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PACIFIC LEGEND GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8547)

VOLUNTARY ANNOUNCEMENT CESSATION OF BUSINESS IN THE PRC AND DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

This is an announcement made by the Company on a voluntary basis to keep the Shareholders and potential investors of the Company informed of the latest business development of the Group.

Reference is made to the announcement of the Company dated 1 February 2024, in which it was disclosed that the Group had closed down its only store in Shanghai in 2022 and the real estate industry in the PRC remains challenging which the Directors believe will continue to have an impact on the Group's proposed retail business plan in the PRC.

Having taking into account the facts that (i) the financial performance of the Disposal Group have been worsening in recent years; (ii) the Disposal Group recorded unaudited consolidated net liabilities as at 31 December 2023; (iii) it is unlikely to improve the financial performance of the Disposal Group in the near future; (iv) the costs of continuing the PRC business through the Disposal Group; and (v) the Company can generate better return to its shareholders by focusing its resources on its other businesses, the Company decided to cease its business operation in the PRC. In this connection, on 13 March 2024 (after trading hours), the Vendor, a wholly-owned subsidiary of the Company, entered into the Agreement with the Purchaser to dispose of the entire issued share capital of the Disposal Company, which in turn holding two subsidiaries principally engaged in the sale of home furniture and accessories in PRC.

Upon completion of the Disposal, the Group no longer holds any interest in the Disposal Company and the Disposal Group will cease to be subsidiaries of the Company and their financial results will no longer be consolidated into the Company's consolidated financial statements. The Group will cease its PRC business accordingly.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Agreement, which have been reached after arm's length negotiations among the parties, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

As all the applicable percentage ratios (as defined in Rule 19.07 of the GEM Listing Rules) in respect of the Disposal are less than 5%, the Disposal does not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules.

The decision to cease its PRC business operation is arrived after due and careful assessment of the current PRC market condition and consideration on the current business direction of the Group. It will allow the Group to better utilise its resources by focusing on its other revenue generating businesses and is beneficial to the Company and the Shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

“Agreement”	the sale and purchase agreement dated 13 March 2024 entered into between the Vendor and the Purchaser in respect of the Disposal
“Board”	the board of Directors
“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 (stock code: 8547)
“Director(s)”	director(s) of the Company
“Disposal”	the disposal of the Sale Shares from the Vendor to the Purchaser pursuant to the terms and conditions of the Agreement
“Disposal Company”	Deep Blue Living Limited, a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Disposal Group”	the Disposal Company and its subsidiaries, namely 因邸高家居商貿(上海)有限公司 and 上海因邸閣裝潢設計工程有限公司
“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
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Mr. Tsang, Ka Wing Hiram, an Independent Third Party
“Sale Shares”	1,000 shares in the Disposal Company, representing the entire issued share capital of the Disposal Company as at the date of this announcement
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the same meaning ascribed to it under the GEM Listing Rules
“Vendor”	Raeford Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and is a wholly-owned subsidiary of the Company as at the date of this announcement
“%”	per cent

By order of the Board
Pacific Legend Group Limited
Wong Wing Man
Executive Director

Hong Kong, 13 March 2024

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, Mr. Wong Sui Chi and Mr. Chan Kin Sun 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 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 Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the date of its posting and on the Company’s website at www.pacificlegendgroup.com.