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PF Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8221)

DISCLOSURE PURSUANT TO RULES 17.15 AND 17.17 OF THE GEM LISTING RULES

This announcement is made by the Company in compliance with the disclosure requirement under Rules 17.15 and 17.17 of the GEM Listing Rules.

Under Rule 17.15 of the GEM Listing Rules, a general disclosure obligation arises where the relevant advance to an entity (as defined under Note 2 to Rule 17.14 of the GEM Listing Rules) by the Group exceeds 8% of the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules.

ADVANCE TO AN ENTITY

On 10 October 2019, the Lender entered into the Loan Agreement with the Borrower, pursuant to which the Lender has agreed to grant the Loan in an amount of up to HK\$67,500,000 to the Borrower.

Pursuant to the Loan Agreement, the Loan will be advanced to the Borrower to finance the payment obligation of the Borrower upon acceptance of the Offer and the related expenses including stamp duties and expenses arising from the brokerage services directly related to the Offer. As at the date of this announcement, none of the amount of the Loan has been drawn down. The Loan may or may not be drawn down and that the draw down may be in part or partial.

Further pursuant to the Loan Agreement, the Borrower shall pay to the Lender a set-up fee, commitment fee and interest. The set-up fee (the “**Set-up Fee**”) for the Loan shall be in the sum of HK\$675,000, being 1% on the total principal amount of the Loan made available to the Borrower under the Loan Agreement. The commitment fee (the “**Commitment Fee**”) for the Loan shall be at 7% per annum on the standby amount of the Facilities (the “**Standby Amount**”). As at the date of the Loan Agreement, the Lender has set aside HK\$67,500,000 for the Borrower. The beginning balance of the Standby Amount shall be HK\$67,500,000, which shall be reduced by any actual amount of Advance.

The Commitment Fee on the Standby Amount shall be calculated from the date of the Loan Agreement up to the expiry of the Availability Period. Interest on any drawdown amount of the Loan shall accrue from the date of drawdown at the rate of 14% per annum. The Borrower shall repay the Loan in full together with all interest accrued together with the Set-up Fee and the Commitment Fee and all other monies payable under the Loan Agreement in one lump sum on the Repayment Date.

The Loan is secured by the Share Charge and personal guarantee by Mr. Jiang. The Borrower shall repay the Loan in full together with all interest accrued and all other monies payable under the Loan Agreement in one lump sum on the Repayment Date.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of the Borrower and Mr. Jiang is a third party independent of the Company and its connected persons.

INFORMATION OF THE BORROWER AND MR. JIANG

The Borrower is an investment holding company incorporated in the Cayman Islands with limited liability and is owned as to 100% by Mr. Jiang.

Mr. Jiang, an individual holding Hong Kong Identity Card, is the sole shareholder and director of the Borrower.

THE GEM LISTING RULES IMPLICATIONS

The Loan constitutes an advance to an entity under Rule 17.15 of the GEM Listing Rules and thus a general disclosure obligation arises where the relevant advance to an entity (as defined under Note 2 to Rule 17.14 of the GEM Listing Rules) by the Group exceeds 8% of the assets ratio as defined under Rule 19.07(1) of the GEM Listing Rules.

The Lender is a securities house and provides financial assistance in its ordinary and usual course of business and upon normal commercial terms by way of securities margin financing in order to facilitate the proposed acquisition of securities listed on the Stock Exchange pursuant to Rule 19.07(1)(e)(iii) of the GEM Listing Rules. Accordingly, the transaction contemplated under the Loan Agreement will be exempted from the disclosure requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions have the following meanings as specified herein:

“Advance”	each lending by the Borrower pursuant to the Loan Agreement or the principal amount advanced to the Borrower on each such occasion
“Availability Period”	the period commencing from the date of the Loan Agreement and ending on (i) the date falling seventh (7th) business day from the final close of the Offer or (ii) the date when the Offer shall lapse or be terminated, whichever is earlier
“Board”	the board of Directors
“Borrower”	Success Seven Limited, a company incorporated in the Cayman Islands with limited liability
“Code”	Hong Kong Code on Takeovers and Mergers
“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)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Directors”	the directors of the Company
“GEM Listing Rules”	Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Lender”	Pacific Foundation Securities Limited, an indirect wholly-owned subsidiary of the Company
“Loan Agreement”	the loan agreement dated 10 October 2019 entered into among the Lender and the Borrower in relation to the advance of the Loan
“Loan”	a secured loan facility of up to HK\$67,500,000 granted by the Lender to the Borrower to finance the amount payable by the Borrower upon acceptance of the Offer and related expenses including stamp duties and expenses arising from the brokerage services directly related to the Offer
“Mr. Jiang”	Mr. Jiang Jianhui

“Offer”	a cash offer to acquire all the issued shares of a company listed on Main Board of the Stock Exchange (other than those already owned by the Borrower and its parties acting in concert (as defined in the Code)) in accordance with the Code
“Repayment Date”	the date falling one month from the date of the final close of the Offer or the date falling one month from the date when the Offer shall lapse or be terminated
“Share Charge”	the charge granted by the Borrower in favour of the Lender over all the shares to be acquired by the Borrower pursuant to the Offer
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 10 October 2019

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.