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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)

PROFIT WARNING – ADDITIONAL INFORMATION

This announcement is made by Power Financial Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules).

Reference is made to the profit warning announcement of the Company dated 8 January 2019 (“**Profit Warning Announcement**”) in which the Company has announced that the Group is expected to continue to record a loss for the year ended 31 December 2018 (“**FY2018**”) but such loss is expected to be substantially less than the audited loss for the year ended 31 December 2017 of approximately HK\$923 million.

The Company has also announced in the Profit Warning Announcement that the Company has engaged an independent professional valuer (“**Valuer**”) to assess the value of certain Suspended Investments (as defined and described in the Profit Warning Announcement) as at 31 December 2018. Based on the preliminary valuation prepared by the Valuer, the Group is expected to record a loss of approximately HK\$150 million arising on fair value changes of the Suspended Investments for FY2018. This is in addition to the loss of approximately HK\$176 million arising on fair value changes of securities investments as disclosed in the Profit Warning Announcement.

Furthermore, taking into account of the declining financial performance and the working capital position of the Group's associated companies and the low recoverability of the amounts due from such associated companies, the Group is also expected to record an impairment loss on amounts due from such associated companies of approximately HK\$37 million and a share of loss of such associated companies of approximately HK\$28 million for FY2018.

The Group is still in the process of finalising its consolidated financial statements for FY2018. 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 reviewed by the audit committee of the Board or audited by the auditors of the Company and may be subject to change. Such information may also be subject to adjustment after further review and finalisation of the consolidated financial statements for FY2018 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 FY2018, which is expected to be published on 22 March 2019.

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

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

Hong Kong, 13 March 2019

As at the date of this announcement, the executive Directors are Mr. Choi Chun Chung, Danny and Mr. Sit Sai Hung, Billy; and the independent non-executive Directors are Mr. Wong Kun To, Mr. Chu Hau Lim and Ms. Lim Xue Ling, Charlene.