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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 “SFO”).

The Board of Directors (the “Board”) of the Company wishes to inform the shareholders of the Company and potential investors that, based on the preliminary review of the latest unaudited consolidated management accounts of the Group for the eleven months ended 30 November 2023 and other information made known to the Board, the Group projects a material decrease in profit attributable to owners of the Company for the year ending 31 December 2023 as compared with a profit of HK\$329 million for the year ended 31 December 2022.

The likely decrease in projected profit attributable to owners of the Company is mainly due to:

- (i) increase in expected credit loss provision by approximately HK\$195 million, mainly from one large commercial borrower and some hire purchase loans amidst a noticeable decline in the commercial property prices and the value of public vehicle licences;
- (ii) decrease in net interest income by approximately HK\$140 million attributed to the hike in funding cost; and
- (iii) decrease in fair value of investment properties by approximately HK\$30 million in year 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 23.5% and 24.0%, respectively. The consolidated Liquidity Maintenance Ratio and Core Funding Ratio of the Public Bank (Hong Kong) Group are above 55% and 130%, respectively.

The financial position of the Group is fundamentally strong, and the projected decrease in profits for the year ending 31 December 2023 is mainly due to a substantial impairment loss caused by the temporary unfavorable economic conditions in Hong Kong.

The Group performs credit review on its large borrowers and there is no objective evidence of impairment for the remaining large borrowers. The Company also anticipates a gradual reduction in funding cost of the Group in 2024 following the latest interest rate projection by the US Federal Reserve.

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 eleven months ended 30 November 2023 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 year ending 31 December 2023, 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 annual results announcement which will be released by mid-January 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, 28 December 2023

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