. Choi Chun Chung, Danny; and the independent non-executive Directors are Mr. Wong Kun To, Mr. Chu Hau Lim and Ms. Lim Xue Ling, Charlene.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.