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## RE-DESIGNATION OF DIRECTOR

Mr. Lai Wan is re-designated as the Non-Executive Co-Chairman of the Company with effect from 8 June 2021.

The Board of Directors (the “Board”) of Public Financial Holdings Limited (the “Company”) hereby announces that given that Mr. Lai Wan (“Mr. Lai”) cannot fulfill the requirement of independence under Rule 3.13(7) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) following his re-designation from Independent Non-Executive Chairman to Non-Independent Non-Executive Chairman of Public Bank Berhad (“Public Bank”), a commercial bank listed on the Malaysian stock exchange and the holding company of the Company, on 26 April 2021, Mr. Lai is re-designated from the Independent Non-Executive Co-Chairman to the Non-Executive Co-Chairman of the Company with effect from 8 June 2021. Following his re-designation, Mr. Lai also ceases to be the Chairman of the Nomination and Remuneration Committee with effect from 8 June 2021. Mr. Lai remains as member of the Nomination and Remuneration Committee.

Mr. Lai, aged 78, has 48 years of experience in the banking and finance related industries. He was appointed an Independent Non-Executive Director of the Company in December 2013, and became the Independent Non-Executive Co-Chairman of the Company in July 2015. He is a member of the Audit Committee and the Nomination and Remuneration Committee. Mr. Lai is currently the Non-Independent Non-Executive Chairman of Public Bank, and he has also been re-designated as the Non-Executive Co-Chairman of Public Bank (Hong Kong) Limited (“Public Bank (Hong Kong)”) and a Non-Executive Director of Public Finance Limited (“Public Finance”), the principal subsidiaries of the Company, with effect from 8 June 2021. Mr. Lai is also a member of various Board Committees of Public Bank (Hong Kong) and Public Finance. He holds directorship in another company in the Public Bank Group. Save as disclosed above, Mr. Lai did not hold any directorship in other listed public companies in last three years; and he also does not hold any other position with the Company and other members of the Group.

Mr. Lai graduated with a Bachelor of Arts (Honours) degree in Economics from the University of Malaya and is an Associate of the Asian Institute of Chartered Bankers. He had served the Central Bank of Malaysia for 20 years up to 1985 and had working experience in three finance companies from 1985 to 1994 where he had held senior management positions. In 1994, he joined The Pacific Bank Berhad, a listed public company in Malaysia, as General Manager, and was appointed as Chief Executive Officer in 1997. He also served as the Chief Executive Officer of PacificMas Berhad (formerly known as The Pacific Bank Berhad and was renamed after disposal of its banking business in 2000) until his retirement in 2003.

There is no service contract signed between Mr. Lai and the Company. His appointment as a director with the Company has no fixed term of service, but is subject to retirement by rotation and re-election at annual general meeting pursuant to the Bye-laws of the Company. Mr. Lai received a director's emolument of HK\$510,000 for the year ended 31 December 2020, which is determined with reference to his duties and responsibilities with the Group and in line with the remuneration policy of the Group.

As at the date of this announcement, Mr. Lai does not have any relationship with any directors, senior management or substantial or controlling shareholders of the Company and save as disclosed below, he does not hold any interest in shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance:

(i) 93,270 shares in Public Bank, representing approximately 0.0005% interest thereof.

Save as disclosed above, there are no other matters in relation to the re-designation of Mr. Lai that need to be brought to the attention of the shareholders of the Company nor any information to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Following the re-designation of Mr. Lai, the Board comprises eight members, including one Executive Director, five Non-Executive Directors and two Independent Non-Executive Directors, and thus (i) the number of Independent Non-Executive Directors of the Company falls below the minimum number required under Rules 3.10(1) and 3.10A of the Listing Rules; (ii) the Company does not meet the requirement under Rule 3.10(2) of the Listing Rules that at least one of the Independent Non-Executive Directors must have appropriate professional qualifications or accounting or related financial management expertise; and (iii) the Company does not meet the composition requirements of the Audit Committee under Rule 3.21 of the Listing Rules and Nomination and Remuneration Committee under Rule 3.25 of the Listing Rules and Code Provision A.5.1 of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

The Company is endeavouring to identify suitable candidate(s) to fill the required number of Independent Non-Executive Directors as soon as practicable, with the relevant appointments to be made within three months from the effective date of Mr. Lai's re-designation in Public Bank on 26 April 2021 as required under Rules 3.11, 3.23 and 3.27 of the Listing Rules. The Company will make further announcement(s) as and when appropriate.

By Order of the Board

**Tan Yoke Kong**

*Company Secretary*

Hong Kong, 8 June 2021

*As at the date of this announcement, the Board of the Company comprises Tan Sri Dato' Sri Dr. Teh Hong Piow, Mr. Lai Wan, Dato' Chang Kat Kiam, Mr. Chong Yam Kiang and Mr. Quah Poh Keat as Non-Executive Directors, Mr. Tan Yoke Kong as Executive Director, and Mr. Lee Chin Guan and Mr. Tang Wing Chew as Independent Non-Executive Directors.*

\* *For identification purpose only*