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LEGEND STRATEGY INTERNATIONAL HOLDINGS GROUP COMPANY LIMITED

枋濬國際集團控股有限公司

(a company incorporated in the Cayman Islands with limited liability)

(Stock Code: 1355)

**PROFIT WARNING - ESTIMATED INCREASE IN NET LOSS
FOR THE YEAR ENDED 31 DECEMBER 2022
AND BUSINESS UPDATE**

This announcement is made by Legend Strategy International Holdings Group Company Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**PROFIT WARNING - ESTIMATED INCREASE IN NET LOSS FOR THE YEAR ENDED
31 DECEMBER 2022**

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 and taking into consideration the information currently available to the Board, compared with the audited consolidated net loss of approximately HK\$4 million for the year ended 31 December 2021, the Group is expected to record a consolidated net loss of approximately HK\$17 million for the year ended 31 December 2022, representing a significant year-on-year increase of approximately HK\$13 million or approximately 318%. The Board considers that such an increase was mainly attributable to exceptional prolonged and recurring pandemic crisis during the year, resulting in economic slowdown and business and residential travel restrictions. In line with the government’s temporary zero-COVID policy and stringent prevention controls, branches of the Group’s accommodation projects have been temporarily closed. The inflated prices of bulk materials, energy crisis and the one-off hotel operator termination fee have also given rise to significant operation and maintenance costs of the Group.

The Company is still in the process of preparing the annual results of the Group for the year ended

31 December 2022. The information contained in this announcement is only based on the preliminary assessment by the management of the Group of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 and information currently available, which have not been confirmed, reviewed or audited by the Company's auditor and are subject to finalization and adjustments.

Shareholders and the potential investors are advised to read carefully the results announcement of the Company for the year ended 31 December 2022 which will contain details of the financial information and performance of the Group during the financial year and is expected to be published by the end of March 2023.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

BUSINESS UPDATE

Since China reopened its borders to tourists, the latest average occupancy rate of the Group has surged to 72% in February as compared to the annual average occupancy rate of 67% and the lowest monthly average occupancy rate of 52% for the year ended 31 December 2022. The improvement has been gradual but steady. Management expects that the Group will experience a rebound and sustainable growth in line with the economic recovery in China, following the end of zero-COVID policy and cancellation of all quarantine restrictions in China. Looking ahead, the Group will get prepared to take advantage of the future better business environment in China.

By order of the Board
Legend Strategy International Holdings
Group Company Limited
Yuan Fuer
Chairman

Hong Kong, 22 March 2023

As at the date of this announcement, the Board comprises:

Executive Director:

Mr. Chung Tin Yan (*Chief Executive Officer*)

Non-executive Directors:

Mr. Yuan Fuer (*Chairman*)

Mr. Hu Xinglong

Independent non-executive Directors:

Mr. Wu Jilin

Mr. Du Hongwei

Mr. Lam Cheung Shing Richard