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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)

CLARIFICATION ANNOUNCEMENT
REGARDING CERTAIN NEWS ARTICLES

The board (the “**Board**”) of directors (the “**Directors**”) of Power Financial Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) has noted that there were various news articles (“**News Articles**”) published today in relation to a litigation initiated by Best Year Enterprises Limited (“**Best Year**”) against, among other persons, Power Securities Company Limited (“**Power Securities**”), a wholly-owned subsidiary of the Company, and Mr. Sit Sai Hung, Billy, an executive Director (“**Relevant Legal Action**”).

The Board confirms that the writ of summons together with the statement of claim of the Relevant Legal Action has been served on Power Securities by Best Year. It is Power Securities’ intention to contest the Relevant Legal Action and the Group is currently seeking legal advice in this connection.

Certain News Articles refer to Mr. Tang Ching Ho (“**Mr. Tang**”), being one of the defendants named in the Relevant Legal Action, has gained indirect control of the Company. The Board wishes to clarify that based on the information available to it as at the date of this announcement, Mr. Choi Chun Chung, Danny, being the existing Chairman of the Board and a non-executive Director, is the only person who has notified The Stock Exchange of Hong Kong Limited and the Company that he has a notifiable interest in the Company, holding approximately 26.65% of the issued share capital of the Company.

The Board also wishes to clarify that Power Securities is principally engaged in Type 1 licensed activities (dealing in securities). In this regard, providing margin financing to its clients, monitoring the sufficiency of marginable collaterals provided by clients, demanding clients to make good the margin shortfall and enforcing any margin collaterals are all within the ordinary course of business of Power Securities.

Apart from the above, the Company has no other comment on the allegations reported in the News Articles as extracted from the statement of claim of the Relevant Legal Action for the time being.

By order of the Board
Power Financial Group Limited
Choi Chun Chung, Danny
Chairman

Hong Kong, 25 July 2018

As at the date of this announcement, the executive Directors are 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.