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PACIFIC LEGEND GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8547)

DISCLOSEABLE TRANSACTION IN RELATION TO THE RENEWAL OF TENANCY OF THE PROPERTY

On 22 September 2023, Indigo HK as tenant entered into the Renewal Letter with Daily Eagle & Double Joy as Landlord in relation to the renewal of the tenancy of the Property.

In accordance with HKFRS 16 “Leases”, the Group will recognise the value of the right-of-use assets on its consolidated statement of financial position in connection with the leasing of the Property under the Renewal Letter. Accordingly, the leasing transaction under the Renewal Letter will be regarded as acquisition of assets by the Tenant for the purpose of the Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the value of the right-of-use of the Property under the Renewal Letter, exceed 5% but are less than 25%, the transaction contemplated thereunder constitutes discloseable transaction of the Company and is subject to the announcement requirement but exempt from Shareholders’ approval requirement of the Company under Chapter 19 of the GEM Listing Rules.

On 22 September 2023, Indigo HK as tenant entered into the Renewal Letter with Daily Eagle & Double Joy as landlord in relation to the renewal of the tenancy of the Property.

THE RENEWAL LETTER DATED 22 SEPTEMBER 2023

Landlord:	Daily Eagle & Double Joy
Tenant:	Indigo HK
Property:	Flat numbers 1–6 on 6th Floor, Horizon Plaza, 2 Lee Wing Street, Ap Lei Chau, Aberdeen, Hong Kong
Term:	2 years commencing from 1 October 2023 to 30 September 2025 (both days inclusive)
Usage:	For retail shop
Right-of-use asset value (unaudited):	Approximately HK\$4.191 million (exclusive of management fees), which is the present value of Renewal Rental at the inception of the renewed tenancy of the Property in accordance with HKFRS 16

REASONS AND BENEFITS FOR THE RENEWAL LETTER

The Company is an investment holding company and its subsidiaries (including Indigo HK) are principally engaged in (i) sale and rental of home furniture and accessories; and (ii) project and hospitality services. For the purpose of the Group's sale of home furniture and accessories business, members of the Group enter into lease agreements from time to time for the lease of properties from Independent Third Parties as retail spaces.

Daily Eagle is a property investment company incorporated in Hong Kong owned as to 50% by E. Tung Properties Limited, 25% by E. Tung Construction Company Limited and 25% by Wah Ha Realty Company Limited (a company incorporated in Hong Kong with limited liability and listed on the Main Board of the Stock Exchange, stock code: 278). E. Tung Properties Limited is owned as to 24.62% by Mr. Cheung Ying Wai Eric, 24.62% by Mr. Cheung Lin Wee and 20% by Mr. Cheung Kee Wee (together, "**Cheung Brothers**"). The Cheung Brothers are also directors of Daily Eagle, Wah Ha Realty Company Limited, E. Tung Properties Limited and E. Tung Construction Company Limited. Except as disclosed above, none of other shareholders of E. Tung Construction Company Limited and E. Tung Properties Limited holds more than 10% equity interest of Daily Eagle. Double Joy is a property investment company incorporated in Hong Kong with limited liability owned as to 99.70% by Mr. Chung Ming Fai.

As at the date of this announcement, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, all shareholders of Daily Eagle, Double Joy and their ultimate beneficial owners are Independent Third Parties.

The Renewal Rental is arrived at arm's length negotiation with reference to the prevailing market rental of similar property in the nearby locations. The Renewal Rental will be settled over the Term on monthly instalments out of the internal financial resources of the Group. The Directors believed that the terms and conditions of the Renewal Letter are fair and reasonable and the transaction is on normal commercial terms, in the ordinary and usual course of business and in the interests of the Company and its Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 “Leases”, the Group will recognise the value of the right-of-use assets on its consolidated statement of financial position in connection with the leasing of the Property under the Renewal Letter. Accordingly, the leasing transaction under the Renewal Letter will be regarded as acquisition of assets by the Tenant for the purpose of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the value of the right-of-use of the Property under the Renewal Letter will exceed 5% but are less than 25%, the leasing transaction contemplated thereunder constitutes discloseable transaction of the Company and is subject to the announcement requirement but exempt from Shareholders’ approval requirement of the Company under Chapter 19 of the GEM Listing Rules.

TERMS USED IN THIS ANNOUNCEMENT

“Board” or “Director(s)”	The board of directors of the Company
“Company”	Pacific Legend Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the GEM
“Daily Eagle & Double Joy” or “Landlord”	Daily Eagle Development Company Limited and Double Joy Investment Company Limited, both incorporated in Hong Kong with limited liability, being an Independent Third Parties
“GEM”	The GEM operated by the Stock Exchange
“GEM Listing Rules”	The Rules Governing the Listing of Securities on GEM, as amended, supplemented or otherwise modified from time to time
“Group”	The Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	Third party independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
“Indigo HK” or “Tenant”	Indigo Living Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company

“Property”	Flat numbers 1–6 on 6th Floor, Horizon Plaza, 2 Lee Wing Street, Ap Lei Chau, Aberdeen, Hong Kong
“Renewal Letter”	The tenancy renewal letter dated 22 September 2023 entered into between Indigo HK as tenant and Daily Eagle & Double Joy as landlord in relation to the renewal of the tenancy of the Property
“Renewal Rental”	Total rent of the Term as agreed by Daily Eagle & Double Joy and Indigo HK under the Renewal Letter (exclusive of management fees)
“Shareholders”	Holder(s) of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	2 years from 1 October 2023 to 30 September 2025 (both days inclusive)
“%”	Per cent

By order of the Board
Pacific Legend Group Limited
John Warren McLennan
*Executive Director, Chairman
and Chief Executive Officer*

Hong Kong, 22 September 2023

As at the date of this announcement, the Board comprises Mr. John Warren McLennan, Ms. Shawlain Ahmin and Ms. Wong Wing Man as executive Directors; and Mr. So Alan Wai Shing, Mr. Lee Kwong Ming, Mr. Lee Fung Lun and Mr. Wong Sui Chi as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purposes 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, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the Company’s website at www.pacificlegendgroup.com.