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PF Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8221)

VOLUNTARY ANNOUNCEMENT MEMORANDUM OF UNDERSTANDING CONCERNING THE ESTABLISHMENT OF A JOINT VENTURE

This announcement of PF Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is made on a voluntary basis to inform the shareholders of the Company (the “**Shareholders**”) and the potential investors of the latest business development of the Group regarding a proposed establishment of a joint venture. The board of directors (the “**Board**”) of the Company is pleased to announce that on 28 February 2020, the Company and China Youth Development of New Media Co., Ltd (中國青年新媒體發展股份有限公司) (the “**JV Party**”) entered into a memorandum of understanding (the “**MOU**”) in relation to the proposed establishment of a joint venture company (the “**Proposed JV**”) to explore the opportunity of business in relation to Internet Celebrity Economy (網紅經濟) in the People’s Republic of China (the “**PRC**”).

The Board believes that the business engaged by the Proposed JV can build up the brand awareness, enhance corporate profile and recognition of the Group which in turn strengthen the competitiveness of the Group. There will be no material adverse impact on the financial position and business operation of the Group as a result of the establishment of the Proposed JV.

THE PROPOSED JV

On 28 February 2020, the Company and the JV Party entered into the MOU in relation to the establishment of the Proposed JV to explore the opportunity of business in relation to Internet Celebrity Economy (網紅經濟) in the PRC. The Proposed JV will be owned as to 51% by the Company and 49% by the JV Party and will become a subsidiary of the Company following its formation. Accordingly, the results of the Proposed JV will be consolidated into the financial statements of the Group.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE MOU AND ESTABLISHMENT OF THE PROPOSED JV

Through the respective strengths of the parties under the MOU, the Board believes that the proposed business of Internet Celebrity Economy engaged by the Proposed JV can build up the brand awareness, enhance corporate profile and recognition of the Group which in turn strengthen the competitiveness of the Group. In addition, the Internet Celebrities develop their fame and notability through the internet. They can use their fame to draw their follower's attention on financial news and information of both financial market in the PRC and Hong Kong. The Group is confident that the strategic partnership with the JV Party is in the interest of the Company and the Shareholders as a whole in the long run.

GENERAL INFORMATION RELATING TO THE GROUP AND THE JV PARTY

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 margin financing; and (iv) asset management services.

The JV Party is a limited liability company incorporated in Hong Kong and is beneficially owned by Ms. Zhao Hongmei ("**Ms. Zhao**"). Ms. Zhao is an executive director of China Cloud Copper Company Limited (stock code: 33), a company listed on Main Board of the Stock Exchange of Hong Kong Limited. Ms. Zhao graduated with a postgraduate in Law from Guangdong Provincial Academy of Social Sciences. Ms. Zhao has more than 20 years of working experience in the financial industry. She is reputable for being an industry and finance expert, a mentor for entrepreneurs, and a senior financial planner. She worked as a partner in several securities firms and private equity funds, and dealt with capital operation, financial technology and new retailing business models. In addition, Ms. Zhao is an internet celebrity with over 700,000 followers and over 700 million read numbers.

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiry, Ms. Zhao is not a connected person of the Company (as defined in the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "**GEM Listing Rules**")) as of the date of this announcement. Upon establishment of the Proposed JV, Ms. Zhao will be appointed as a director of the Proposed JV.

WARNING NOTICE

The establishment of the Proposed JV is subject to, among others, further negotiation concerning the entering into of a legally binding Proposed JV agreement (the “Formal Agreement”) and the fulfillment of the relevant conditions precedent of the Formal Agreement. At present stage, the terms and conditions of the Formal Agreement are yet to be finalized and agreed between the Company and the JV Party. As such, the establishment of the Proposed JV may or may not proceed. Further announcement(s) in respect of the establishment of the Proposed JV will be made by the Company in the event that any Formal Agreement has been entered into.

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

Hong Kong, 28 February 2020

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, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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.

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.