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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 preliminary assessment of the latest available unaudited consolidated management accounts of the Group, including (i) the loss on fair value changes of financial assets at fair value through profit or loss (“**FVTPL**”) of approximately HK\$52 million; comprising mainly the unrealised loss on fair value changes in listed equity securities where the valuation of various investments depreciated due to pessimistic market sentiments, in particular of healthcare sector in Hong Kong, with concerns over continuous growth in interest rate, inflation, banking crisis in United States and economic market growth lower than the expectation; and (ii) impairment loss on loan and interest receivables, the Group expects to record a consolidated net loss of not less than approximately HK\$40 million for the six months ended 30 June 2023 (“**IR 2023**”).

The Group is still in the course of estimating the fair value of suspended listed equity security, unlisted investment funds, unlisted equity investment and investment property held by the Group as at 30 June 2023 and performing an expected credit loss allowance assessment on its loans and interest receivables in connection with its money lending business for the IR 2023. 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 30 June 2023.

The Group is still in the process of finalising its condensed consolidated financial information for the IR 2023. 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 condensed consolidated financial information for the IR 2023. 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 IR 2023 to be published in or around late August 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, 14 July 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.