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大眾金融控股有限公司*

PUBLIC FINANCIAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 626)

PROFIT WARNING

This announcement is made by Public Financial Holdings Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board of Directors (the “Board”) of the Company wishes to inform the shareholders of the Company and potential investors that for the five months ended 31 May 2024, the Group continues to face challenging operating environment from the elevated funding cost, high impairment charges arising from soft economy and general decline in asset prices, and fair value loss arising from its investment properties since its profit warning announcement made on 28 December 2023 along with supplementary announcement made on 4 January 2024.

Based on the preliminary review of the latest unaudited consolidated management accounts for the Group for the five months ended 31 May 2024, and other information made available to the Board, the Group expects to record a loss attributable to equity shareholders of the Company for the six months ending 30 June 2024 of approximately HK\$30 million, as compared with a profit of HK\$114 million for the six months ended 30 June 2023, mainly due to:

- (i) an increase in expected credit loss provision by approximately HK\$80 million, mainly from hire purchase loans amidst a noticeable decline in the value of public vehicle licences and increased delinquency and bankruptcy from personal lending borrowers;
- (ii) a decrease in net interest income by approximately HK\$35 million attributed to the hike in funding cost; and
- (iii) a decrease in fair value of investment properties by approximately HK\$25 million in the first half of year 2024 as compared to a revaluation gain of HK\$7 million in the corresponding period of 2023.

** For identification purpose only*

The Group continues to maintain strong capital and liquidity positions, which are well above regulatory requirements, to meet its business operational needs. The consolidated Common Equity Tier 1 Capital Ratio and Total Capital Ratio of the Public Bank (Hong Kong) Group (inclusive of Public Bank (Hong Kong) Limited and Public Finance Limited, the principal subsidiaries of the Company) are above 24.0% and 25.0%, respectively. The consolidated Liquidity Maintenance Ratio and Core Funding Ratio of the Public Bank (Hong Kong) Group are above 60% and 145%, respectively.

The information contained in this announcement represents a preliminary assessment based on the information that is currently available, including the latest unaudited consolidated management accounts of the Group for the five months ended 31 May 2024 and other information made known to the Board, and such information has not been audited, confirmed or reviewed by the independent auditors of the Group. The Group is still in the course of finalising its consolidated financial results for the six months ending 30 June 2024, and the results may be different from the information set out in this announcement. Shareholders of the Company and potential investors are advised to refer to the Group's interim results announcement which will be released by mid-July 2024.

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

By Order of the Board
Public Financial Holdings Limited
Chan Sau Kuen
Company Secretary

Hong Kong, 27 June 2024

As at the date of this announcement, the Board of the Company comprises Mr. Lai Wan, Dato' Chang Kat Kiam, Mr. Quah Poh Keat and Mr. Lee Huat Oon as Non-Executive Directors, Mr. Chong Yam Kiang as Executive Director, and Mr. Lee Chin Guan, Mr. Lim Chao Li and Ms. Phe Kheng Peng as Independent Non-Executive Directors.