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**CHANCE WISE INVESTMENTS
LIMITED**

*(Incorporated in the British Virgin Islands
with limited liability)*



PF Group Holdings Limited

*Incorporated in the Cayman Islands
with limited liability)*
(Stock code: 8221)

JOINT ANNOUNCEMENT

**(1) POSSIBLE CHANGE OF CONTROLLING SHAREHOLDER OF
PF GROUP HOLDINGS LIMITED**

**(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY
RSI SECURITIES LIMITED**

**FOR AND ON BEHALF OF CHANCE WISE INVESTMENTS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES (OTHER THAN THOSE
ALREADY OWNED OR AGREED TO BE ACQUIRED BY
CHANCE WISE INVESTMENTS LIMITED AND PARTIES
ACTING IN CONCERT WITH IT) OF PF GROUP HOLDINGS LIMITED
AND**

(3) RESUMPTION OF TRADING

Financial Adviser to the Offeror

VEDA | CAPITAL
智 略 資 本

POSSIBLE CHANGE OF CONTROLLING SHAREHOLDER

The Company was informed by the Vendor and the Warrantors that on 28 April 2020 (after trading hours), they had entered into the Sale and Purchase Agreement with the Offeror and Mr. Fok, pursuant to which the Vendor conditionally agreed to sell and the Offeror conditionally agreed to purchase the Sale Shares, being 1,500,000,000 Shares, for a total consideration of HK\$120,000,000, equivalent to HK\$0.08 per Sale Share, which was agreed between the Vendor and the Offeror after arm's length negotiations. The Sale Shares represent 75% of the entire issued share capital of the Company as at the date of the Sale and Purchase Agreement and this joint announcement. Completion will be subject to the satisfaction or waiver (as applicable) of the Conditions.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

Before entering into the Sale and Purchase Agreement, the Offeror did not have any interest in the Shares and parties acting in concert with the Offeror were interested in 360,000 Shares, representing 0.018% of the entire issued share capital of the Company. Immediately following the Completion, the Offeror and parties acting in concert with it will be interested in an aggregate of 1,500,360,000 Shares, representing 75.018% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional general offer in cash for all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it upon Completion.

As at the date of this joint announcement, the Company has 2,000,000,000 Shares in issue. As at the date of this joint announcement, the Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares or other types of equity interest and has not entered into any agreement for the issue of such options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into or carrying right to subscribe for Shares.

The Offer will be a mandatory unconditional cash offer upon Completion. RSI Securities Limited, on behalf of the Offeror, will make the Offer in accordance with the Takeovers Code on the following basis:

For each Offer Share.HK\$0.0812 in cash

The Offer Price of HK\$0.0812 per Offer Share equals to the purchase price per Sale Share to be paid by the Offeror under the Sale and Purchase Agreement and having taken into account the waived Interest on a per Share basis.

Veda Capital is the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy its payment obligations under the Sale and Purchase Agreement and full acceptance of the Offer.

On the basis of the Offer Price of HK\$0.0812 per Offer Share and 2,000,000,000 Shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$162,400,000. Excluding 1,500,360,000 Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it, 499,640,000 Shares will be subject to the Offer. Assuming there is no change in the issued share capital of the Company during the Offer Period, the Offer is valued at HK\$40,570,768.

PUBLIC FLOAT OF THE COMPANY

Immediately after Completion, the Offeror and parties acting in concert with it will be interested in 1,500,360,000 Shares, representing 75.018% of the total issued share capital of the Company. Accordingly, the minimum public float requirement of 25% as set out in Rule 11.23(7) of the GEM Listing Rules is not satisfied. The Company will apply to the Stock Exchange for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules before Completion.

COMPOSITE DOCUMENT

The Composite Document which contains, among other things, further details of the Offer, will be despatched to the Independent Shareholders within seven days after the Completion Date. The Offeror will apply to the Executive for its consent under Note 2 to Rule 8.2 of the Takeovers Code for an extension to despatch the Composite Document on or before the seventh day after the Completion Date or 15 January 2021, whichever is earlier. The Executive has indicated that it is minded to grant such consent.

WARNING: The Shareholders and potential investors of the Company should be aware that the making of the Offer is subject to the Completion which is in turn subject to the satisfaction or waiver (as applicable) of the Conditions, the Offer is a possibility only and may or may not be made. Accordingly, the issue of this joint announcement does not in any way imply that the Offer will be made.

The Shareholders and potential investors of the Company should therefore exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take, should consult their stockbroker, bank manager, solicitor or other professional advisers.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 29 April 2020 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 7 May 2020.

The Company was informed by the Vendor and the Warrantors that on 28 April 2020 (after trading hours), they had entered into the Sale and Purchase Agreement, details of which are set out below.

SALE AND PURCHASE AGREEMENT

Date: 28 April 2020

Parties:

- (i) The Offeror as the purchaser;
- (ii) Mr. Fok as the guarantor to the Offeror;
- (iii) Thoughtful Mind Limited as the Vendor; and
- (iv) Mr. B Lo and Mr. C Lo as the Warrantors.

Subject of the Sale and Purchase Agreement

Pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to sell and the Offeror conditionally agreed to purchase the Sale Shares, being 1,500,000,000 Shares, representing 75% of the entire issued share capital of the Company as at the date of the Sale and Purchase Agreement and this joint announcement, free from all Encumbrances and together with all rights attached thereto at the Completion Date with effect from the Completion.

Consideration for the Sale Shares

The Consideration for the Sale Shares is HK\$120,000,000, equivalent to HK\$0.08 per Sale Share, which was agreed between the Vendor and the Offeror after arm's length negotiations. The Consideration will be payable in cash by the Offeror to the Vendor at Completion. The Offeror will be entitled to set-off the Consideration against full amount of the Debt on a dollar-to-dollar basis and pay only the balance thereof.

The Offeror agreed and confirmed that the Debt comprises all outstanding debts and liabilities (including but not limited to all and any loans and accrued interest, but excluding the waived Interest) owing by the Vendor and/or the Warrantors to the Offeror and/or Mr. Fok as at the Completion Date, and that the setting-off of the Consideration against the Debt shall constitute full and final settlement of all outstanding debt and liabilities (including but not limited to any loan and accrued interest) owing by the Vendor and/or the Warrantors to the Offeror and/or Mr. Fok. The Debt amounted to HK\$40,000,000 and the Interest amounted to HK\$1,800,000.

If the Cash Level on the Completion Date is less than HK\$110 million, the Consideration shall be reduced in an amount equivalent to the shortfall on a 75 cents-to-1 dollar basis, which means for each dollar of shortfall, the Consideration will be reduced by 75 cents.

The Consideration will be fully settled by the Offeror from its internal resources.

Conditions to the Completion

Completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement is subject to the fulfilment of the following Conditions:

- (a) the Shares remaining listed and traded on GEM, and no notification or indication being received from the Stock Exchange or the SFC prior to Completion that the listing and/or trading of the Shares on GEM will or may be, for whatever reason, withdrawn or suspended (excluding any suspension for the purpose of obtaining clearance from the Executive or the Stock Exchange for this joint announcement relating to the sale and purchase of the Sale Shares thereunder and other announcements relating to, among other things, the transactions contemplated thereunder);
- (b) the Stock Exchange and the Executive having advised that they have no further comment on this joint announcement to be released in connection with the transactions contemplated under the Sale and Purchase Agreement, the Offer and the publication of this joint announcement on the Stock Exchange's website;
- (c) the approval by the SFC of the Offeror and its shareholders to become the substantial shareholders (as defined in the SFO) of PFSL having been obtained;
- (d) all other necessary waivers, consents and approvals (if required) from the relevant governmental or regulatory authorities or any other third parties required for the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained;
- (e) save as publicly disclosed by the Company in any of its announcement and circular up to the date of the Sale and Purchase Agreement, since the date of the last published audited consolidated financial statements of the Company up to the date on which Conditions (a) to (d) have been fulfilled, there having been no change, effect, fact, event or circumstance which has had or would reasonably be expected to have a material adverse effect on, or to cause a material adverse change in, the general affairs, management, financial position, business prospects, conditions (whether financial, operational, legal or otherwise), earnings, solvency, current or future consolidated financial position, shareholders' equity or results of operations of the Group as a whole, whether or not arising in the ordinary course of business; and
- (f) the warranties in the Sale and Purchase Agreement remaining true, accurate and not misleading in any respect until the Completion Date.

Except for Conditions (b), (c) and (d) which concern the obtaining of the approval, waiver or consent of the governmental authority including the SFC, the Executive and/or the Stock Exchange which are not capable to be waived by any parties, the Offeror may in its absolute discretion waive all or any of the Conditions and with or without imposing conditions in granting such waiver.

In respect of the Condition (c), an application will be made by the Offeror and/or each of its shareholders to seek to become substantial shareholders of PFSL soon after the date of this joint announcement. A further announcement will be issued as soon as practicable after the Conditions have been fulfilled or waived (as applicable). If any of the Conditions is not satisfied or waived (as applicable) by 5:00 p.m. on or before the Long Stop Date, the Sale and Purchase Agreement will lapse and the Offer will not be made.

For Condition (d), the Parties to the Sale and Purchase Agreement do not contemplate that any such waivers, consents or approvals would be required in the meantime.

Completion

Completion will take place on the 5th Business Day after all the Conditions have been fulfilled, or, where applicable, waived by the Offeror or such other date as the Parties may agree in writing.

Upon Completion, the Vendor will cease to hold any Shares and cease to be a Shareholder.

WARNING: The Shareholders and potential investors of the Company should be aware that the making of the Offer is subject to the Completion which is in turn subject to the satisfaction or waiver (as applicable) of the Conditions. The Offer is a possibility only and may or may not be made. Accordingly, the issue of this joint announcement does not in any way imply that the Offer will be made.

The Shareholders and potential investors of the Company should therefore exercise caution when dealing in the Shares. Persons who are in doubt as to the action they should take, should consult their stockbroker, bank manager, solicitor or other professional advisers.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

Before entering into the Sale and Purchase Agreement, the Offeror and parties acting in concert with it were interested in 360,000 Shares, representing 0.018% of the entire issued share capital of the Company. Immediately following the Completion, the Offeror and parties acting in concert with it will be interested in an aggregate of 1,500,360,000 Shares, representing 75.018% of the entire issued share capital of the Company. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional general offer in cash for all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it upon Completion.

As at the date of this joint announcement, the Company has 2,000,000,000 Shares in issue. As at the date of this joint announcement, the Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares or other types of equity interest and has not entered into any agreement for the issue of such options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) convertible into or carrying right to subscribe for Shares.

Principal terms of the Offer

The Offer will be a mandatory unconditional cash offer upon Completion. RSI Securities, on behalf of the Offeror, will make the Offer to all the Independent Shareholders to acquire all the issued Shares other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it, in compliance with the Takeovers Code on the following basis:

For each Offer Share..... HK\$0.0812 in cash

The Offer Price of HK\$0.0812 per Offer Share equals to the purchase price per Sale Share to be paid by the Offeror under the Sale and Purchase Agreement and having taken into account the waived Interest on a per Share basis. The Offer Shares to be acquired under the Offer shall be fully paid and free from all Encumbrances and together with all rights attaching thereto, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the Composite Document.

Comparison of value

The Offer Price of HK\$0.0812 per Offer Share represents:

- (i) a premium of approximately 84.55% over the closing price of HK\$0.044 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a premium of approximately 63.71% over the average closing prices of the Shares as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day of HK\$0.0496 per Share;
- (iii) a premium of approximately 56.76% over the average closing prices of the Shares as quoted on the Stock Exchange for the 10 consecutive trading days up to and including the Last Trading Day of HK\$0.0518 per Share;
- (iv) a premium of approximately 45.52% over the average closing prices of the Shares as quoted on the Stock Exchange for the 30 consecutive trading days up to and including the Last Trading Day of approximately HK\$0.0558 per Share;
- (v) a discount of approximately 42.00% to the audited consolidated net asset value attributable to owners of the Company of approximately HK\$0.14 per Share (based on the number of issued Shares as at the date of this joint announcement) as at 31 March 2019, the date to which the latest audited financial results of the Group were made up; and
- (vi) a discount of approximately 42.00% to the unaudited consolidated net asset value attributable to owners of the Company of approximately HK\$0.14 per Share (based on the number of issued Shares as at the date of this joint announcement) as at 30 September 2019, the date to which the latest unaudited financial results of the Group for the 6 months ended 30 September 2019 were made up.

Highest and lowest Share price

During the six-month period preceding the Last Trading Day:

- (i) the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.098 per Share on 13 February 2020; and
- (ii) the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.044 per Share on 28 April 2020.

Value of the Offer

On the basis of the Offer Price of HK\$0.0812 per Offer Share and 2,000,000,000 shares in issue as at the date of this joint announcement, the entire issued share capital of the Company is valued at HK\$162,400,000. Excluding 1,500,360,000 Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it, 499,640,000 Shares will be subject to the Offer. Assuming there is no change in the issued share capital of the Company during the Offer Period, the Offer is valued at approximately HK\$40,570,768.

Financial resources available to the Offeror

The Offeror intends to finance its payment obligations under the Sale and Purchase Agreement and full acceptance of the Offer through its internal resources. Veda Capital is the financial adviser to the Offeror in respect of the Offer and is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy its payment obligations under the Sale and Purchase Agreement and full acceptance of the Offer.

Effect of accepting the Offer

By accepting the Offer, the Independent Shareholders will sell their Shares to the Offeror free from all Encumbrances and together with all rights attaching or accruing thereto (including all rights to receive any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the Composite Document).

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.1% (or part thereof) of the consideration payable in respect of the relevant acceptances by the Independent Shareholders or if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amount payable to those Independent Shareholders who accept the Offer.

The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptances of the Offer and the transfers of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Payment in cash in respect of acceptances of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer and all relevant documents of title in respect of such acceptances are received by the Offeror (or its agents acting on its behalf) to render each such acceptance complete and valid pursuant to the Takeovers Code.

Taxation advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, parties acting in concert with the Offeror, the Company, RSI Securities and Veda Capital and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Dealing and interests in the Company's securities

Save for proposed acquisition of the Sale Shares and 360,000 Shares sold by parties acting in concert with the Offeror on 12 February 2020, none of the Offeror, its ultimate beneficial owners, nor parties acting in concert with any of them has dealt in any Shares, options, derivatives, warrants or other securities convertible into or carrying right to subscribe for Shares during the six-month period prior to the date of this joint announcement.

Overseas Shareholders

The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdictions).

Other arrangements

Other than the consideration under the Sale and Purchase Agreement as disclosed in the section headed "Consideration for the Sale Shares" in this joint announcement, there is no other consideration, in whatever form, which has been or will be paid by any of the Offeror, Ms. Hsieh, Mr. Fok and/or parties acting in concert with any of them, their respective nominees and/or representatives (the "**Offeror Group**") to each of the Vendor and its ultimate beneficial owners and/or the parties acting in concert with any of them and/or their respective nominees and/or representatives in connection with the Sale and Purchase Agreement or otherwise.

There is no understanding, arrangement or agreement or special deal under Rule 25 of the Takeovers Code between any members of the Offeror Group on one hand and any Shareholders (including their respective concert parties) on the other.

There is no understanding, arrangement, agreement or special deal between the Offeror or any party acting in concert with it on the one hand, and the Vendor and any party acting in concert with it on the other hand.

There is no understanding, arrangement or agreement or special deal between any Shareholder and the Company, its subsidiaries or associated companies.

There is no agreement, arrangement or understanding (including any compensation arrangement) existing between the Offeror, Ms. Hsieh, Mr. Fok and/or parties acting in concert with any of them and any of the Directors, recent Directors, Shareholders or recent Shareholders (including the Vendor and parties acting in concert with it) having any connection with or dependence upon the Sale and Purchase Agreement and/or the Offer.

The Offeror confirms that, save for 360,000 Shares owned by Ms. Fok Kit Yee, the daughter of Ms. Hsieh and Mr. Fok, as at the date of this joint announcement:

- (i) the Offeror, its ultimate beneficial owner, and/or parties acting in concert with any of them have not received any irrevocable commitment to accept the Offer;
- (ii) there is no outstanding derivative in respect of securities in the Company which has been entered into by the Offeror, its ultimate beneficial owner and/or any person acting in concert with any of them;
- (iii) there is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company and which may be material to the Offer (as referred to in Note 8 to Rule 22 of the Takeovers Code);
- (iv) none of the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or convertible securities, options, warrants or derivatives of the Company;
- (v) there is no agreement or arrangement to which the Offeror, its ultimate beneficial owner and/or parties acting in concert with any of them is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer; and
- (vi) there is no relevant security (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror, its ultimate beneficial owner, and/or any party acting in concert with any of them has borrowed or lent.

The Independent Shareholders are encouraged to read the Composite Document carefully, including the recommendation of the Independent Board Committee and the advice of the Independent Financial Adviser as to whether the terms of the Offer are fair and reasonable and whether the Offer is in the interests of the Company and the Shareholders as a whole and its acceptance before deciding whether or not to accept the Offer.

Information on the Offeror

The Offeror is an investment holding company incorporated in BVI with limited liability. As at the date of this joint announcement, the Offeror is beneficially owned as to 70% by Ms. Hsieh and as to 30% by Mr. Fok. Both Ms. Hsieh and Mr. Fok are directors of the Offeror. Ms. Hsieh is the spouse of Mr. Fok. Ms. Hsieh and Mr. Fok have been engaging in the wholesale trading and distribution of telecommunications electronic products for over 20 years. Both Ms. Hsieh and Mr. Fok do not have experience in similar business of the Group. As at the date of this joint announcement, Ms. Hsieh and Mr. Fok do not hold any directorship in any listed company in Hong Kong and are not substantial shareholders of any listed company in Hong Kong.

Information on the Group

The Company is a Cayman Islands-based investment holding company. The Company is principally engaged in the provision of securities dealing and brokerage service; placing and underwriting service; financing service including securities and initial public offering (IPO) margin financing, and asset management services. The Company's services mainly relate to equity and debt securities traded on the Stock Exchange in Hong Kong. It also provides ancillary services in relation to securities deposited in its name. The Company conducts its principal business activities through PFSL, which is a corporation licensed to carry on Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO.

The following table is a summary of certain audited financial information of the Group for the two financial years ended 31 March 2018 and 31 March 2019 and certain unaudited financial information for the six months ended 30 September 2019 and 31 December 2019 respectively.

	Year ended 31 March 2018	Year ended 31 March 2019	Nine months ended 31 December 2019
	(Audited)	(Audited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	83,045	67,596	24,669
Profit before taxation	42,239	26,539	(4,369)
Profit for the year/period	35,106	22,028	(4,369)
	As at 31 March 2018	As at 31 March 2019	As at 30 September 2019
	(Audited)	(Audited)	(Unaudited)
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Net assets	258,387	280,415	280,025

Shareholding structure of the Company

The following table sets out the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately after the Completion but before the Offer is made:

	(i) As at the date of this joint announcement		(ii) Immediately after the Completion but before the Offer is made	
	<i>Number of Shares held</i>	<i>% of Shares in issue</i>	<i>Number of Shares held</i>	<i>% of Shares in issue</i>
<i>The Offeror</i>	—	0.000	1,500,000,000	75.000
<i>Fok Kit Yee</i>	360,000* (Note 1)	0.018 (Note 1)	360,000	0.018
Subtotal of the Offeror and parties acting in concert with it	360,000	0.018	1,500,360,000	75.018
Vendor	1,500,000,000	75.000	—	0.000
Independent Shareholders	<u>499,640,000*</u>	<u>24.982</u>	<u>499,640,000*</u>	<u>24.982</u>
Total	<u><u>2,000,000,000</u></u>	<u><u>100.000</u></u>	<u><u>2,000,000,000</u></u>	<u><u>100.000</u></u>

* *Public Shareholders before the Completion include Ms. Fok Kit Yee and the Independent Shareholders with a total public shareholding of the Company at 25.000%. Public Shareholders immediately after the Completion but before the Offer will only include the Independent Shareholders and the public shareholding of the Company will decrease to 24.982%.*

Notes:

- Ms. Fok Kit Yee is the daughter of Ms. Hsieh and Mr. Fok and such Shares are counted as public shareholding before Completion so that the minimum public float requirement of 25% as set out in Rule 11.23(7) of the GEM Listing Rules is maintained before Completion.
- The Company adopted a share option scheme on 5 December 2016. As of the date of this joint announcement, there is no outstanding share option and no share option will be granted pursuant to the share option scheme prior to the expiry of the Offer Period in respect of the Offer.

OFFEROR'S INTENTION ON THE COMPANY

Following the close of the Offer, the Offeror intends to continue the existing principal businesses of the Group. The Offeror will conduct a review on the financial position and the operations of the Company and will formulate long-term business plans and strategy of the Company, explore other business opportunities and consider whether any asset disposal, asset acquisition, business rationalisation, business divestment, fund raising, restructuring of the business and/or business diversification will be appropriate in order to enhance the long-term growth potential of the Company. Should such corporate actions materialise, further announcement(s) will be made in accordance with the GEM Listing Rules. The Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) redeploy the fixed assets of the Company other than those in its ordinary and usual course of business.

Compulsory Acquisition

The Offeror does not intend to exercise any power of compulsory acquisition of any Offer Shares outstanding and not acquired under the Offer after the close of the Offer.

MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Stock Exchange after the close of the Offer and each of the Offeror and the Company will undertake to the Stock Exchange to take appropriate steps as soon as possible following the close of the Offer to ensure that a sufficient public float exists for the Shares.

The Stock Exchange has stated that if, at Completion and the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public or if the Stock Exchange believes that:

- (i) a false market exists or may exist in the trading of the Shares; or
- (ii) there are insufficient Shares in public hands to maintain an orderly market,

it will consider exercising its discretion to suspend trading in the Shares.

Immediately after Completion, the Offeror and parties acting in concert with it will be interested in 1,500,360,000 Shares, representing 75.018% of the total issued share capital of the Company. Accordingly, the minimum public float requirement of 25% as set out in Rule 11.23(7) of the GEM Listing Rules is not satisfied. The Company will apply to the Stock Exchange for a temporary waiver from strict compliance with Rule 11.23(7) of the GEM Listing Rules before Completion.

In order to satisfy the public float requirement under the GEM Listing Rules, the Offeror will engage a placing agent upon Completion to place (i) a minimum of 360,000 Shares, representing approximately 0.018% of the total issued share capital of the Company as at the date of this joint announcement, owned by the Offeror and/or parties acting in concert with it; and (ii) all the Offer Shares validly tendered for acceptance under the Offer, following the close of the Offer. These Shares will be placed to independent third parties who (i) are not the Shareholders or connected with the Company, the Directors, chief executive, substantial Shareholders or any of their respective subsidiaries or any of their respective associates; and (ii) are not connected with the Offeror or parties acting in concert with it following the close of the Offer.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising the non-executive Director, namely, Mr. Khoo Ken Wee and all the independent non-executive Directors, namely, Mr. Ma Wai Hung Vincent, Mr. Mok Kwai Pui Bill and Mr. Ng Shu Bun Andrew has been established to make recommendation to the Independent Shareholders in relation to the Offer pursuant to Rule 2.1 of the Takeovers Code.

An Independent Financial Adviser to the Independent Board Committee will be appointed to advise the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer. Further announcement will be made by the Company as soon as practicable after the appointment of the Independent Financial Adviser.

GENERAL

The Composite Document which contains, among other things, further details of the Offer, will be despatched to the Independent Shareholders within seven days after the Completion Date. The Offeror will apply to the Executive for its consent under Note 2 to Rule 8.2 of the Takeovers Code for an extension to despatch the Composite Document on or before the seventh day after the Completion Date or 15 January 2021, whichever is earlier. The Executive has indicated that it is minded to grant such consent.

It is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Accordingly, the Composite Document (accompanied by the Form of Acceptance) in connection with the Offer setting out, inter alia, details of the Offer (including the expected timetable) and information of the Group and incorporating the letter from RSI Securities in respect of the Offer, the letter from the Independent Board Committee to the Independent Shareholders containing its recommendation and advice to the Independent Shareholders on the Offer and the letter from the Independent Financial Adviser containing its recommendation and advice to the Independent Board Committee on the Offer, will be issued and despatched by or on behalf of the Offeror and the Company jointly to all the Shareholders.

The Independent Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Independent Shareholders as to whether the terms of the Offer are fair and reasonable so far as the Independent Shareholders are concerned and its acceptance, before deciding whether or not to accept the Offer.

Disclosure in dealing

In accordance with Rule 3.8 of the Takeovers Code, the respective associates (as defined under the Takeovers Code and including a person who owns or controls 5% or more of any class of relevant securities) of the Company and the Offeror (within the meaning of the Takeovers Code) are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and

dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 29 April 2020 pending the publication of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 7 May 2020.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following terms have the meanings set out below:

“acting in concert”	has the same meaning ascribed to it under the Takeovers Code
“associate(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturday, Sunday, public holiday and any day on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is hoisted or remains hoisted or in effect between 9:00 a.m. and 2:00 p.m. and is not lowered or discontinued at or before 2:00 p.m.) on which licensed banks are generally open for business in Hong Kong
“BVI”	the British Virgin Islands
“Cash Level”	the total amount of cash and bank balances held by the Group (excluding pledged bank deposits and cash held on behalf of customers) as at the Completion Date
“Company”	PF Group Holdings Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability, the shares of which are listed on GEM (Stock Code: 8221)

“Completion”	completion of the sale and purchase of the Sale Shares pursuant to the Sale and Purchase Agreement
“Completion Date”	the date on which the Completion takes place and which shall be the 5th Business Day after all the Conditions have been fulfilled, or, where applicable, waived by the Offeror or such other date as the Parties may agree in writing
“Composite Document”	the formal composite document proposed to be jointly issued by or on behalf of the Offeror and the Company in connection with the Offer in accordance with the Takeovers Code containing, amongst other things, detailed terms of the Offer
“Condition(s)”	the conditions precedent to the Completion as set out in the section headed “Conditions to the Completion” in this joint announcement
“Consideration”	the total consideration payable for the Sale Shares
“Controlling Shareholder”	has the same meaning ascribed to it under the GEM Listing Rules
“Debt”	the debt in the aggregate amount of HK\$40,000,000, which comprises all outstanding debt and liabilities (including but not limited to all and any loans and accrued interest, but excluding the waived Interest) owing by the Vendor and/or the Warrantors to the Offeror and/or Mr. Fok as at the Completion Date
“Director(s)”	the director(s) of the Company
“Encumbrances”	encumbrances of whatsoever nature, including but not limited to any mortgage, charge, pledge, lien (otherwise than arising by statute or operation of law), hypothecation, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement whatsoever over or in any property, assets or rights and includes any agreement for any of the same and “ Encumber ” shall be construed accordingly
“Executive”	executive director of the Corporate Finance Division of the SFC or any delegate of the executive director
“Form of Acceptance”	the form of acceptance and transfer of Shares in respect of the Offer
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Board Committee”	an independent committee of the Board comprising the non-executive Director, namely, Mr. Khoo Ken Wee and all the independent non-executive Directors, namely, Mr. Ma Wai Hung Vincent, Mr. Mok Kwai Pui Bill and Mr. Ng Shu Bun Andrew, which has been established by the Board to make a recommendation to the Independent Shareholders in relation to the terms of the Offer and its acceptance
“Independent Financial Adviser”	the independent financial adviser to be appointed by the Company to advise the Independent Board Committee pursuant to Rule 2.1 of the Takeovers Code as to whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Interest”	the sum of HK\$1,800,000, being all the interest accrued on the Debt which had been waived by Mr. Fok
“Last Trading Day”	28 April 2020, being the last trading day for the Shares prior to the suspension of trading in the Shares pending the release of this joint announcement
“Long Stop Date”	31 December 2020 (or such other day as the Parties may from time to time agree in writing)
“Mr. B Lo”	Mr. Lo Tak Wing Benson, an executive Director and one of the Controlling Shareholders of the Company and the sibling of Mr. C Lo
“Mr. C Lo”	Mr. Lo Shiu Wing Chester, an executive Director and one of the Controlling Shareholders of the Company the sibling of Mr. B Lo
“Mr. Fok”	Mr. Fok Yuk Tong, a director of the Offeror who owns 30% shareholding of the Offeror and is the spouse of Ms. Hsieh
“Ms. Hsieh”	Ms. Hsieh Ching Chun, a director of the Offeror who owns 70% shareholding of the Offeror and is the spouse of Mr. Fok

“Offer”	the possible unconditional mandatory cash offer to be made by RSI Securities for and on behalf of the Offeror for all the issued Shares (other than those already owned or agreed to be acquired by the Offeror and parties acting in concert with it) pursuant to Rule 26.1 of the Takeovers Code
“Offer Period”	has the same meaning ascribed to it under the Takeovers Code
“Offer Price”	the price per Offer Share at which the Offer will be made in cash, being HK\$0.0812 per Offer Share
“Offer Shares”	499,700,000 Shares, being all the Shares in issue, other than those Shares already owned or agreed to be acquired by the Offeror and parties acting in concert with it
“Offeror”	Chance Wise Investments Limited, a company incorporated in BVI with limited liability and wholly and beneficially owned as to 70% by Ms. Hsieh and as to 30% by Mr. Fok
“Overseas Shareholder(s)”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“Parties”	the parties to the Sale and Purchase Agreement
“PFSL”	Pacific Foundation Securities Limited, a company incorporated with limited liability in Hong Kong and an indirect wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“RSI Securities”	RSI Securities Limited, a licensed corporation permitted to carry out businesses in Type 1 (dealing in securities) and Type 9 (asset management) regulated activities under the SFO
“Sale and Purchase Agreement”	the sale and purchase agreement dated 28 April 2020 entered into between the Vendor, the Warrantors, the Offeror and Mr. Fok (as amended by a supplemental agreement dated 5 May 2020) for the sale and purchase of the Sale Shares
“Sale Shares”	1,500,000,000 Shares, beneficially owned by the Vendor as at the date of the Sale and Purchase Agreement and representing 75% of the total issued share capital of the Company as at the date of the Sale and Purchase Agreement

“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Veda Capital”	Veda Capital Limited, a licensed corporation to carry out business in Type 6 (advising on corporate finance) regulated activity under the SFO, which is appointed as the financial adviser to the Offeror in respect of the Offer
“Vendor”	Thoughtful Mind Limited, a company incorporated in BVI with limited liability and is owned as to 57.1% by Mr. B Lo and as to 42.9% by Mr. C Lo
“Warrantors”	Mr. B Lo and Mr. C Lo

By order of the board of
Chance Wise Investments Limited
Hsieh Ching Chun
Director

By order of the Board
PF Group Holdings Limited
Lo Shiu Wing Chester
*Chief Executive Officer and
Executive Director*

Hong Kong, 6 May 2020

As at the date of this announcement, the Board comprises six Directors, namely Mr. Lo Tak Wing Benson (Chairman) and Mr. Lo Shiu Wing Chester (Chief Executive Officer) as executive Directors; Mr. Khoo Ken Wee as non-executive Director; and Mr. Ma Wai Hung Vincent, Mr. Mok Kwai Pui Bill and Mr. Ng Shu Bun Andrew as independent non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Offeror, Ms. Hsieh and Mr. Fok, and parties acting in concert with any one of them), and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the Offeror, Ms. Hsieh and Mr. Fok, and parties acting in concert with any one of them) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

As at the date of this joint announcement, Ms. Hsieh and Mr. Fok are the directors of the Offeror.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than the information relating to the Group, the Vendor and parties acting in concert with it), and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this joint announcement (other than the opinions expressed by the Group, the Vendor and parties acting in concert with it) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statement contained in this joint announcement misleading.

The English text of this joint announcement shall prevail over its Chinese text.