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PF Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8221)

SUPPLEMENTAL ANNOUNCEMENT DECISION OF THE STOCK EXCHANGE ON GEM RULE 17.26

Reference is made to the announcement of the Company dated 7 December 2022 (the “**Announcement**”) in relation to, among other matters, a letter from the Stock Exchange (the “**Letter**”) notifying the Company of its decision that the Company has failed to carry out a business with a sufficient level of operation and assets as required under Rule 17.26 of the GEM Listing Rules (the “**Decision**”). Unless otherwise specified, all capitalised terms used herein have the same meaning as those defined in the Announcement.

The Company would like to provide supplemental information in respect of the factors considered by the Stock Exchange in arriving the Decision as set out in the Letter, which are summarised as follows:

The Company is principally engaged in:

- (i) provision of underwriting or placing services for companies listed or to be listed on the Stock Exchange, or for shareholders of listed companies in relation to equity fundraisings such as IPOs, rights issue, open offers or placements of shares or bonds (the “**Placing and Underwriting Business**”);
- (ii) provision of securities and brokerage services to corporate and individual customers in relation to trading in securities listed on the Stock Exchange (the “**Securities Dealing and Brokerage Business**”);
- (iii) provision of margin financing and loan financing services for customers to purchase securities listed on the Stock Exchange on a margin basis (the “**Margin and Loan Financing Business**”);
- (iv) provision of asset management service to clients, primarily generating income through management and performance fees (the “**Assets Management Business**”); and

- (v) provision of supply chain financing and logistics services to wholesalers for their trading businesses in respect of computers, communications and consumer electronics products (“**3C Products**”) (the “**Supply Chain Business**”).

On the other hand, the Company also provides other services that generate income such as agency fees, professional service fees, loan commitment fees and referral fees.

The Stock Exchange considers that the Company has failed to maintain a sufficient level of operations and assets to meet GEM Rule 17.26 and stated the followings:

1. The scale of operation of each of the Asset Management Business, the Securities Dealing and Brokerage Business and the Margin and Loan Financing Business has been minimal throughout the years since at least 2017. Each of these businesses is not considered viable and sustainable.
2. Since the Company’s then controlling Shareholder sold its 75% interest in the Company to Chance Wise Investment Limited as announced on 6 May 2020 (“**Change in Control**”), the Company’s businesses (in particular the Placing and Underwriting Business) have maintained a decreasing and very low level of operation and revenue. This was attributed to the expected and actual departure of Mr. Benson Lo (“**Mr. Lo**”).
3. The Directors appointed after the Change in Control are not experienced in the Company’s original businesses and did not appear to have taken adequate action to procure the Company to implement the related business plan.
4. The latest plans of the original businesses are preliminary and devoid of concrete details. The Supply Chain Business which commenced in March 2022 was not demonstrated to be a business of substance.
5. Since the Change in Control, the Company has maintained a decreasing and very low level of operation and revenue. With this scale of operation, the Company’s businesses, individually or collectively, are not considered to be viable and sustainable.
6. This scale of operation does not appear to represent a temporary downturn, and also give rise to a concern that the Company does not have a business which is of substance.
7. The Stock Exchange do not consider that the business plans of the Company are sufficient to cause the Company’s businesses to be of substance, viable and sustainable.
8. For the Supply Chain Business which started to operate in March 2022, the Company has not demonstrated the business to be of substance, viable and sustainable.

9. The Company has not demonstrated that the forecasts are supported by a concrete and credible business plan with projection based on signed contracts or supportable customer demand. In any case, with this scale of operation, the Company's businesses, individually and collectively, are not considered to be viable and sustainable.
10. As at 30 September 2022, the Company had total assets and net assets of HK\$160.7 million and HK\$109.9 million respectively. Its total assets were mainly comprised of cash and bank balances of HK\$83.1 million. Given the matters set out in the above, the Company does not appear to have sufficient assets to support the operation of a viable and sustainable business. Thus, the Stock Exchange is not satisfied that the Company has sufficient assets to meet GEM Rule 17.26.
11. The Company's alleged impact of the COVID-19 pandemic on its business operation. While the COVID-19 pandemic may have an impact on the finance industry, the Company has failed to demonstrate that its current business situation represents a temporary downturn caused by COVID-19 and not other factors unrelated to COVID-19. Instead, it appears that the substantial deterioration in its business scale and operation was due to factors set out in this announcement. The Company has not provided evidence to show that but for COVID-19, there could be a material improvement in its business performance which could have enabled it to re-comply with GEM Rule 17.26.

The Board wishes to inform the Shareholders and potential investors that the Company has on 15 December 2022 submitted a written request to the GEM Listing Committee pursuant to Chapter 4 of the GEM Listing Rules for review of the Decision. Subject to the review of the Decision, the trading of the Company's shares will continue.

Further announcements will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules.

Shareholders who have any queries about the implications of the Stock Exchange's notice of proceeding to cancel the Company's listing are advised to obtain appropriate professional advice. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

The above supplemental information does not affect other information contained in the Announcement. Save as disclosed above, other information contained in the Announcement remains unchanged.

By order of the Board
PF Group Holdings Limited
Fok Yuk Tong
Chairman and Executive Director

Hong Kong, 15 December 2022

As at the date of this announcement, the Board comprises seven Directors, namely Mr. Fok Yuk Tong (Chairman), Ms. Hsieh Ching Chun, Mr. Zhong Chu Jian and Ms. Fok Kit Yee as executive Directors; and Ms. Chan Hoi Wuen Katherine, Mr. Tong Wing Chi and Mr. Kwan Tsz Chun Sun as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk for at least 7 days from the date of its posting and be posted on the website of the Company at www.pfs.com.hk.