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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

This announcement is made by Power Financial Group Limited (“**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 (“**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules).

The board (“**Board**”) of directors of the Company (“**Directors**”) wishes to inform the shareholders and the potential investors of the Company that based on the information currently available to the Board, subject as mentioned below, the Group is expected to record a loss for the six months ended 30 June 2022 (“**2022 Interim Period**”) as compared to a profit of approximately HK\$171.6 million for the six months ended 30 June 2021 (“**2021 Interim Period**”).

The Group considered the expected loss for the 2022 Interim Period is principally driven by a change from gain on fair value changes of financial assets at fair value through profit or loss (“**FVTPL**”) of approximately HK\$161.0 million for the 2021 Interim Period as a result of the resumption of trading from a listed equity security during the 2021 Interim Period to a loss on fair value changes of financial assets at FVTPL of approximately HK\$19.2 million for the 2022 Interim Period from its holding of equity securities listed in Hong Kong, which was principally in line with the dramatic slowdown of Hong Kong stock market as well as the global market. The loss on fair value changes of the financial assets at FVTPL for the 2022 Interim Period comprised of the fair value changes of each of the listed equity securities, unlisted investment funds and unlisted equity investment. It is expected that the

Group would record a loss on fair value changes of financial assets at FVTPL from its holding of unlisted equity investment with reference to the poor performance in the stock prices of comparable financial technology companies globally as of 30 June 2022. It is expected that the loss on fair value changes of the financial assets at FVTPL for the 2022 Interim Period would be not less than approximately HK\$19.2 million.

The Group is still in the course of estimating the fair value of certain suspended listed equity securities, unlisted investment funds and unlisted equity investment held by it as at 30 June 2022 and performing an expected credit loss allowance assessment on its loans and interest receivables in connection with its money lending business for the 2022 Interim Period.

The Group is still in the process of finalising its unaudited consolidated interim financial information for the 2022 Interim Period. 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 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 unaudited consolidated interim financial information for the 2022 Interim Period. The shareholders and potential investors of the Company are advised to refer to the details of the Company's announcement of its results for the 2022 Interim Period to be published in or around late August 2022.

The 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, 15 July 2022

As at the date of this announcement, the executive Directors are Mr. Choi Chun Chung, Danny, Mr. Li Wing Cheong and Mr. Cheng Chun Shing; and the independent non-executive Directors are Ms. Chan Lai Ping, Ms. Tam Mei Chu and Mr. Ho Yuen Tung.