

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



PF Group Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8221)

DECISION OF THE GEM LISTING REVIEW COMMITTEE AND SUSPENSION OF TRADING

This announcement is made by PF Group Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 7 December 2022, 15 December 2022, 14 March 2023 and 22 March 2023 (collectively, the “**Announcements**”). Unless otherwise specified, capitalized terms used in this announcement shall have the same meaning as those defined in the Announcements.

THE DECISION OF THE GEM LISTING REVIEW COMMITTEE

The Board wishes to inform the shareholders and potential investors of the Company that the review hearing (the “**LRC Hearing**”) of the Decision by the GEM Listing Review Committee (the “**LRC**”) was held on 14 June 2023. On 28 June 2023, the Company received a letter from the LRC, notifying the Company that, having considered all the submissions (both written and oral) made by the Company and the Listing Division of the Stock Exchange, the LRC was of the view that the Company had failed to maintain a sufficient level of operations and assets of a sufficient value to support its operations as required under GEM Rule 17.26 to warrant the continued listing of the Shares. The LRC noted that the Company would have 12 months to remedy this situation by progressing the positive development of its business and bringing its plans and forecasts to fruition in order to demonstrate its compliance with GEM Rule 17.26. The LRC therefore decided to uphold the LC’s Decision to suspend trading in the Shares under GEM Rule 9.04(3).

Set out below is a summary of the views of the LRC:

1. The LRC noted that the main issue was whether at the time of the LRC Hearing, the Company had demonstrated to the LRC's satisfaction that the Company carried out its business with a sufficient level of operations and assets of sufficient value to support its operations so as to warrant the continued listing of the Shares under GEM Rule 17.26.
2. The LRC observed that the Note to GEM Rule 17.26 indicates that the assessment of compliance with GEM Rule 17.26 is a qualitative test, and that the LRC should make its assessment in this matter based on the specific facts and circumstances faced by the Company. This was also the reason why the LRC noted but did not base its decision on the circumstances of the other issuers the Company had referred to in its submission as being in a similar situation to the Company.
3. Having taken into account the submissions from the review parties and considered the latest updates on the progress made by the Company in developing its business, the LRC found that while the Company had improved its position and was progressing towards creating a cash-flow-positive business, at the time of the LRC Hearing, the Company had failed to demonstrate that its business was of substance and/or viable and sustainable.
4. In reaching its conclusion, the LRC considered the following points:
 - (i) the Company's latest financial results for the financial year ended 31 March 2023 indicated that it had achieved revenue of HK\$16 million (30% of which was generated from the loan facility) but at the same time incurred losses of HK\$7 million;
 - (ii) while this presented a reduction from the net loss of approximately HK\$25 million for the financial year ended 31 March 2022, the Company's revenue, at the time of the LRC Hearing, remained low and the Company had not been able to achieve a positive cashflow as its revenue remained insufficient to cover its expenses;
 - (iii) while the Company had explained how it had taken steps to further reduce its expenses, which would better position it to achieve a net profit for the financial year ending 31 March 2024 (in combination with a projected increase in revenue), it remained uncertain, at the time of the LRC Hearing, whether the Company would succeed with its plans and be able to achieve its forecast. The Company acknowledged at the LRC Hearing that this unpredictability was the very nature of the its financial services business;

- (iv) in terms of its business forecast, the Company had pointed to many projects it currently had planned and in respect of which it had made progress in negotiations and, for some of these projects, in executing and undertaking the same. The Company had also explained how it was planning to focus on a transition of its financial services business in order to attract projects and opportunities with a higher profit margin. While the LRC recognized the various efforts of the Company, it noted that many of the planned projects remained prospective at the time of the LRC Hearing and predicated on market conditions;
 - (v) the LRC noted the nature of the Company's business which meant that it was difficult for the Company to present signed contracts in support of its business plans and forecasts. The LRC considered that at the same time, there was also a risk that some of the opportunities currently considered by the Company would not go ahead;
 - (vi) the Company confirmed that, at the time of the LRC Hearing, it only retained HK\$11 million cash in its bank account. While the Company had financial resources from funds invested in its financial services business and Supply Chain Business that it could mobilize if new opportunities materialized, its low level of cash meant that the Company's ability to quickly expand its business was limited; and
 - (vii) at the same time, the LRC noted the efforts and sincerity with which the Company had engaged in steps to improve its business and achieve a cashflow-positive position. The LRC was therefore of the view that the Company was working towards achieving compliance with GEM Rule 17.26.
5. On balance, and at the time of the LRC Hearing, the LRC found that despite the Company's positive progress in improving its business, the Company had failed to demonstrate that its business was of substance, and sustainable and viable. The LRC therefore decided to uphold the GEM Listing Committee's decision and suspend the Shares under GEM Rule 9.04(3).

SUSPENSION OF TRADING

At the request of the Company, trading in the Shares will be suspended with effect from 9:00 a.m. on Thursday, 29 June 2023.

Further announcement(s) will be made by the Company to update the Shareholders on the progress of the resumption as and when appropriate and in accordance with the requirements of the GEM Listing Rules.

Shareholders who have any queries about the implication of the LRC's Decision are advised to obtain appropriate professional advice.

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

Hong Kong, 28 June 2023

As at the date of this announcement, the Board comprises seven Directors, namely Mr. Fok Yuk Tong (Chairman), Ms. Hsieh Ching Chun, Ms. Fok Kit Yee and Mr. Lee Ho Leung William 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.