



# PF Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8221



## 2019 First Quarterly Report

## CHARACTERISTICS OF GEM (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “**Directors**”) of PF Group Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) 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 report 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 report misleading.*

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 June 2019 together with the comparative unaudited figures for the corresponding period in 2018, as follows:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2019

		Three months ended 30 June	
	Notes	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Revenue			
Commission income from securities dealing and brokerage services		1,548	1,829
Fee and commission income from placing and underwriting activities	4	548	11,511
Interest income from margin financing		1,533	1,337
Fee income from asset management services		317	527
Others	5	1,358	2,620
Total revenue		5,304	17,824
Bank interest income		50	4
Gain on disposal of property and equipment		–	–
Other gains and losses		101	226
		5,455	18,054
Commission expenses	6	(422)	(3,620)
Depreciation expenses		(67)	(64)
Staff costs	7	(2,512)	(2,398)
Other operating expenses		(3,092)	(3,884)
Finance costs	8	(41)	–
(Loss)/profit before tax		(679)	8,088
Income tax expense	10	–	(1,360)
(Loss)/profit and total comprehensive (loss)/income for the period attributable to owners of the Company		(679)	6,728
		HK cents	HK cents
(Loss)/earnings per share			
Basic	11	(0.03)	0.34

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2019

	Equity attributable to owners of the Company				
	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2019 (audited)	20,000	48,229	9,762	202,424	280,415
Loss and total comprehensive loss for the period	-	-	-	(679)	(679)
At 30 June 2019 (unaudited)	20,000	48,229	9,762	201,745	279,736

For the three months ended 30 June 2018

	Equity attributable to owners of the Company				
	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2018 (audited)	20,000	48,229	9,762	180,396	258,387
Profit and total comprehensive income for the period	-	-	-	6,728	6,728
At 30 June 2018 (unaudited)	20,000	48,229	9,762	187,124	265,115

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2019

## 1. GENERAL

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 3 August 2015 under the Companies Law of the Cayman Islands. The shares of the Company have been listed on the GEM of the Stock Exchange since 6 January 2017. Its ultimate holding company is Thoughtful Mind Limited (“**TML**”), a company incorporated in the British Virgin Islands with limited liability.

The Company is an investment holding company. The Group is principally engaged in the provision of (i) securities dealing and brokerage services; (ii) placing and underwriting services; (iii) financing services including securities and initial public offering (“**IPO**”) margin financing; and (iv) asset management services.

The Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and the principal place of business of the Company is 11/F, New World Tower, Tower II, 16–18 Queen’s Road Central, Hong Kong.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company and its subsidiaries and all values are rounded to the nearest thousands (“**HK\$’000**”), unless otherwise stated.

The unaudited condensed consolidated financial statements are unaudited, but have been reviewed by the audit committee of the Company (the “**Audit Committee**”). The unaudited condensed consolidated financial statements were approved for issue by the Directors on 8 August 2019.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

The Group's unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("**HKFRSs**"), which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards and interpretations issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the Group's annual financial statements for the year ended 31 March 2018 except for the adoption of the standards, amendments and interpretation issued by the HKICPA mandatory for the annual periods beginning on 1 April 2018. The effect of the adoption of these standards, amendments and interpretation is not material on these unaudited condensed consolidated financial statements.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The preparation of the unaudited condensed consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

### 3. SEGMENT REPORTING

The chief operating decision maker (“**CODM**”) of the Group, being the executive Directors and senior management of the Group, regularly review revenue analysis by major services to make decisions about resource allocation. No discrete financial information other than revenue is regularly provided to the CODM. The management assesses the performance of the Group based on the revenue and profit as presented in the unaudited condensed consolidated statement of profit or loss and other comprehensive income.

#### Revenue from major services

The Group provides five types of services:

- (a) securities dealing and brokerage services, which primarily generate commission on securities dealing;
- (b) placing and underwriting services, which primarily generate fee and commission from equity and debt securities placing and underwriting;
- (c) financing services, including securities and IPO margin financing, which generate interest income from margin clients;
- (d) asset management services, which primarily generate management fee and performance fee; and
- (e) other services, which primarily generate fee income (such as settlement fees and referral fees) from other services provided.

### 3. SEGMENT REPORTING *(Continued)*

The following is an analysis of the Group's revenue from its major services.

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Securities dealing and brokerage services	1,548	1,829
Placing and underwriting services	548	11,511
Financing services	1,533	1,337
Asset management services	317	527
Other services	1,358	2,620
	<b>5,304</b>	17,824

Revenue reported above represents revenue generated from external customers.

### 4. FEE AND COMMISSION INCOME FROM PLACING AND UNDERWRITING ACTIVITIES

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Fee and commission income from selling shareholders/issuers/brokers	548	11,005
Commission income from subscribers	–	506
	<b>548</b>	11,511



## 5. OTHER REVENUE

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Referral fee income	–	2,500
Handling fee income	108	120
Professional service and commitment fee income	1,250	–
	<b>1,358</b>	2,620

## 6. COMMISSION EXPENSES

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Commission to account executives	422	630
Commission to sub-placing agents and sub-underwriters	–	2,990
	<b>422</b>	3,620

## 7. STAFF COSTS

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Salaries	1,453	1,677
Contributions to Mandatory Provident Fund	67	73
Directors' emoluments		
— Fees	99	99
— Salaries	875	540
— Contributions to Mandatory Provident Fund	18	9
	<b>2,512</b>	2,398

## 8. FINANCE COSTS

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Interest on the bank borrowing	41	—

## 9. DIVIDEND

No quarterly dividend has been paid or declared by the Company for the three months ended 30 June 2019 (2018: Nil).

## 10. INCOME TAX EXPENSE

	Three months ended 30 June	
	2019 HK\$'000 (unaudited)	2018 HK\$'000 (unaudited)
Current tax:		
Hong Kong profits tax	–	1,360

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the three months ended 30 June 2018.

On 21 March 2018, the Hong Kong Legislative Council passed the Inland Revenue (Amendment) (No.7) Bill 2017 (the “**Bill**”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2 million of assessable profits of qualifying corporations will be taxed at 8.25%, and assessable profits above HK\$2 million will be taxed at 16.5%. The assessable profits of corporation not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The two-tiered profits tax rates regime is applicable to the Group for the period ended 30 June 2019.

No provision for Hong Kong Profits Tax has been made as the Group had no estimated assessable profits arising from Hong Kong for the three months ended 30 June 2019 (2018: approximately HK\$1.4 million).

## 11. (LOSS)/EARNINGS PER SHARE

The calculation of the basic (loss)/earnings per share attributable to the owners of the Company is based on the following data:

	<b>Three months ended 30 June</b>	
	<b>2019</b>	2018
	<b>HK\$'000</b>	HK\$'000
	<b>(unaudited)</b>	(unaudited)
<b>(Loss)/earnings</b>		
(Loss)/earnings for the purpose of basic earnings per share:		
(Loss)/profit for the period attributable to owners of the Company	<b>(679)</b>	6,728

	<b>Three months ended 30 June</b>	
	<b>2019</b>	2018
	<b>(unaudited)</b>	(unaudited)
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<b>2,000,000,000</b>	2,000,000,000

For each of the three months ended 30 June 2019 and 2018, there were no dilutive potential ordinary shares in issue, thus no diluted earnings per share is presented.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group is principally engaged in the provision of (i) securities dealing and brokerage services; (ii) placing and underwriting services; (iii) financing services including securities and IPO margin financing; and (iv) asset management services. The Group's services mainly relate to equity and debt securities trading on the Stock Exchange in Hong Kong.

For the three months ended 30 June 2019 (the "**Period**" or "**1Q2019**"), the securities market's average daily transaction value was approximately HK\$284.0 billion, representing a decrease of approximately 11.5% as compared to the three months ended 30 June 2018 (the "**Corresponding Period**" or "**1Q2018**") of approximately HK\$320.8 billion. As a result of the relatively saturated stock market sentiment, the Group's commission income from securities dealing and brokerage services for the Period decreased of approximately 16.7% as compared to 1Q2018. Fee and commission income from placing and underwriting activities decreased of approximately HK\$11.0 million or 95.7% from approximately HK\$11.5 million for 1Q2018 to approximately HK\$0.5 million for 1Q2019.

The Group's fee income from asset management services for 1Q2019 was approximately HK\$0.3 million, representing a decrease of approximately 40.0% as compared to approximately HK\$0.5 million for 1Q2018. As at 30 June 2019, the Group had six asset management clients in total and the total net assets value managed by the Group was approximately HK\$2.2 billion. The management believes that the Group's asset management business will expand in the coming future.

Interest income from margin financing mainly represents the interest income generated from the provision of margin financing services to customers who would like to purchase securities listed on the Stock Exchange on a margin basis, which offers funding flexibility to the Group's customers. For the Period, interest income from margin financing increased by approximately 15.4% from approximately HK\$1.3 million for 1Q2018 to approximately HK\$1.5 million for 1Q2019.

For 1Q2019, the Group recorded revenue of approximately HK\$1.4 million from other services provided which mainly comprised of professional service and commitment fee income of approximately HK\$1.3 million.

Overall, total revenue for 1Q2019 was approximately HK\$5.3 million, representing a decrease of approximately 70.2% as compared to 1Q2018.

## OUTLOOK

Looking ahead, uncertainties prevail in the global economic environment. The developments during and after the trade war truce, pace of US interest rate hike, the UK political scene and economic slowdown will cause uncertainties to the prospects during the second half of the year which is believed to cause adjustment pressure on the Hong Kong stock market. It is expected that these uncertainties would continue to affect the business performance of the Group in the coming months.

On the other hand, the securities industry in Hong Kong will face more intense competition. Given that the commercial banks, trust companies and other financial institutions further intensify and expand their participation in the securities business, the competition is no longer limited to that among securities companies.

The Group will closely monitor the changing market environment and the latest developments of the Hong Kong financial market and the update on the regulatory requirements applicable to the Group and take appropriate actions to create returns to shareholders and strive to achieve the business objectives in increasing the Group's exposure and scale of operations in Hong Kong within the capital markets and to capture a larger market share.

## FINANCIAL REVIEW

### Revenue

The Group's total revenue for 1Q2019 was approximately HK\$5.3 million, representing a decrease of approximately HK\$12.5 million or 70.2% from approximately HK\$17.8 million for 1Q2018. The decrease in total revenue was mainly attributed to the decrease of fee and commission income generated from placing and underwriting activities of approximately HK\$11.0 million.

As a result of the overall investment downturn of the Hong Kong stock market for 1Q2019 as compared to the Corresponding Period, the Group's commission income from securities dealing and brokerage services decreased by approximately HK\$0.3 million or 16.7% from approximately HK\$1.8 million for 1Q2018 to approximately HK\$1.5 million for 1Q2019.

## FINANCIAL REVIEW *(Continued)*

### Revenue *(Continued)*

Placing and underwriting fee and commission income is principally affected by the number of engagements participated by the Group, the size of engagements and the commission rates. For 1Q2019, the Group completed 2 placing and underwriting engagements with a total transaction value of approximately HK\$4.8 million (2018: 8 placing and underwriting engagements with a total transaction value of approximately HK\$193.3 million). Attributed to the decrease in (i) number of engagement participated by the Group and (ii) the average commission rate, fee and commission income from placing and underwriting activities decreased by approximately HK\$11.0 million or 95.7% from approximately HK\$11.5 million for 1Q2018 to approximately HK\$0.5 million for 1Q2019.

Interest income from margin financing recorded an increase of approximately 15.4% from approximately HK\$1.3 million 1Q2018 to approximately HK\$1.5 million for 1Q2019, which was mainly attributable to the increase in average financing provided by the Group during the Period.

As at 30 June 2019, the Group had six (31 March 2019: five) asset management clients and the total net assets value managed by the Group amounted to approximately HK\$2.2 billion (31 March 2019: HK\$5.2 billion). Pursuant to the relevant asset management agreements with these clients, the Group acts as an investment manager and provides asset management services to them on a discretionary basis pursuant to each client's investment requirements, objectives and restrictions, and is entitled to (i) management fees on a fixed fee basis or on a percentage basis ranging from 1.0% per annum to 1.5% per annum; (ii) performance fees on a percentage basis ranging from 10% to 20%; and (iii) discretionary bonus. For the Period, the Group recorded a total fee income from its asset management services of approximately HK\$0.3 million (1Q2018: HK\$0.5 million).

In addition to the above business activities, the Group may on a case by case basis come across other projects, the fee income from which is recorded as other revenue. Revenue from other services mainly comprised of professional service and commitment fee income of approximately HK\$1.3 million for 1Q2019. (1Q2018: approximately HK\$2.6 million).

## FINANCIAL REVIEW *(Continued)*

### Loss for the Period

Loss for the Period was approximately HK\$0.7 million, representing a decrease of approximately HK\$7.4 million or 110.4% from profit of approximately HK\$6.7 million for 1Q2018, which was primarily attributed to the decrease in fee and commission income from placing and underwriting activities of approximately HK\$11.0 million as a result of the decrease in (i) number of engagement participated by the Group and (ii) the average commission rate.

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Period, the Group mainly financed its operations by internal resources and net proceeds raised from the placing upon listing. As at 30 June 2019, the Group had net current assets of approximately HK\$272.0 million (31 March 2019: HK\$274.1 million), including cash and cash equivalents of approximately HK\$182.4 million (31 March 2019: HK\$189.6 million).

As at 30 June 2019, the Group had a HK\$5 million bank borrowing outstanding (31 March 2019: HK\$5 million).

The current ratio, being the ratio of current assets to current liabilities, was approximately 2.7 times as at 30 June 2019 (31 March 2019: 3.7 times).

The capital of the Group comprises only ordinary shares. Total equity attributable to owners of the Company amounted to approximately HK\$279.7 million as at 30 June 2019 (31 March 2019: HK\$280.4 million).

The Board is of the opinion that the Company will have sufficient financial resources to meet its financial obligations as they fall due for at least the next twelve months from the end of the reporting period, after taking into consideration the needs to obtain additional financing including, but not limited to, borrowing loans and issuing additional equity or debt securities.



## **PLEDGE OF THE GROUP'S ASSETS**

As at 30 June 2019, the Group had pledged its bank deposit amounting to HK\$5.0 million for banking facilities granted by a bank in Hong Kong to the Group (31 March 2019: HK\$5.0 million).

## **EMPLOYEE INFORMATION**

As at 30 June 2019, the Group had 28 employees (31 March 2019: 28), including the Directors. Total staff costs (including staff salaries, Directors' emoluments and contribution to Mandatory Provident Fund) for the Period were approximately HK\$2.5 million (1Q2018: HK\$2.4 million).

## **MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES**

There was no material acquisition or disposal of subsidiaries and affiliated companies during the Period.

## **FOREIGN EXCHANGE RISK**

The turnover and operation costs of the Group were principally denominated in Hong Kong dollars. The Group currently does not have a policy on hedges of foreign exchange risk. However, the Group will closely monitor the fluctuations in exchange rates and will consider to employ financial instrument for hedging should the needs arise.

## **CONTINGENT LIABILITIES**

The Group had no significant contingent liabilities as at 30 June 2019.

## **EVENT AFTER THE REPORTING PERIOD**

After the reporting period and up to the date of this report, there was no significant event relevant to the business or financial performance of the Group that come to the attention of the Directors.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2019, the interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) held by the Directors and chief executives of the Company (the "Chief Executives") which have been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or have been entered in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise have been notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules are as follows:

#### Long position in ordinary shares of HK\$0.01 each of the Company

Name of Director	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding
Mr. Lo Tak Wing Benson ("Mr. B Lo")	Interest in controlled corporation <sup>(Note)</sup>	1,500,000,000	75%
Mr. Lo Shiu Wing Chester ("Mr. C Lo")	Interest in controlled corporation <sup>(Note)</sup>	1,500,000,000	75%

Note: TML is beneficially owned by Mr. B Lo and Mr. C Lo as to 57.1% and 42.9%, respectively. As such, Mr. B Lo and Mr. C Lo are deemed to be interested in the 1,500,000,000 shares held by TML under the SFO.

Save as disclosed above, as at 30 June 2019, none of the Directors or Chief Executives had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors and the Chief Executives are aware, as at 30 June 2019, other than the Directors and the Chief Executives, the following person/corporation had or was deemed or taken to have an interest and/or short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO, or which would be, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

### Long position in ordinary shares of HK\$0.01 each of the Company

Name	Capacity/Nature of interest	Number of shares held	Approximate percentage of shareholding
TML	Beneficial interest	1,500,000,000	75%
Ms. Lui Wing Patsie ("Ms. Lui")	Interest in spouse <sup>(Note)</sup>	1,500,000,000	75%

Note: Ms. Lui is the spouse of Mr. B Lo.

Save as disclosed above, as at 30 June 2019, the Directors were not aware of any person or corporation (other than the Directors and the Chief Executives) who had any interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or pursuant to section 336 of the SFO, which would have to be recorded in the register referred to therein.

## SHARE OPTION SCHEME

A share option scheme (the “**Scheme**”) was adopted by the shareholder of the Company and was effective on 5 December 2016. Unless otherwise cancelled or amended, the Scheme will remain in force for a period of 10 years from the date of its adoption on 5 December 2016. Subject to the terms of the Scheme, the Board shall be entitled to make an offer of the grant of an option to subscribe for shares of the Company to any Directors, employees of the Group, consultants or advisers of the Group, providers of goods and/or services to the Group, customers of the Group, holders of securities issued by any member of the Group, or any other person, who at the sole discretion of the Board, has contributed to the Group, whom the Board may select at its absolute discretion. Since the adoption of the Scheme and up to 30 June 2019, no share option has been granted by the Company.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Period and up to the date of this report.

## COMPETING INTERESTS

None of the Directors, the controlling shareholders of the Company nor their respective close associates (as defined in the GEM Listing Rules) had any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group during the Period and up to the date of this report.

## COMPLIANCE ADVISER’S INTERESTS

As at 30 June 2019, as notified by Ample Capital Limited (the “**Compliance Adviser**”), save and except for the compliance adviser’s agreement entered into between the Company and the Compliance Adviser dated 5 December 2016, neither the Compliance Adviser nor its directors, employees or close associates (as defined in the GEM Listing Rules) had any interests in the securities of the Company or any other companies of the Group (including options or rights to subscribe for such securities) which is required to be notified to the Company pursuant to rule 6A.32 of the GEM Listing Rules.

## DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings (the “**Required Standard of Dealings**”) set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiries with all the Directors, all of them confirmed that they have complied with the Required Standard of Dealings throughout the Period and up to the date of this report.

## COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Board is committed to promoting high standards of corporate governance practices and procedures. The Directors believe that sound and reasonable corporate governance practices are essential for the growth of the Group and for safeguarding the shareholders' interests and the Group's assets.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") in Appendix 15 of the GEM Listing Rules. For the Period, to the best knowledge of the Board, the Company has applied the principles and complied with all the applicable code provisions set out in the CG Code.

## AUDIT COMMITTEE

The Company has established the Audit Committee in compliance with rules 5.28 and 5.29 of the GEM Listing Rules and with the written terms of reference in compliance with the CG Code. The Audit Committee currently comprises three independent non-executive Directors, namely Mr. Mok Kwai Pui Bill ("**Mr. Mok**"), Mr. Ma Wai Hung Vincent and Mr. Ng Shu Bun Andrew. Mr. Mok is the chairman of the Audit Committee.

The Audit Committee had reviewed the unaudited condensed consolidated results of the Group for the Period with the management and was of the opinion that such results had complied with the applicable accounting standards, the requirements under the GEM Listing Rules and other applicable legal requirements and that adequate disclosures had been made.

By order of the Board  
**PF Group Holdings Limited**  
**Lo Tak Wing Benson**  
Chairman and Executive Director

Hong Kong, 8 August 2019

*As at the date of this report, the executive Directors are Mr. Lo Tak Wing Benson and Mr. Lo Shiu Wing Chester; the non-executive Director is Mr. Khoo Ken Wee; and the independent non-executive Directors are Mr. Ma Wai Hung Vincent, Mr. Mok Kwai Pui Bill and Mr. Ng Shu Bun Andrew.*