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VPOWER GROUP INTERNATIONAL HOLDINGS LIMITED

偉能集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1608)

INSIDE INFORMATION ON PROFIT WARNING FOR THE YEAR ENDED 31 DECEMBER 2022

This announcement is made by VPower Group International Holdings Limited (the “**Company**”, and 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).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders and potential investors of the Company that based on the assessment of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**Reporting Period**”) and other currently available information by the management of the Company, it is expected that the Company will record a consolidated loss attributable to the owners of the Company in the range of approximately HK\$260 million to HK\$380 million for the Reporting Period, as compared to the consolidated profit attributable to the owners of the Company of approximately HK\$45.7 million for the corresponding period in 2021.

The expected consolidated loss for the Reporting Period is primarily attributed to the following factors:

- i) a share of loss to the Group of approximately HK\$200 million from a joint venture with investments and operations of three power projects in Myanmar due to decreased income, despite an expected positive EBITDA;
- ii) an impairment in the range of approximately HK\$30 million to HK\$150 million mainly due to a provision for expected credit losses on trade receivables related to services provided by the Group in Myanmar; and
- iii) a decrease in sales and corresponding gross profit of system integration business segment; and an increase in finance costs, foreign exchange loss and demobilisation costs.

The Company is still in the process of finalising the annual results of the Group for the Reporting Period. The information in this announcement is disclosed only based on the assessment of the currently available information including the unaudited consolidated management accounts of the Group for the Reporting Period, which have not been audited or reviewed by the Company's auditors or audit committee and are subject to changes and adjustments. The announcement of the annual results of the Group for the Reporting Period will be published by the end of March 2023.

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
VPower Group International Holdings Limited
Lam Yee Chun
Executive Chairman and Co-Chief Executive Officer

Hong Kong, 21 March 2023

As at the date hereof, the Board comprises Mr. Lam Yee Chun, Mr. Lee Chong Man Jason, and Mr. Lo Siu Yuen as executive directors; Ms. Chan Mei Wan and Mr. Wong Kwok Yiu as non-executive directors; and Mr. David Tsoi, Mr. Yeung Wai Fai Andrew and Mr. Suen Wai Yu as independent non-executive directors.