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PF Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8221)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2018

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.

This announcement, 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 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.

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 2018 together with the comparative unaudited figures for the corresponding period in 2017, as follows:

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

For the three months ended 30 June 2018

		Three months ended 30 June	
	<i>Notes</i>	2018	2017
		<i>HK\$'000</i>	<i>HK\$'000</i>
		(unaudited)	(unaudited)
Revenue			
Commission income from securities dealing and brokerage services		1,829	1,128
Fee and commission income from placing and underwriting activities	4	11,511	9,221
Interest income from margin financing		1,337	1,767
Fee income from asset management services		527	363
Others	5	2,620	4,278
		<hr/>	<hr/>
Total revenue		17,824	16,757
Bank interest income		4	5
Gain on disposal of property and equipment		–	8
Other gains and losses		226	364
		<hr/>	<hr/>
		18,054	17,134
Commission expenses	6	(3,620)	(555)
Depreciation expenses		(64)	(42)
Staff costs	7	(2,398)	(2,076)
Other operating expenses		(3,884)	(3,147)
		<hr/>	<hr/>
Profit before tax		8,088	11,314
Income tax expense	9	(1,360)	(1,970)
		<hr/>	<hr/>
Profit and total comprehensive income for the period attributable to owners of the Company		6,728	9,344
		<hr/> <hr/>	<hr/> <hr/>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share			
Basic	10	0.34	0.47
		<hr/> <hr/>	<hr/> <hr/>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2018

	Equity attributable to owners of the Company				
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserves <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
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)	<u>20,000</u>	<u>48,229</u>	<u>9,762</u>	<u>187,124</u>	<u>265,115</u>

For the three months ended 30 June 2017

	Equity attributable to owners of the Company				
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Other reserves <i>HK\$'000</i>	Retained profits <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 1 April 2017 (audited)	20,000	48,229	9,762	145,290	223,281
Profit and total comprehensive income for the period	–	–	–	9,344	9,344
At 30 June 2017 (unaudited)	<u>20,000</u>	<u>48,229</u>	<u>9,762</u>	<u>154,634</u>	<u>232,625</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2018

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.

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 10 August 2018.

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.

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

	Three months ended 30 June	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Securities dealing and brokerage services	1,829	1,128
Placing and underwriting services	11,511	9,221
Financing services	1,337	1,767
Asset management services	527	363
Other services	2,620	4,278
	17,824	16,757

Revenue reported above represents revenue generated from external customers.

4. FEE AND COMMISSION INCOME FROM PLACING AND UNDERWRITING ACTIVITIES

	Three months ended 30 June	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Fee and commission income from selling shareholders/issuers/brokers	11,005	8,662
Commission income from subscribers	506	559
	<u>11,511</u>	<u>9,221</u>

5. OTHER REVENUE

	Three months ended 30 June	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Referral fee income	2,500	4,203
Handling fee income	120	75
	<u>2,620</u>	<u>4,278</u>

6. COMMISSION EXPENSES

	Three months ended 30 June	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)
Commission to account executives	630	355
Commission to sub-placing agents and sub-underwriters	2,990	200
	<u>3,620</u>	<u>555</u>

7. STAFF COSTS

	Three months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Salaries	1,677	1,358
Contributions to Mandatory Provident Fund	73	70
Directors' emoluments		
— Fees	99	99
— Salaries	540	540
— Contributions to Mandatory Provident Fund	9	9
	2,398	2,076

8. DIVIDEND

The Board does not recommend the payment of an interim dividend for the three months ended 30 June 2018 (2017: Nil).

9. INCOME TAX EXPENSE

	Three months ended 30 June	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax:		
— Hong Kong profits tax	1,360	1,970

Hong Kong profits tax is calculated at 8.25% on the first HK\$2,000,000 and 16.5% of the remaining balance of the estimated assessable profit for the three months ended 30 June 2018.

Hong Kong profits tax is calculated at 16.5% of the estimated assessable profit for the three months ended 30 June 2017.

10. EARNINGS PER SHARE

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

	Three months ended 30 June		
	2018	2017	
	<i>HK\$'000</i>	<i>HK\$'000</i>	
	(unaudited)	(unaudited)	
Earnings			
Earnings for the purpose of basic earnings per share:			
Profit for the period attributable to owners of the Company	<u>6,728</u>	<u>9,344</u>	
	Three months ended 30 June		
	2018	2017	
	(unaudited)	(unaudited)	
Number of shares			
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>2,000,000,000</u>	<u>2,000,000,000</u>	

For each of the three months ended 30 June 2018 and 2017, there were no dilutive potential ordinary shares in issue, thus no diluted earnings per share is presented.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

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.

For the three months ended 30 June 2018, the market's average daily transaction value increased by approximately 37.3% as compared to the corresponding period in 2017. As a result of the active stock market sentiment, the Group's commission income from securities dealing and brokerage services for the period had achieved a remarkable growth of approximately 62.1% as compared to the three months ended 30 June 2017. Fee and commission income from placing and underwriting activities also increased by approximately HK\$2.3 million or 24.8% from approximately HK\$9.2 million for the three months ended 30 June 2017 to approximately HK\$11.5 million for the three months ended 30 June 2018.

The Group's fee income from asset management services for the three months ended 30 June 2018 was approximately HK\$0.5 million, representing an increase of approximately 45.2% as compared to approximately HK\$0.4 million for the three months ended 30 June 2017. The Group was engaged by one new hedge fund for asset management services during the period under review. As at 30 June 2018, the Group had seven asset management clients in total and the total net assets value managed by the Group was approximately HK\$4.5 billion. The management believes that the Group's asset management business will expand in the coming future.

On the other hand, interest income from margin financing decreased by approximately 24.3% from approximately HK\$1.8 million for the three months ended 30 June 2017 to approximately HK\$1.3 million for the three months ended 30 June 2018, which was mainly attributable to the decrease in average daily margin loan provided by the Group.

For the three months ended 30 June 2018, the Group recorded revenue of approximately HK\$2.6 million from other services provided which mainly comprised of referral fee income of approximately HK\$2.5 million.

Overall, total revenue for the three months ended 30 June 2018 was approximately HK\$17.8 million, representing an increase of approximately 6.4% as compared to the three months ended 30 June 2017.

Going forward, the Directors are of the view that the Hong Kong and global financial markets are still full of uncertainties arising from, among others, concerns over hikes in Hong Kong's benchmark interest rate to catch up with the United States (the "US"), the Brexit negotiation process and the US's policies on interest rate and tariff. The Directors and senior management of the Group will continue to monitor the Group's risk and credit exposure prudently, review the working capital level on an on-going basis, keep abreast of the latest developments of statutory requirements and the Hong Kong financial industry in order to maximise returns to shareholders.

With the potential development opportunities arising from favorable policies, such as the Mainland China's Belt and Road Initiative and the reform of the Hong Kong stock market, the Group and the Directors shall continue to strive to achieve the business objective to increase 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 the three months ended 30 June 2018 was approximately HK\$17.8 million, representing an increase of approximately HK\$1.1 million or 6.4% from approximately HK\$16.8 million for the three months ended 30 June 2017. The increase in total revenue was mainly attributed to the increase in revenue generated from securities dealing and brokerage services and the placing and underwriting services which was partly offset by the decrease in other revenue.

Driven by the overall positive atmosphere of the Hong Kong stock market for the three months ended 30 June 2018 as compared to the corresponding period in 2017, the Group's commission income from securities dealing and brokerage services increased by approximately HK\$0.7 million or 62.1% from approximately HK\$1.1 million for the three months ended 30 June 2017 to approximately HK\$1.8 million for the three months ended 30 June 2018.

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 the three months ended 30 June 2018, the Group completed 8 placing and underwriting engagements with a total transaction value of approximately HK\$193.3 million (2017: 9 placing and underwriting engagements with a total transaction value of approximately HK\$308.7 million). Attributed to the increase in the average commission rate, fee and commission income from placing and underwriting activities increased by approximately HK\$2.3 million or 24.8% from approximately HK\$9.2 million for the three months ended 30 June 2017 to approximately HK\$11.5 million for the three months ended 30 June 2018.

Interest income from margin financing recorded a decrease of approximately 24.3% from approximately HK\$1.8 million for the three months ended 30 June 2017 to approximately HK\$1.3 million for the three months ended 30 June 2018, which was mainly attributable to the decrease in average daily margin loan provided by the Group.

As at 30 June 2018, the Group had seven (31 March 2018: six) asset management clients and the total net assets value managed by the Group amounted to approximately HK\$4.5 billion (31 March 2018: HK\$4.8 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 three months ended 30 June 2018, the Group recorded a total fee income from its asset management services of approximately HK\$0.5 million (2017: HK\$0.4 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.

For the three months ended 30 June 2018, revenue from other services mainly represented referral fee income of approximately HK\$2.5 million generated from the referral of a client to obtain financing services from third party and the Group is entitled to a referral fee calculated with reference to the amount of financing obtained by such client.

The Group was notified the interest of some investors in trading securities through Shanghai-Hong Kong Stock Connect. However, the Group currently does not have a Shanghai-Hong Kong Stock Connect licence to execute such trades on behalf of these investors. As such, the Group entered into referral agreements with other securities companies in Hong Kong (the “Securities Companies”), who have proper licences, and pursuant to the referral agreements, the Group will refer investors to the Securities Companies (the “Referral”) and is entitled to a monthly referral fee calculated with reference to the revenue of the Securities Companies generated from the referred investors. For the three months ended 30 June 2017, revenue from other services mainly represented referral fee income of approximately HK\$4.2 million generated from such Referral.

Profit for the period

Profit for the three months ended 30 June 2018 was approximately HK\$6.7 million, representing a decrease of approximately HK\$2.6 million or 28.0% from approximately HK\$9.3 million for the three months ended 30 June 2017, which was primarily attributed to (i) the decrease in other revenue of approximately HK\$1.7 million as a result of the decrease in referral fee income; and (ii) the increase in total commission expenses of approximately HK\$3.1 million as a result of the increase in commission paid to sub-placing agents and sub-underwriters.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the three months ended 30 June 2018, the Group mainly financed its operations by internal resources and net proceeds raised from the placing upon listing. As at 30 June 2018, the Group had net current assets of approximately HK\$257.1 million (31 March 2018: HK\$250.8 million), including cash and cash equivalents of approximately HK\$167.0 million (31 March 2018: HK\$178.4 million). The current ratio, being the ratio of current assets to current liabilities, was approximately 3.1 times as at 30 June 2018 (31 March 2018: 2.7 times).

As at 30 June 2018, the Group had no bank borrowings outstanding (31 March 2018: Nil).

The capital of the Group comprises only ordinary shares. Total equity attributable to owners of the Company amounted to approximately HK\$265.1 million as at 30 June 2018 (31 March 2018: HK\$258.4 million).

PLEDGE OF THE GROUP'S ASSETS

As at 30 June 2018, 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 2018: HK\$5.0 million).

EMPLOYEE INFORMATION

As at 30 June 2018, the Group had 26 employees (31 March 2018: 29), including the Directors. Total staff costs (including staff salaries, Directors' emoluments and contribution to Mandatory Provident Fund) for the three months ended 30 June 2018 were approximately HK\$2.4 million (2017: HK\$2.1 million).

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There was no material acquisition or disposal of subsidiaries and affiliated companies during the three months ended 30 June 2018.

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 2018.

EVENT AFTER THE REPORTING PERIOD

After the reporting period and up to the date of this announcement, 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 2018, 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 (<i>Note</i>)	1,500,000,000	75%
Mr. Lo Shiu Wing Chester ("Mr. C Lo")	Interest in controlled corporation (<i>Note</i>)	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 2018, 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 2018, 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	Interest in spouse (<i>Note</i>)	1,500,000,000	75%

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

Save as disclosed above, as at 30 June 2018, 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 2018, no share option has been granted by the Company.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2018.

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 three months ended 30 June 2018 and up to the date of this announcement.

COMPLIANCE ADVISER'S INTERESTS

As at 30 June 2018, 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 during the three months ended 30 June 2018 and up to the date of this announcement.

CORPORATE GOVERNANCE

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 three months ended 30 June 2018, to the best knowledge of the Board, the Company has complied with all the 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. Ma Wai Hung Vincent, Mr. Mok Kwai Pui Bill and Mr. Ng Shu Bun Andrew. Mr. Mok Kwai Pui Bill is the chairman of the Audit Committee.

The Audit Committee had reviewed the Group's unaudited condensed consolidated results for the three months ended 30 June 2018 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, 10 August 2018

As at the date of this announcement, 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.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com 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.