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Company Announcements Office
Australian Securities Exchange Limited

Prime Financial Group Ltd
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**Prime Financial Group Ltd (Prime – ASX code PFG) – Update on External Audit
and Disclaimer of Opinion Audit Report**

External Audit Update

The Directors of Prime are very committed to ensuring strong corporate governance and robust and transparent financial reporting. Given the long tenure of William Buck as Prime's external auditor, Prime's Directors assessed that it was appropriate to perform an external audit tender which includes William Buck. The robust tender process is progressing well and Prime expects that the successful firm will be notified in early December. Depending upon the regulatory requirements it is expected that the appointed auditor will review the financial report for the half year ended 31 December 2017.

Disclaimer of Opinion Audit Report Update

Following the issuance of William Buck's disclaimer of opinion audit report on Prime's FY17 Annual Report, Prime's Directors engaged a Big 4 accounting firm to perform an independent review of the accounting and disclosure of Prime's Employee Share Plan (ESP) and related transactions.

Whilst the independent review is significantly advanced, the Big 4 accounting firm performing the work has advised that, due to there being some critical judgement areas under the applicable accounting standards which will affect the accounting treatment of the ESP, Prime should discuss the proposed accounting treatment with its auditors prior to finalising the review. Prime is also conscious that the outcome of the independent review could change following review by Prime's auditors.

Prime intends to provide the draft independent review report to its appointed auditor for review and sign off and then finalise the ESP accounting and disclosures as part of its financial reporting for the half year ending 31 December 2017.

It should be noted that:

- Regardless of the final outcome of the review, any changes to the historical accounting treatment of the ESP will be of a non-cash nature;
- The existing PFG ESP, under which participants acquire shares pursuant to a loan scheme, is not expected to require the issue of any more Prime shares; and
- Prime will receive cash from the settlement of any loans under the existing PFG ESP.

About Prime Financial Group

Prime is an Integrated Accounting, Wealth Management and Capital Advisory firm that operates a B2C direct client advice model and a B2B partnership model with Accounting and Advisory firms. Prime's goal is for clients to receive complete Accounting, Wealth Management and Capital Advice.

For more information on this announcement please contact **Simon Madder (Managing Director / CEO)** on **(03) 9827 6999**.