



## 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.

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*This report, 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 report 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 report 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 and nine months ended 31 December 2021 together with the comparative unaudited figures for the corresponding periods in 2020 as follows:

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

For the three months and nine months ended 31 December 2021

	Notes	Three months ended 31 December		Nine months ended 31 December	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue					
Commission income from securities dealing and brokerage services		730	1,572	2,310	6,144
Fee and commission income from placing and underwriting activities	4	–	8	–	371
Interest income from margin and loan financing services		1,586	1,311	3,277	5,403
Fee income from asset management services		–	452	–	1,359
Others	5	23	500	177	1,500
Total revenue		2,339	3,843	5,764	14,777
Bank interest income		–	–	16	256
Other gains and losses		(196)	717	1,115	2,118
		2,143	4,560	6,895	17,151
Commission expenses	6	(291)	(786)	(961)	(2,118)
Depreciation expenses		(1,234)	(1,342)	(3,226)	(3,815)
Staff costs	7	(1,987)	(2,915)	(6,717)	(13,362)
Other operating expenses	8	(435)	(3,418)	(4,510)	(8,295)
Finance costs	9	(70)	(27)	(137)	(114)
Loss before tax		(1,874)	(3,928)	(8,656)	(10,553)
Income tax credit	11	–	–	–	–
Loss and total comprehensive loss for the period attributable to owners of the Company		(1,874)	(3,928)	(8,656)	(10,553)
		HK cents	HK cents	HK cents	HK cents
Loss per share					
Basic	12	(0.09)	(0.20)	(0.43)	(0.53)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2021

	Equity attributable to owners of the Company					
	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Fair value through other comprehensive income reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2021 (audited)	20,000	48,229	9,762	(14)	100,148	178,125
Loss and total comprehensive loss for the period	-	-	314	-	(8,656)	(8,342)
Dividend declared and payable	-	-	-	-	-	-
At 31 December 2021 (unaudited)	20,000	48,229	10,076	(14)	91,492	169,783

For the nine months ended 31 December 2020

	Equity attributable to owners of the Company				
	Share capital HK\$'000	Share premium HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2020 (audited)	20,000	48,229	9,762	166,161	244,152
Loss and total comprehensive loss for the period	-	-	-	(10,553)	(10,553)
Dividend declared and payable	-	-	-	(50,000)	(50,000)
At 31 December 2020 (unaudited)	20,000	48,229	9,762	105,608	183,599

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months and nine months ended 31 December 2021*

### 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 Chance Wise Investments Limited (“**CWIL**”), 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 loan 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 Room 4409, 44/F, COSCO Tower, 183 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 Group and all values are rounded to the nearest thousands (“**HK\$’000**”), unless otherwise stated.

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 11 February 2022.

### 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 is a collective term that 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.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

The unaudited condensed consolidated interim results have been prepared under the historical cost convention except for certain financial instruments which are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The unaudited condensed consolidated interim results should be read in conjunction with the Group's audited annual financial statements for the year ended 31 March 2021 (the "**2021 Annual Report**"). The accounting policies and methods of computation adopted are consistent with those followed in the preparation of the 2021 Annual Report.

The Group has adopted the standards, amendments and interpretations that have been issued and effective for the accounting period beginning on 1 April 2021. The adoption of such standards, amendments and interpretations does not have material financial effect on this interim results.

## 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 and loan financing, which generate interest income from margin and loan financing 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.

### 3. SEGMENT REPORTING *(Continued)*

#### Revenue from major services *(Continued)*

Revenue represents the aggregate of the amounts received and receivable from third parties, income from securities dealing and brokerage services, placing and underwriting services and asset management services. Revenue recognised during the relevant periods are as follows:

#### Disaggregation of revenue from contracts with customers

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Securities dealing and brokerage services	730	1,572	2,310	6,144
Placing and underwriting services	–	8	–	371
Asset management services	–	452	–	1,359
Other services	23	500	177	1,500
Revenue from contracts with customers	753	2,532	2,487	9,374
<b>Revenue from other sources</b>				
Interest income from margin financing services	1,039	677	2,180	3,508
Interest income from loan financing	547	634	1,097	1,895
	1,586	1,311	3,277	5,403
	2,339	3,843	5,764	14,777
<b>Timing of revenue recognition:</b>		(Restated)		(Restated)
A point in time	753	2,107	2,487	8,099
Over time	–	425	–	1,275
	753	2,532	2,487	9,374

#### 4. FEE AND COMMISSION INCOME FROM PLACING AND UNDERWRITING ACTIVITIES

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Fee and commission income from selling shareholders/issuers/brokers	-	8	-	371
Commission income from subscribers	-	-	-	-
	-	8	-	371

#### 5. OTHER REVENUE

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Handling fee income	3	-	4	-
Professional service fee income	20	500	173	1,500
	23	500	177	1,500

#### 6. COMMISSION EXPENSES

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Commission to account executives	291	590	961	1,922
Commission to sub-placing agents and sub-underwriters	-	196	-	196
	291	786	961	2,118



## 7. STAFF COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Salaries	1,331	1,837	3,989	5,578
Contributions to Mandatory Provident Fund	50	58	146	168
Directors' emoluments				
– Fees	594	248	2,537	446
– Salaries	–	764	–	2,144
– Bonus	–	–	–	5,000
– Contributions to Mandatory Provident Fund	12	8	45	26
	<b>1,987</b>	<b>2,915</b>	<b>6,717</b>	<b>13,362</b>

## 8. OTHER OPERATING EXPENSES

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Bank charges	6	47	66	77
Entertainment expenses	–	23	99	87
Legal and professional fee	167	2,496	2,118	5,698
Office Management charges	93	113	241	337
Office rent and rates	48	50	145	151
Office supplies & utilities	30	291	517	649
Software and stock information expenses	24	370	1,091	1,202
Travelling and transportation expenses	67	28	233	94
	<b>435</b>	<b>3,418</b>	<b>4,510</b>	<b>8,295</b>

## 9. FINANCE COSTS

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Interest on lease liabilities	70	27	137	114
	70	27	137	114

## 10. DIVIDEND

No quarterly dividend has been paid or declared by the Company for the nine months ended 31 December 2021 (2020: Nil).

## 11. INCOME TAX CREDIT

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Current tax:				
Hong Kong profits tax	-	-	-	-

Hong Kong profits tax is calculated at 8.25% on the first HK\$2,000,000 of the estimated assessable profit of the qualifying entity and 16.5% of the remaining balance of the estimated assessable profit of the Group for the nine months ended 31 December 2021. No provision for Hong Kong Profit Tax has been made as there are no assessable profits for the period ended 31 December 2021.

## 12. LOSS PER SHARE

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

	Three months ended 31 December		Nine months ended 31 December	
	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Loss for the purpose of basic earnings per share: Loss for the period attributable to owners of the Company	(1,874)	(3,928)	(8,656)	(10,553)

	Three months ended 31 December		Nine months ended 31 December	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
<b>Number of shares</b> Weighted average number of ordinary shares for the purpose of basic earnings per share	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000

For each of the three months and nine months ended 31 December 2021 and 2020, 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 loan financing; and (iv) asset management services.

For the nine months ended 31 December 2021 (the “**Period**” or “**3Q2021**”), as compared to the nine months ended 31 December 2020 (the “**Corresponding Period**” or “**3Q2020**”), the Group had 295 active securities trading accounts for 3Q2021 (3Q2020: 432). The Group’s commission income from securities dealing and brokerage services decreased by approximately 62.4% from approximately HK\$6.1 million for 3Q2020 to approximately HK\$2.3 million for 3Q2021.

The Group’s fee and commission income from placing and underwriting activities decreased by 100% from approximately HK\$0.4 million for 3Q2020 to nil for 3Q2021. This decrease was mainly attributable to the decrease in number of engagements participated by the Group. For 3Q2021, the Group did not complete any placing and underwriting engagements (3Q2020: 2 placing and underwriting engagements with a total transaction value of approximately HK\$26 million).

The Group’s fee income from asset management services for the 3Q2021 was nil, representing a decrease of 100% as compared to approximately HK\$1.4 million for 3Q2020. As at 31 December 2021, the Group had no asset management clients.

Interest income from margin financing mainly represents the interest income generated from the provision of margin and loan financing services for customers to purchase securities listed on the Stock Exchange on a margin basis. For the Period, interest income from margin and loan financing decreased by 39.3% from approximately HK\$5.4 million for 3Q2020 to approximately HK\$3.3 million for 3Q2021.

On the other hand, the Group recorded revenue from other services of approximately HK\$0.2 million for 3Q2021 which was mainly comprised of agency fee and professional service income.

Overall, total revenue for 3Q2021 was approximately HK\$5.8 million, representing a decrease of approximately 61.0% as compared to 3Q2020.

Looking ahead, the global epidemic is still the biggest uncertainty to the global economy, the impact of COVID-19 will probably last for a period of time. Economic activities will not fully resume until the crisis is under control.

Dealing with the future challenges, the management of the Group would review and adjust business strategies on a regular basis with a prudent and balanced risk management approach. The management of the Group remains cautiously optimistic about the business development and overall performance of the Group in the future.

## FINANCIAL REVIEW

### Revenue

The Group's total revenue for 3Q2021 was approximately HK\$5.8 million, representing a decrease of approximately HK\$9.0 million or 61.0% from approximately HK\$14.8 million for 3Q2020. The decrease in total revenue was mainly attributed to the decrease in commission income generated from securities dealing and brokerage services, interest income from margin and loan financing services of approximately HK\$5.9 million.

The Group's commission income from securities dealing and brokerage services decreased by approximately HK\$3.8 million or 62.4% from approximately HK\$6.1 million for 3Q2020 to approximately HK\$2.3 million.

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 3Q2021, the Group did not complete placing and underwriting engagements (3Q2020: two placing and underwriting engagements with a total transaction value of approximately HK\$26.0 million). Attributed to the decrease in both the number of engagements participated by the Group and the total transaction value, fee and commission income from placing and underwriting activities decreased by 100% from approximately HK\$0.4 million for 3Q2020 to nil for 3Q2021.

Interest income from margin and loan financing services decreased by approximately 39.3% from approximately HK\$5.4 million for 3Q2020 to approximately HK\$3.3 million for 3Q2021.

As at 31 December 2021, the Group had no (31 December 2020: two) asset management clients and the total net assets value managed by the Group amounted to nil (31 December 2020: approximately HK\$6.1 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 (2.0% per annum); (ii) performance fees on a percentage basis; and (iii) discretionary bonus. For 3Q2021, the Group recorded no fee income from its asset management services of (3Q2020: approximately HK\$1.4 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 3Q2021, revenue from other services was mainly comprised of agency fee and professional service income of approximately HK\$0.2 million (3Q2020: approximately HK\$1.5 million).

### Loss for the Period

Loss for the 3Q2021 was approximately HK\$8.7 million, representing a decrease of approximately HK\$1.9 million from loss of approximately HK\$10.6 million for 3Q2020 which was primarily attributed to the decrease in total revenue as discussed above, and decrease in staff costs (HK\$5 million bonus incurred during 3Q2020 and nil during 3Q2021) and legal and professional fee.

### DIVIDEND

The Board does not recommend the payment of any dividend for the Period (3Q2020: Nil).

### LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the Period, the Group mainly financed its operations by internal resources. As at 31 December 2021, the Group had net current assets of approximately HK\$157.6 million (31 December 2020: approximately HK\$175.1 million), including cash and cash equivalents of approximately HK\$125.5 million (31 December 2020: approximately HK\$119.7 million). The current ratio, being the ratio of current assets to current liabilities, was approximately 5.4 times as at 31 December 2021 (31 December 2020: approximately 3.4 times).

As at 31 December 2020 and 31 December 2021, the Group had no bank borrowings outstanding.

The capital of the Group comprises only ordinary shares. Total equity attributable to owners of the Company amounted to approximately HK\$169.9 million as at 31 December 2021 (31 December 2020: approximately HK\$184 million).

### PLEDGE OF THE GROUP'S ASSETS

As at 31 December 2020 and 31 December 2021, the Group did not have any charge on its assets.

## EMPLOYEE INFORMATION

As at 31 December 2021, the Group had 19 employees (31 December 2020: 21), including the Directors. Total staff costs (including staff salaries, Directors' emoluments and contribution to Mandatory Provident Fund) for 3Q2021 were approximately HK\$6.7 million (3Q2020: approximately HK\$13.4 million).

## MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There was no material acquisition or disposal of subsidiaries and affiliated companies during the Period.

## FOREIGN EXCHANGE RISK

The Group's exposure to foreign exchange risk is primarily related to transactions denominated in a currency other than Hong Kong dollars. 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 31 December 2021.

## EVENT AFTER THE REPORTING PERIOD

Save as disclosed above, after the reporting period and up to the date of this report, 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 31 December 2021, 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. Fok Yuk Tong (“ <b>Mr. Fok</b> ”) (Notes 1)	Interest in controlled corporation	1,199,640,000	59.98
Ms. Hsieh Ching Chun (“ <b>Ms. Hsieh</b> ”) (Notes 1)	Interest in controlled corporation	1,199,640,000	59.98
Ms. Fok Kit Yee	Beneficial interest	360,000	0.02

Notes:

- The issued share capital of CWIL is beneficially owned as to 30% by Mr. Fok and 70% by Ms. Hsieh respectively. Mr. Fok is the spouse of Ms. Hsieh. Therefore, Mr. Fok and Ms. Hsieh are deemed to be interested in the 1,199,640,000 shares of the Company held by CWIL by virtue of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “SFO”).

Save as disclosed above, as at 31 December 2021, 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 31 December 2021, 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
CWIL (Notes 1)	Beneficial interest	1,199,640,000	59.98
Mega Wise Group Limited ("MWGL") (Notes 2 & 3)	Beneficial interest	300,000,000	15.00
Dr. Lee Chun Pong Bruce ("Dr. Lee") (Note 2)	Interest in controlled corporation	300,000,000	15.00
Ms. Chow Nim Pui ("Ms. Chow") (Notes 2 & 3)	Interest in spouse	300,000,000	15.00

Notes:

- The issued share capital of CWIL is beneficially owned as to 30% by Mr. Fok and 70% by Ms. Hsieh respectively. Mr. Fok is the spouse of Ms. Hsieh. Therefore, Mr. Fok and Ms. Hsieh are deemed to be interested in the 1,199,640,000 shares of the Company held by CWIL by virtue of the SFO.
- MWGL is wholly-owned by Dr. Lee. Therefore, Dr. Lee is deemed to be interested in the 300,000,000 shares of the Company held by MWGL by virtue of the SFO.
- Ms. Chow is the spouse of Dr. Lee. Therefore, Ms. Chow is deemed to be interested in the 300,000,000 shares of the Company held by Dr. Lee through MWGL under the SFO.

Save as disclosed above, as at 31 December 2021, 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 the date of this report, no share option has been granted under the Scheme.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company’s listed securities during the Period.

## 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 Period and up to the date of this report.

## DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings (the “**Required Standard of Dealing**”) 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 throughout the Period.

## CHANGES IN BOARD COMPOSITION AND INFORMATION OF DIRECTORS

The changes in the composition of the Board and information of the Directors that are subject to disclosure pursuant to Rule 17.50A(1) of the GEM Listing Rules during the Period and up to the date of this report are as follows:

1. The monthly remuneration of Mr. Fok has been increased to HK\$106,000 with effect from 8 August 2021;
2. Mr. Cho Chun Man ceased to be an independent non-executive Director on 30 September 2021;
3. Mr. Tong Wing Chi ("**Mr. Tong**") has been appointed as an independent non-executive Director on 6 October 2021;
4. Mr. Wong Che Man Eddy has resigned as an independent non-executive Director of the Company on 11 October 2021;
5. Mr. Kwan Tsz Chun Sun ("**Mr. Kwan**") has been appointed as an independent non-executive Director on 11 October 2021;
6. Dr. Lee has resigned as an executive Director, the chairman of the Board, an authorised representative of the Company under rule 5.24 of the GEM Listing Rules and the compliance officer of the Company under rule 5.19 of the GEM Listing Rules (the "**Compliance Officer**") on 12 October 2021;
7. Ms. Fong Man Julisa has resigned as a non-executive Director on 12 October 2021; and
8. Mr. Fok has been appointed as the chairman of the Board, an authorised representative of the Company under rule 5.24 of the GEM Listing Rules and the Compliance Officer on 12 October 2021.

Mr. Tong and Mr. Kwan were appointed as an addition to the existing Board. Pursuant to article 83(3) of the Articles of Association of the Company, they shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

## 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.

Throughout the Period, the Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code effective on or before 31 December 2021 contained in Appendix 15 of the GEM Listing Rules (the "CG Code"). To the best of the knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG Code, except for the deviation from code provision A.2.1 and code provision A.6.7.

Code provision A.2.1 provides that the roles of the chairman and chief executive officer should be separate and should not be performed by the same individual. After the resignation of Mr. Lo Shiu Wing Chester as an executive Director and the chief executive officer of the Company on 14 December 2020, the post of Chief Executive Officer of the Company is vacant and the role of the Chief Executive Officer has been performed by the executive Directors collectively. The board of Directors will continue to use its best endeavour in finding a suitable candidate to assume duties as Chief Executive Officer of the Company as soon as possible.

Code provision A.6.7 requires independent non-executive Directors and non-executive Directors to attend general meetings to gain and develop a balanced understanding of the views of shareholders. Two independent non-executive Directors were absent at the annual general meeting held during their tenure on 6 August 2021 due to other commitments.

## 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. Tong, Mr. Kwan and Ms. Chan Hoi Wuen Katherine. Mr. Tong is the chairman of the Audit Committee.

The Audit Committee had reviewed the Group's unaudited condensed consolidated results for the Period and this report with the senior management of the Company 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**  
**Fok Yuk Tong**  
*Chairman and Executive Director*

Hong Kong, 11 February 2022

*As at the date of this report, the Board comprises seven Directors, namely Mr. Fok Yuk Tong (Chairman), Ms. Hsieh Ching Chun, Mr. Zhong Chu Jian and Ms. Fok Kit Yee as executive Directors; and Mr. Tong Wing Chi, Ms. Chan Hoi Wuen Katherine and Mr. Kwan Tsz Chun Sun as independent non-executive Directors.*