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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) 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).

PROFIT WARNING

The Board wishes to inform the Shareholders and potential investors of the Company that the Group has conducted an impairment assessment on goodwill with carrying amount of HK\$1,964 million as at 31 December 2025 and expects to make a full impairment on the carrying amount of the goodwill.

The impairment of goodwill takes into consideration:

- (i) the observed surge in the long-term market interest rates since the third quarter of 2026 causing the upward adjustment of discount factor used for conducting goodwill assessment; and
- (ii) downward adjustment on the cashflow projections in the medium term affected by the adverse impact of the escalated market interest rates on the funding cost and net interest margin of the Group as the majority of the Group’s lending portfolio is priced at fixed rate or referenced to Hong Kong dollar (HKD) Prime Rate which tends to be stable across interest rate cycle.

Following the impairment made on goodwill, the consolidated asset value and net asset value will be both reduced by HK\$1,964 million or approximately HK\$1.8 per Share.

* For identification purpose only

The Board would like to inform the Shareholders and potential investors of the Company that, based on the assessment of (i) the latest unaudited consolidated management accounts of the Group for the nine months ended 30 September 2026, (ii) the projected financial performance in the fourth quarter of 2026 taking into account the aforesaid goodwill impairment, the change in market interest rate on the Group's net interest income, the change in market value of investment properties, and the impairment provision on loan portfolio, and (iii) other information available to the Board, the Group expects to incur a loss after tax in the range of HK\$1.9 billion to HK\$2.0 billion for the financial year ending 31 December 2026 (the "Profit Warning"), as compared with a profit after tax of HK\$80 million for the financial year ended 31 December 2025.

The impairment of goodwill is a non-cash item and will not affect the Group's cash flows for operations. It is also recorded only at the Group level; and does not affect the financial positions nor the regulatory ratios to be complied by the two key operating subsidiaries of the Company, namely Public Bank (Hong Kong) Limited ("Public Bank (Hong Kong)") and Public Finance Limited ("Public Finance").

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) as well as its principal subsidiary, Public Finance, are above 25.5% and 26.5%, respectively. The consolidated Liquidity Maintenance Ratio and Core Funding Ratio of the Public Bank (Hong Kong) Group are above 60% and 150%, respectively. The Group continues to maintain strong capital and liquidity positions, which are well above regulatory requirements, to meet its business and operational needs.

The information contained in this announcement represents an assessment based on the information that is currently available, including the latest unaudited consolidated management accounts of the Group for the nine months ended 30 September 2026, the projected financial performance in the fourth quarter of 2026, and other information made known to the Board, and such information has not been audited, confirmed or reviewed by the auditors of the Group and the Audit Committee of the Company and may be subject to change.

ANNOUNCEMENT UNDER RULE 10 OF THE TAKEOVERS CODE

Reference is made to (i) the joint announcement dated 8 September 2026 (the "Joint Announcement") issued by Public Bank Berhad (the "Offeror") and the Company in relation to, among others, the proposed privatisation of the Company by the Offeror by way of a scheme of arrangement under section 99 of the Companies Act (the "Proposal") and (ii) the announcement dated 29 September 2026 jointly issued by the Company and the Offeror in relation to the delay in despatch of the Scheme Document. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Joint Announcement.

The Profit Warning constitutes a profit forecast under Rule 10 of the Takeovers Code and shall be reported on by the financial advisers (or independent financial adviser) and the auditors of the Company in accordance with the requirements under Rule 10 of the Takeovers Code.

Since this announcement is made pursuant to Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules, which require the Company to disclose any inside information as soon as reasonably practicable and given the time constraints, the Company has encountered genuine practical difficulties (time-wise or otherwise) in meeting the requirements set out in Rule 10.4 of the Takeovers Code. The Company would like to draw the attention of the Shareholders and potential investors of the Company that this announcement does not meet the standard required by Rule 10 of the Takeovers Code.

Pursuant to Rule 10.4 and Practice Note 2 of the Takeovers Code, the Profit Warning will be reported on as soon as reasonably practicable by the Independent Financial Adviser and the auditors of the Company (the “Profit Forecast Reports”), and the Profit Forecast Reports will be included in the Scheme Document, being the next document to be sent to the Shareholders by the Company.

WARNING

Shareholders and potential investors of the Company should be aware that: (i) the Profit Warning in this announcement does not meet the standard required by Rule 10 of the Takeovers Code and has not been reported on in accordance with the Takeovers Code; and (ii) the implementation of the Proposal and the Scheme is subject to all of the Conditions being fulfilled or (if capable of being waived) waived on or before the Long Stop Date, and therefore the Proposal may or may not be implemented and the Scheme may or may not become effective.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

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

Hong Kong, 16 October 2026

As at the date of this announcement, the Board comprises Mr. Lai Wan, 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statements in this announcement misleading.