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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) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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 year ended 31 December 2022 (“**FY2022**”) as compared to a profit of approximately HK\$153.7 million for the year ended 31 December 2021.

The expected loss for the FY2022 is primarily due to the following factors:

- (1) The loss on fair value changes of financial assets at fair value through profit or loss (“**FVTPL**”) of approximately HK\$104.1 million for the FY2022 from its holding of equity securities listed in Hong Kong, which was principally in line with the dramatic slowdown of Hong Kong stock market, where the market experienced the most significant market sell-off in October 2022 since the dislocation during the Global Financial Crisis. Hong Kong’s economy, including its stock market, has been battered by the zero-Covid policy that had shut out

travelers from mainland China and dampened consumer confidence. Investor concerned about rising interest rates, slowing economic growth and persistently high inflation triggered sustained bouts of selling throughout 2022.

- (2) The Group is still in the course of estimating the fair value of certain suspended listed equity securities, unlisted investment funds, unlisted equity investment and investment property held by the Group as at 31 December 2022 and performing an expected credit loss allowance assessment on its loans and interest receivables in connection with its money lending business for the FY2022. 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 31 December 2022.

The Group is still in the process of finalising its consolidated financial information for the FY2022. 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 consolidated financial information for the FY2022. 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 FY2022 to be published in or around late March 2023.

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

By order of the Board
Power Financial Group Limited
Li Wing Cheong
Chairman

Hong Kong, 13 January 2023

As at the date of this announcement, the executive Directors are Mr. Li Wing Cheong and Mr. Tong Hin Jo; and the independent non-executive Directors are Ms. Chan Lai Ping, Ms. Tam Mei Chu and Mr. Ho Yuen Tung.