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**PACIFIC LEGEND GROUP LIMITED**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8547)**

**ANNOUNCEMENT OF THE  
UNAUDITED CONSOLIDATED INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

The Board of Directors (the “**Board**”) of Pacific Legend Group Limited (the “**Company**”) is pleased to announce the unaudited interim results of the Company and its subsidiaries for the six months ended 30 June 2024. This announcement, containing the full text of the 2024 interim report of the Company, complies with the relevant requirements of The Rules Governing the Listing of Securities on GEM of The Stock Exchange (the “**GEM Listing Rules**”) in relation to information to accompany preliminary announcement of the interim results. The Company’s 2024 interim report will be available for viewing on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and of the Company at [www.pacificlegendgroup.com](http://www.pacificlegendgroup.com) on 20 September 2024, and will be despatched to the shareholders of the Company as soon as reasonably practicable.

By order of the Board  
**Pacific Legend Group Limited**  
**WONG Wing Man**  
*Chairperson and Executive Director*

Hong Kong, 28 August 2024

*As at the date of this announcement, the Board comprises Ms. Wong Wing Man, Mr. Wong Sui Chi, Mr. Law Sai Kit and Mr. Lam Chun Hin as executive Directors; and Mr. So Alan Wai Shing, Mr. Lee Kwong Ming 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](http://www.hkexnews.hk) for at least seven days from the date of its posting and on the Company’s website at [www.pacificlegendgroup.com](http://www.pacificlegendgroup.com).*

## CHARACTERISTICS OF 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.**

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*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibilities for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors (the “**Directors**”) of Pacific Legend Group 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 enquires, confirm that, to the best of their knowledge and belief the information contained in this report is accurate and complete in all material aspects 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 original report is prepared in the English language. This report is translated into Chinese. In the event of any inconsistencies between the Chinese and the English versions, the latter shall prevail and it is available on the Company’s website at [www.pacificlegendgroup.com](http://www.pacificlegendgroup.com).*



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## FINANCIAL HIGHLIGHTS

- The unaudited revenue of the Group amounted to approximately HK\$159.3 million for the six months ended 30 June 2024, representing an increase of approximately HK\$23.4 million or 17.2% as compared with the revenue of approximately HK\$135.9 million for the six months ended 30 June 2023.
- The unaudited net profit of the Group was approximately HK\$1.1 million for the six months ended 30 June 2024 as compared to a net loss of approximately HK\$1.5 million for the six months ended 30 June 2023.
- Basic and diluted profit per share were approximately HK\$0.50 cent for the six months ended 30 June 2024 compared to basic and diluted loss per share of less than HK\$0.01 cent for the six months ended 30 June 2023.
- No interim dividend is recommended by the Board for the six months ended 30 June 2024.

## UNAUDITED INTERIM FINANCIAL INFORMATION

The board of Directors (the “**Board**”) of Pacific Legend Group Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2024 together with the comparative figures as follows:

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

FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in Hong Kong dollars)

	Notes	Six months ended 30 June	
		2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>Revenue</b>	4	<b>159,341</b>	135,933
Cost of sales		<b>(87,501)</b>	(67,130)
<b>Gross profit</b>		<b>71,840</b>	68,803
Other income and gains	5	<b>832</b>	1,020
Selling and distribution costs		<b>(30,592)</b>	(24,243)
Provision for expected credit losses on trade and other receivables, net		<b>(146)</b>	(2,444)
Administrative and other operating expenses		<b>(47,252)</b>	(43,233)
Gain on disposal of subsidiaries	8	<b>7,579</b>	–
Share of results of an associate	9	<b>44</b>	–
<b>Profit/(loss) from operations</b>		<b>2,305</b>	(97)
Finance costs	6(a)	<b>(1,223)</b>	(1,357)
<b>Profit/(loss) before taxation</b>	6	<b>1,082</b>	(1,454)
Income tax expense	7	<b>–</b>	–
<b>Profit/(loss) for the period</b>		<b>1,082</b>	(1,454)
<b>Other comprehensive income</b>			
Item that may be classified subsequently to profit or loss:			
– Exchange differences on translation of financial statements of overseas subsidiaries, net of tax		<b>–</b>	1,183
<b>Total comprehensive income/(loss) for the period</b>		<b>1,082</b>	(271)
<b>Profit/(loss) for the period attributable to:</b>			
– Owners of Company		<b>1,082</b>	(70)
– Non-controlling interests		<b>–</b>	(1,384)
		<b>1,082</b>	(1,454)
<b>Total comprehensive income/(loss) attributable to:</b>			
– Owners of Company		<b>1,082</b>	1,113
– Non-controlling interests		<b>–</b>	(1,384)
		<b>1,082</b>	(271)
		<b>HK cent(s)</b>	<b>HK cent(s)</b>
<b>Earnings/(loss) per share</b>			
Basic and diluted	10	<b>0.50</b>	–*

\* Denotes loss per share amount below 0.01 Hong Kong cent.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2024  
(Expressed in Hong Kong dollars)

	Notes	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	12	1,051	770
Intangible assets		–	21
Right-of-use assets	13	1,175	2,995
Investment properties		4,490	4,490
Investments in associate		13,604	13,530
Finance lease receivables		2,181	737
Financial assets measured at fair value through profit or loss		–	3,000
Non-refundable deposit	14	4,000	4,000
		<u>26,501</u>	<u>29,543</u>
<b>Current assets</b>			
Inventories		31,253	32,328
Contract assets		11	2,158
Trade and other receivables	14	84,978	85,428
Loan receivables		980	2,792
Finance lease receivables		3,253	3,250
Cash and cash equivalents	15	6,092	23,303
Assets of disposal subsidiaries		–	1,109
		<u>126,567</u>	<u>150,368</u>
<b>Current liabilities</b>			
Trade and other payables	16	22,162	27,034
Contract liabilities		54,463	70,329
Interest-bearing bank and other borrowings	17	9,978	11,645
Lease liabilities		9,564	11,818
Tax payable		2	2
Liabilities of disposal subsidiaries classified as held for sale		–	5,768
		<u>96,169</u>	<u>126,596</u>
<b>Net current assets</b>		<u>30,398</u>	<u>23,772</u>
<b>Total assets less current liabilities</b>		<u>56,899</u>	<u>53,315</u>
<b>Non-current liabilities</b>			
Lease liabilities		4,715	6,455
Provisions		8,565	8,150
Deferred tax liabilities		69	69
		<u>13,349</u>	<u>14,674</u>
<b>NET ASSETS</b>		<u>43,550</u>	<u>38,641</u>
<b>Capital and reserves</b>			
Share capital	18	22,030	19,008
Reserves		19,974	18,087
Equity attributable to owners of the Company		42,004	37,095
Non-controlling interests		1,546	1,546
<b>TOTAL EQUITY</b>		<u>43,550</u>	<u>38,641</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024

(Expressed in Hong Kong dollars)

	Share capital	Share premium	Share option reserve	Exchange reserve	Other reserve	Accumulated (losses)/ profits	Sub total	Non-controlling interests	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Balance at 1 January 2023 (audited)	13,200	87,982	-	(824)	789	(63,646)	37,501	2,481	39,982
Loss for the period	-	-	-	-	-	(70)	(70)	(1,384)	(1,454)
Other comprehensive income	-	-	-	1,183	-	-	1,183	-	1,183
Total comprehensive income/ (expense) for the period	-	-	-	1,183	-	(70)	1,113	(1,384)	(271)
Proceeds from placing of new shares	2,640	11,088	-	-	-	-	13,728	-	13,728
Issuing expenses of placing of new shares	-	(275)	-	-	-	-	(275)	-	(275)
Non-controlling interest on acquisition of a subsidiary	-	-	-	-	-	-	-	169	169
Balance at 30 June 2023 (unaudited)	<u>15,840</u>	<u>98,795</u>	<u>-</u>	<u>359</u>	<u>789</u>	<u>(63,716)</u>	<u>52,067</u>	<u>1,266</u>	<u>53,333</u>
Balance at 1 January 2024 (audited)	<b>19,008</b>	<b>114,948</b>	<b>-</b>	<b>761</b>	<b>-</b>	<b>(97,622)</b>	<b>37,095</b>	<b>1,546</b>	<b>38,641</b>
Profit for the period	-	-	-	-	-	1,082	1,082	-	1,082
Total comprehensive income for the period	-	-	-	-	-	1,082	1,082	-	1,082
Proceeds from placing of new shares	3,022	4,037	-	-	-	-	7,059	-	7,059
Disposal of subsidiary	-	-	-	-	-	(3,232)	(3,232)	-	(3,232)
Balance at 30 June 2024 (unaudited)	<u>22,030</u>	<u>118,985</u>	<u>-</u>	<u>761</u>	<u>-</u>	<u>(99,772)</u>	<u>42,004</u>	<u>1,546</u>	<u>43,550</u>



## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2024  
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Net cash used in operating activities	(20,739)	(8,757)
Net cash generated from/(used in) investing activities	10	(5,714)
Net cash generated from financing activities	3,518	7,306
Net decrease in cash and cash equivalents	(17,211)	(7,165)
Cash and cash equivalents at 1 January	23,303	17,824
Effect of foreign exchange rate changes	–	59
Cash and cash equivalents at 30 June	6,092	10,718

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL

Pacific Legend Group Limited (the “**Company**”) was incorporated and registered as an exempted company with limited liability in the Cayman Islands on 1 September 2017. On 18 July 2018, the Company’s shares have been listed (the “**Listing**”) on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and its principal place of business is Units 1202–04, Level 12, Cyberport 2, 100 Cyberport Road, Hong Kong.

The Company and its subsidiaries (together the “**Group**”) is principally engaged in the sale of home furniture and accessories, the leasing of home furniture and accessories and the provision of design consultancy services for fitting out interiors with furnishings.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) as the applicable disclosure requirements of the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”). The unaudited condensed consolidated financial information should be read in conjunction with the audited consolidated financial information for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards (the “**HKFRSs**”) issued by the HKICPA, as included in the Company’s 2023 Annual Report.

The significant accounting policies that have been used in the preparation of these unaudited consolidated financial statements have been consistently applied to all the periods presented, unless otherwise stated.

The preparation of the unaudited consolidated financial statements of the Group for the relevant period is in conformity with the HKFRSs requirements in the use of certain critical accounting estimates. The HKFRSs also require the management to exercise their judgements in the process of applying the Group’s accounting policies.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 3. NEW ACCOUNTING STANDARDS AND ACCOUNTING CHANGES

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

### 4. REVENUE AND SEGMENT INFORMATION

The Group manages its businesses by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has presented the following three reportable segments:

- Sale of home furniture and accessories
- Rental of home furniture and accessories
- Project and hospitality services

Performance is based on segment gross profit net of impairment losses on non-current assets, contracts assets and related depreciation of property, plant and equipment and right-of-use assets. The Group's most senior executive management does not evaluate operating segment using assets and liabilities information, so segment assets and liabilities are not reported to the Group's most senior executive management. Accordingly, reportable segment assets and liabilities have not been presented.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### Segment revenue and results

The following is an analysis of the Group's revenue and results by operating and reportable segments.

#### For the six months ended 30 June 2024

	Sale of home furniture and accessories <i>HK\$'000</i> <u>(Unaudited)</u>	Rental of home furniture and accessories <i>HK\$'000</i> <u>(Unaudited)</u>	Project and hospitality services <i>HK\$'000</i> <u>(Unaudited)</u>	Total <i>HK\$'000</i> <u>(Unaudited)</u>
Revenue from contracts with customers within the scope of HKFRS 15				
— Point in time	60,769	–	–	60,769
— Over time	–	–	86,506	86,506
Revenue from other source				
— Over time	–	12,066	–	12,066
	<u>60,769</u>	<u>12,066</u>	<u>86,506</u>	<u>159,341</u>
Segment results	<u>28,419</u>	<u>8,480</u>	<u>34,941</u>	71,840
Unallocated items				
Interest income				74
Provision for expected credit loss allowance of trade and other receivables, net				(146)
Depreciation of property, plant and equipment				(487)
Depreciation of right-of-use assets				(2,315)
Amortisation of intangible assets				(7)
Finance costs				(1,233)
Unallocated corporate expenses				<u>(66,644)</u>
Profit before taxation				<u>1,082</u>
Depreciation of property, plant and equipment	33	357	–	390
Depreciation of right-of-use assets	<u>2,169</u>	<u>–</u>	<u>–</u>	<u>2,169</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### Segment revenue and results (Continued)

For the six months ended 30 June 2023

	Sale of home furniture and accessories <i>HK\$'000</i> (Unaudited)	Rental of home furniture and accessories <i>HK\$'000</i> (Unaudited)	Project and hospitality services <i>HK\$'000</i> (Unaudited)	Total <i>HK\$'000</i> (Unaudited)
Revenue from contracts with customers within the scope of HKFRS 15				
— Point in time	61,688	–	–	61,688
— Over time	–	–	61,410	61,410
Revenue from other source				
— Over time	–	12,835	–	12,835
	<u>61,688</u>	<u>12,835</u>	<u>61,410</u>	<u>135,933</u>
Segment results	<u>33,604</u>	<u>9,784</u>	<u>24,250</u>	67,638
Unallocated items				
Interest income				36
Provision for expected credit loss allowance of trade and other receivables, net				(2,444)
Depreciation of property, plant and equipment				(100)
Depreciation of right-of-use assets				(124)
Amortisation of intangible assets				(7)
Finance costs				(1,357)
Unallocated corporate expenses				<u>(65,096)</u>
Loss before taxation				<u>(1,454)</u>
Depreciation of property, plant and equipment	274	1,613	–	1,887
Depreciation of right-of-use assets	<u>891</u>	<u>–</u>	<u>–</u>	<u>891</u>

There was no inter-segment revenue for the six months ended 30 June 2024 and 2023.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 4. REVENUE AND SEGMENT INFORMATION (CONTINUED)

#### Geographical information

##### Revenue from external customers

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
Hong Kong	130,102	92,790
United Arab Emirates (the "UAE")	29,239	41,889
The People's Republic of China (excluding Hong Kong and Macao, the "PRC")	–	1,254
	<b>159,341</b>	<b>135,933</b>

The above revenue information is based on the locations of the customers.

##### Non-current assets

	30 June 2024 HK\$'000 (Unaudited)	31 December 2023 HK\$'000 (Audited)
Hong Kong	23,003	21,661
UAE	1,317	4,145
PRC	–	–
	<b>24,320</b>	<b>25,806</b>

The above non-current assets information is based on the locations of the assets and excluded the finance lease receivables and financial assets measured at fair value through profit or loss.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 5. OTHER INCOME AND GAINS

	Six months ended 30 June	
	2024	2023
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Bank interest income	74	36
Interest income from finance leases	721	140
Royalty income from franchising	–	481
Sundry income	35	191
Write off expired trade and other payables	–	172
Reversal of accrued withholding tax	2	–
	<u>832</u>	<u>1,020</u>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 6. PROFIT/(LOSS) BEFORE TAXATION

Profit/(loss) before taxation has been arrived at after charging/(crediting):

	Six months ended 30 June	
	2024 HK\$'000 (Unaudited)	2023 HK\$'000 (Unaudited)
<b>(a) Finance costs:</b>		
Interest on bank and other borrowings	767	505
Interest on lease liabilities	456	852
	<u>1,223</u>	<u>1,357</u>
<b>(b) Staff costs:</b>		
Salaries, allowances and commissions	43,043	31,518
Retirement benefits scheme contributions	810	990
Provision for long service payments and employees' end-of-service benefits	521	393
	<u>44,374</u>	<u>32,901</u>
<b>(c) Other items:</b>		
Amortisation of intangible assets	7	7
Auditor's remuneration	603	532
Cost of inventories recognised as expense	82,558	65,480
Depreciation of property, plant and equipment	487	1,987
Depreciation of right-of-use assets	2,315	1,015
Net exchange loss	23	1,006
Loss on disposals of property, plant and equipment	3	–
Expenses related to short term leases	1,768	1,754
Variable lease payments not included in the measurement of lease liabilities	–	277
Provision/(reversal of) for expected credit loss allowance for:		
– Trade receivables	146	(1,056)
– Other receivables	–	3,500
	<u>–</u>	<u>3,500</u>



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 7. INCOME TAX EXPENSE

The Group is not subject to any income tax in the Cayman Islands, the BVI and the UAE pursuant to the rules and regulations in those jurisdictions.

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit arising in or derived from Hong Kong for the six months ended 30 June 2024 and 2023.

No provision for the PRC Enterprise Income Tax is made as the Group has no assessable profit arising in or derived from the PRC for the six months ended 30 June 2024 and 2023.

### 8. GAIN ON DISPOSAL OF SUBSIDIARIES

During the six months ended 30 June 2024, the Group entered into a sale and purchase agreement with an independent third party to dispose of its 100% equity interest in Deep Blue Living Limited (“**Deep Blue**”), incorporated in Hong Kong and indirectly holds 100% equity interest in two companies established in the PRC whose main assets are HK\$1,520,000 and at a cash consideration of HK\$10,000. The disposal was completed on 13 March 2024, on which date the Group lost control of the Deep Blue.

The Group also entered into a sale and purchase agreement with an independent third party to dispose of its 100% equity interest in Indigo Overseas Projects Company Limited (“**Indigo Overseas**”), incorporated in British Virgin Islands and indirectly holds 100% equity interest in a company established in Hong Kong whose main assets are Nil and at a cash consideration of HK\$8. The disposal was completed on 25 March 2024, on which date the Group lost control of the Indigo Overseas.

The Group entered into a sale and purchase agreement with an independent third party to dispose of its 100% equity interest in Mega Ocean Limited, incorporated in Hong Kong at a cash consideration of HK\$1. The disposal was completed on 25 March 2024, on which date the Group lost control of Mega Ocean Limited. In addition, the Group entered into a sale and purchase agreement with an independent third party to dispose of its 100% equity interest in Ocean & Partners Limited, incorporated in Hong Kong at a cash consideration of HK\$1. The disposal was completed on 25 March 2024, on which date the Group lost control of Ocean & Partners.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 8. GAIN ON DISPOSAL OF SUBSIDIARIES (CONTINUED)

The net liabilities of the subsidiaries at the date of disposal were as follows:

	<i>HK\$'000</i>
Property, plant and equipment	–
Investment property	–
Prepayments and other receivables	1,487
Bank balances and cash	33
Shareholders' loans	(1,987)
Other payables and accruals	(6,383)
Deferred tax liabilities	–
	<hr/>
Net liabilities disposed of	<b>(6,850)</b>
	<hr/> <hr/>
Total cash consideration	10
Fair value of interest retained	–
Assignment of shareholder's loans	(1,987)
Net liabilities disposed of	6,850
Release of exchange reserve	2,706
	<hr/>
Gain on disposal of subsidiaries	<b>7,579</b>
	<hr/> <hr/>
Net cash outflow arising on disposal:	
Cash consideration to be received	10
Less: Bank balances and cash disposed of	(33)
	<hr/>
	<b>(23)</b>
	<hr/> <hr/>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 9. SHARE OF RESULTS OF AN ASSOCIATE

Interest in an associate represents the Group's equity investment in JF (Greater Bay) Group Company Limited ("JF (Greater Bay)") which holds Hong Kong Taichen Ecology Agricultural Development Company Limited and Huizhou Taichen Ecology Agricultural Development Company Limited.

	<b>30 June 2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	31 December 2023 <i>HK\$'000</i> <b>(Audited)</b>
<b>At beginning of reporting period</b>	<b>5,200</b>	5,200
Acquisition of additional equity interest in an associate		
Profit or loss:	<b>44</b>	–
– Gains on bargain purchase at dates of acquisition of interest in an associate	–	–
– Share of post-acquisition results	<b>44</b>	–
– Share of post-acquisition other comprehensive income	–	–
<b>At end of reporting period</b>	<b>5,244</b>	5,200

Details of the Group's associate at the end of the reporting period are as follows:

<b>Name of associate</b>	<b>Place of incorporation and operation</b>	<b>Proportion of nominal value of issued share capital held by the Group</b>		<b>Principal activities</b>
		<b>30 June 2024</b>	<b>31 December 2023</b>	
JF (Greater Bay) Group Company Limited	British Virgin Islands	<b>100%</b>	100%	Investment holdings
Hong Kong Taichen Ecology Agricultural Development Company Limited (owned as to 40% by JF (Greater Bay Group Company Limited))	Hong Kong	<b>40%</b>	40%	Investment holdings
Huizhou Taichen Ecology Agricultural Development Company Limited (owned as to 50% by Hong Kong Taichen Ecology Agricultural Development Company Limited)	PRC	<b>20%</b>	20%	Agriculture

The associate was accounted for using the equity method in the Group's condensed consolidated financial statements.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 9. SHARE OF RESULTS OF AN ASSOCIATE (CONTINUED)

The summarised financial information in respect of the Group's associate as at 30 June 2024 and 31 December 2023 which represents amounts shown in the consolidated financial statements of JF (Greater Bay) prepared in accordance with Hong Kong Financial Reporting Standards is as follows:

	<b>30 June 2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	31 December 2023 <i>HK\$'000</i> <b>(Audited)</b>
Current assets	<b>13,400</b>	12,864
Non-current assets	<b>12,820</b>	13,136
Current liabilities	–	–
Non-current liabilities	–	–
	<b>7,973</b>	–
Revenue	<b>7,973</b>	–
Profit for the period/year	<b>220</b>	–
Other comprehensive income for the period/year	–	–
Total comprehensive profit for the period/year	<b>220</b>	–

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 10. EARNINGS/(LOSS) PER SHARE

The calculation of the basic profit per share is based on the profit for the period attributable to owners of the Company of HK\$1,082,000 (six months ended 30 June 2023: loss of HK\$70,000) and the weighted average of 217,034,110 (six months ended 30 June 2023: 1,531,491,713) ordinary shares in issue.

No diluted loss per share for the six months ended 30 June 2024 and 2023 respectively was presented as there were no dilutive potential ordinary shares in issue during both periods.

### 11. DIVIDENDS

The Directors do not recommend the payment of any interim dividend in respect of the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

### 12. PROPERTY, PLANT AND EQUIPMENT

	Decoration and fittings <i>HK\$'000</i>	Furniture and fixtures <i>HK\$'000</i>	Office equipment and others <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Furniture for rental <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Carrying amount:</b>						
<b>At 1 January 2024 (audited)</b>	38	20	40	288	384	770
Additions	-	27	25	248	446	746
Acquisition of a subsidiary	-	-	22	-	-	22
Depreciation	(33)	(9)	(18)	(74)	(353)	(487)
Exchange realignment	-	-	-	-	-	-
<b>At 30 June 2024 (unaudited)</b>	<b>5</b>	<b>38</b>	<b>69</b>	<b>462</b>	<b>477</b>	<b>1,051</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 13. RIGHT-OF-USE ASSETS

	Leased properties <i>HK\$'000</i>	Motor vehicles <i>HK\$'000</i>	Total <i>HK\$'000</i>
<b>Carrying amount:</b>			
<b>At 1 January 2024 (audited)</b>	2,993	2	2,995
Additions	495	–	495
Depreciation	(2,313)	(2)	(2,315)
Exchange realignment	–	–	–
<b>At 30 June 2024 (unaudited)</b>	<b>1,175</b>	<b>–</b>	<b>1,175</b>

### 14. TRADE AND OTHER RECEIVABLES

	30 June 2024 <i>HK\$'000</i> <b>(Unaudited)</b>	31 December 2023 <i>HK\$'000</i> <b>(Audited)</b>
Trade receivables	21,537	40,414
Less: expected credit loss allowance	(146)	(2,361)
	<b>21,391</b>	38,053
Other receivables	12,607	11,940
Trade deposits	24,914	23,021
Rental and other deposits	12,326	7,140
Prepayments	9,284	5,037
Staff advance	4,456	237
	<b>84,978</b>	85,428
<b>Non-current</b>		
Non-refundable deposit	4,000	4,000
	<b>88,978</b>	89,428

At 30 June 2024 and 31 December 2023, apart from certain deposits totalling HK\$12,326,000 and HK\$7,140,000 respectively, all trade and other receivables are expected to be recovered or recognised as expenses within one year.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 14. TRADE AND OTHER RECEIVABLES (CONTINUED)

The ageing analysis of trade receivables, based on invoice date and net of allowance for doubtful debts, is as follows:

	<b>30 June 2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	31 December 2023 <i>HK\$'000</i> (Audited)
Within 1 month	4,611	27,751
More than 1 month but less than 3 months	12,289	7,686
More than 3 months but less than 12 months	3,962	2,505
More than 12 months	529	111
	<b>21,391</b>	<b>38,053</b>

Trade receivables are due within 30 days from the date of billing.

### 15. CASH AND CASH EQUIVALENTS

	<b>30 June 2024</b> <i>HK'000</i> <b>(Unaudited)</b>	31 December 2023 <i>HK'000</i> (Audited)
Cash and cash equivalents	<b>6,092</b>	<b>23,303</b>

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 16. TRADE AND OTHER PAYABLES

	<b>30 June 2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	31 December 2023 <i>HK\$'000</i> (Audited)
Trade payables	<b>1,304</b>	8,365
Deposits received	<b>2,998</b>	2,806
Other payables	<b>6,789</b>	6,592
Accruals	<b>11,071</b>	9,271
	<b>22,162</b>	27,034

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

The following is an ageing analysis of trade payables presented based on the invoice date:

	<b>30 June 2024</b> <i>HK\$'000</i> <b>(Unaudited)</b>	31 December 2023 <i>HK\$'000</i> (Audited)
Within 1 month	<b>430</b>	1,222
More than 1 month but less than 3 months	<b>362</b>	6,479
More than 3 months	<b>512</b>	664
	<b>1,304</b>	8,365

Included in accruals and other payables as at 30 June 2024 were delivery service and manpower support charges payable to Winford Inc. Limited of HK\$311,844 (31 December 2023: HK\$294,600), which is unsecured, interest-free and payable within 21 days after the invoice date. A former director, Mr. John Warren McLennan, has a 29% equity interest in Winford Inc. Limited as at 30 June 2024 and 31 December 2023.



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 17. INTEREST-BEARING BANK AND OTHER BORROWINGS

	30 June 2024 <i>HK\$'000</i> (Unaudited)	31 December 2023 <i>HK\$'000</i> (Audited)
Within one year	7,013	6,517
After 1 year but within 2 years	2,965	5,128
	9,978	11,645
Less: Amount included under current liabilities (including borrowings with a repayable on demand clause)	(9,978)	(11,645)
Amount shown under non-current liabilities	—	—

*Notes:*

- (a) As at 30 June 2024, the bank loan amounting to United Arab Emirates Dirham (“AED”) 3,282,944 (equivalent to HK\$6,977,618) (31 December 2023: HK\$8,645,000) was secured by a personal guarantee executed by a director of the Company.

### 18. SHARE CAPITAL

	Number of shares	Amount <i>HK\$</i>
Authorised:		
At 1 January 2024 and 30 June 2024 (unaudited)	1,000,000,000	100,000,000
Issued and fully paid:		
At 1 January 2024	190,080,000	19,008,000
Proceeds from placing of new shares at 2 February 2024 ( <i>Note i</i> )	22,500,000	2,250,000
Proceeds from placing of new shares at 20 March 2024 ( <i>Note ii</i> )	15,516,000	1,551,600
At 30 June 2024 (unaudited)	228,096,000	22,809,600

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 18. SHARE CAPITAL (CONTINUED)

*Notes:*

- (i) The completion of the placing took place on 2 February 2024, where a total of 22,500,000 placing shares have been successfully placed by the placing agent to not less than six placees at the placing price of HK\$0.21 per placing share pursuant to the terms and conditions of the placing agreement under the general mandate.

The gross proceeds from the placing are approximately HK\$4.73 million and the net proceeds from the placing (after deduction of placing commission and other fees, costs, charges and expenses of the Placing) are approximately HK\$4.60 million.

For details, please refer to the Company's announcements dated 17 January 2024 and 2 February 2024.

- (ii) The completion of the placing took place on 20 March 2024, where a total of 15,516,000 placing shares have been successfully placed by the placing agent to two placees at the placing price of HK\$0.21 per placing share pursuant to the terms and conditions of the placing agreement under the general mandate.

The gross proceeds from the placing are approximately HK\$3.26 million and the net proceeds from the placing (after deduction of placing commission and other fees, costs, charges and expenses of the placing) are approximately HK\$3.18 million.

For details, please refer to the Company's announcements dated 4 March 2024 and 20 March 2024.

### 19. CONTINGENT LIABILITIES

At 30 June 2024 and 31 December 2023, the Group had no material contingent liabilities.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 20. RELATED PARTY TRANSACTIONS

#### (a) Compensation of key management personnel

The remuneration of key management personnel is determined with reference to the performance of individual and market trends.

The remuneration of key management personnel during the periods of six months ended 30 June 2024 and 2023 respectively, were as follows:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Salaries, allowances and commission	7,226	2,086
Share-based payment expenses	–	–
Retirement benefits scheme contributions	17	13
Provision for long service payments and employees' end-of-service benefits	–	7
	<b>7,243</b>	<b>2,106</b>

#### (b) Other related party transactions

Save as disclosed elsewhere in the condensed consolidated financial statements, the Group had the following material transactions with related parties during the six months ended 30 June 2024 and 2023 respectively:

	<b>Six months ended 30 June</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
<b>Winford Inc. Limited</b>		
– Delivery charge and manpower support expense	2,891	2,620
<b>Mr. John Warren McLennan</b>		
– Sales of home furniture and accessories	–	1
<b>Ms. Mok Lai Yin Fiona</b>		
– Sales of home furniture and accessories	–	22

Note: Ms. Mok Lai Yin Fiona resigned as the Company's director with effect from 15 March 2023.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 21. EVENTS OCCURRING AFTER THE REPORTING DATE

#### Completion of Placing of new shares

On 8 August 2024 (after trading hours of the Stock Exchange), the Company and the placing agent entered into the placing agreement pursuant to which the Company has conditionally agreed to place through the placing agent, on a best effort basis, up to 42,700,000 placing shares, to not less than six placees at a price of HK\$0.165 per placing share. Such placing of new shares has been completed as at the date of this report.

Assuming all 42,700,000 placing shares are subscribed for in full, upon completion of the placing, the aggregate gross proceeds from the placing will be approximately HK\$7.05 million and the estimated aggregate net proceeds will be approximately HK\$6.88 million (after deduction of commission and other expenses of the placing), representing a net issue price of approximately HK\$0.161 per placing Share. The Directors intend to apply the estimated net proceeds to general working capital of the Group.

For details, please refer to the Company's announcements dated 8 August 2024 and 12 August 2024.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW AND PROSPECTS

The Group principally operates three lines of business, namely, (i) sale of home furniture and accessories (“**Furniture Sales**”, which includes retail, corporate sales, online shops, wholesale and franchise); (ii) rental of home furniture and accessories (“**Furniture Rental**”); and (iii) project and hospitality services (“**Projects**”, which typically involve designing, styling, decorating and furnishing commercial or residential properties such as hotels, serviced apartments and showflats).

During the six months ended 30 June 2024, we have completed a few projects which contributed significantly to our revenue. On the other hand, the second-hand property market in Hong Kong was still weak in the first half of 2024 due to the continuous change in demography in the last few years. Moreover, the outflux of locals’ money abroad due to the reopening of borders and depreciation of Renminbi brought an adverse impact on the Group’s retail sales in Hong Kong.

Furthermore, due to the fierce market competition in Dubai, the United Arab Emirates (“**UAE**”), the Group’s retail sales in UAE were also adversely affected. The Group strategically shifted the focus on Projects business and Furniture Rental business in both Hong Kong and the UAE.

On 3 June 2024, Mr. Wong Sui Chi was redesignated from an independent non-executive Director to an executive Director and Mr. Law Sai Kit and Mr. Lam Chun Hin were appointed as executive Directors with effect from 3 June 2024. Following the Company’s annual general meeting on 28 June 2024, Mr. John Warren McLennan has retired as an executive Director and has ceased to be the chairman of the board, the chief executive officer, a member of the remuneration committee and the authorised representative and the compliance officer of the Company; Ms. Shawlain Ahmin has retired as an executive Director of the Company; Mr. Lee Fung Lun has retired as an independent non-executive Director, chairman of remuneration committee, and a member of each of audit and nomination committees of the Company; Mr. Chan Kin Sun, an independent non-executive Director, has been appointed as chairman of remuneration committee, and a member of each of audit and nomination committees of the Company; Mr. Tse Chun Lai has resigned as a joint company secretary of the Company; Ms. Wong Wing Man, an executive Director, has been appointed as the chairperson of the Board and the authorised representative of the Company. The Board thanked the outgoing Directors and joint company secretary for their contribution during their tenure in office and wish them every success in future, and believed that such changes in the board will not have significant impact to the operations for the Group.

For the remaining months of 2024, we will continue to focus on the needs of our customers in different regions and market segments in which we operate, and develop our products and services which serve their needs.

# MANAGEMENT DISCUSSION AND ANALYSIS

## FINANCIAL REVIEW

### Revenue

The Group's revenue for the six months ended 30 June 2024 (the "**First Half Year 2024**") was approximately HK\$159.3 million, representing an increase of HK\$23.4 million or 17.2% as compared with that of the six months ended 30 June 2023 (the "**First Half Year 2023**" or the "**Corresponding Period in 2023**") of approximately HK\$135.9 million. Such increase was mainly due to the increase in revenue from Projects.

The revenue derived from the Furniture Sales business decreased by approximately 1.5% from approximately HK\$61.7 million in the First Half Year 2023 to approximately HK\$60.8 million in the First Half Year 2024. The decrease was mainly attributable to the decline in Hong Kong retail sales revenue (see below).

In Hong Kong, the retail sales revenue decreased significantly by approximately 62% in the First Half Year 2024 as compared to First Half Year 2023. The post-COVID era since early 2024 does not seem to benefit the Hong Kong retail since the opening of the borders together with the weak Renminbi against United States Dollars resulted in the outflux of locals travelling out of Hong Kong to overseas and mainland China. The weak second-hand property market in the First Half Year 2024 also had an adverse impact on the furniture retail market.

The corporate sales in Hong Kong, which consists of the sales of showflats furniture, noted a drastic increase in revenue by approximately 190% as compared to the Corresponding Period in 2023. Such increase was mainly attributable to the completion of a few projects which contributed significantly to our revenue for the First Half Year 2024.

Retail revenue from Dubai decreased significantly by approximately 46% in First Half Year 2024 as compared to the Corresponding Period in 2023. The corporate sales in UAE recorded a significant decline of approximately 108% due to competition in the UAE market and worldwide economic downturn.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Gross Profit

Our gross profit varied principally as a result of the composition of the revenues of our Furniture Sales, Furniture Rental and Projects businesses, changing market conditions and their effects on product pricing, product mix and our cost of sales. Overall, the gross profit margins of our Furniture Sales (except franchise) and Furniture Rental businesses are higher than the gross profit margin of the Projects business due to the provision of design and styling and custom furniture services in the latter.

The gross profit of the Group increased by HK\$3.0 million or 4.4% from approximately HK\$68.8 million in the Corresponding Period in 2023 to approximately HK\$71.8 million in the First Half Year 2024. We saw a decrease in overall gross profit margin (from 50.6% in First Half Year 2023 to 45.1% in First Half Year 2024) due to significant increase in relative proportion of Projects revenue, which entailed generally a lower profit margin as compared to other segments.

### Other income and gains

The Group's other income and gains for the First Half Year 2024 was approximately HK\$0.8 million compared to approximately HK\$1.0 million in the Corresponding Period in 2023.

### Selling and Distribution Costs

Our selling and distribution costs comprise mainly staff costs of sales teams, sales commission, advertising and promotion, transportation and delivery costs, credit card commission, agency fees and other expenses. The Group's selling and distribution costs increased by approximately 26.2% from approximately HK\$24.2 million in the First Half Year 2023 to approximately HK\$30.6 million in the First Half Year 2024. The increase was mainly related to sales-related staff costs, and such increase was in line with the growth in revenue.

### Administrative and other operating expenses

Our administrative and other operating expenses comprised mainly staff cost (other than the sales teams), rental and related expenses, depreciation of property, plant and equipment (other than those relating to the Furniture Rental business), depreciation of right-of-use assets, staff benefits and others. Such expenses increased by approximately 9.3% from approximately HK\$43.2 million in the First Half Year 2023 to approximately HK\$47.3 million in the First Half Year 2024.

A further net provision of HK\$0.1 million has been made for trade and other receivables in the First Half Year 2024 (First Half Year 2023: HK\$2.4 million).

On one hand the legal and professional fee increased as a result from certain acquisition and share placings during the First Half Year 2024, and on the other hand saving of the rental expenses (including depreciation of rights of use assets) was noted as a result of (i) the subcontracting Hong Kong warehouse to a service provider in 2023; and (ii) the reduction of depreciation of rights of use of assets following the impairment of such assets in the fourth quarter of 2023. Such increase was mainly due to the impairment of the unlisted fund investment made during the First Half Year 2024.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Finance costs

The Group's finance costs in the First Half Year 2024 consisted of (i) bank interest expenses on bank loans and import loan financing of approximately HK\$767,000 (Corresponding Period in 2023: approximately HK\$505,000), the increase of which was mainly due to the increase in bank borrowings during the First Half Year 2024 as compared to that in First Half Year 2023; and (ii) interest expenses of HK\$456,000 (Corresponding Period in 2023: approximately HK\$852,000) on the lease liabilities in respect of the tenancies of certain premises, which the Group has entered into as a lessee.

### Profit/(Loss) for the period

Profit attributable to owners of the Company for the First Half Year 2024 amounted to approximately HK\$1.1 million (First Half Year 2023: a loss of approximately HK\$70,000).

### Trade and other receivables

The Group's trade and other receivables as at 30 June 2024 amounted to HK\$85.0 million (31 December 2023: HK\$85.4 million), which consists of the following:

- (a) Trade receivables of HK\$21.4 million (31 December 2023: HK\$38.1 million), net of expected credit loss allowance of HK\$0.1 million (31 December 2023: HK\$2.4 million). The decrease was mainly attributable to settlement of trade receivables during the First Half Year 2024;
- (b) Trade deposits of HK\$24.9 million (31 December 2023: HK\$23.0 million) paid to the Group's suppliers before receipts of the inventories purchased. The balances of such trade deposits at any given point of time depend on the progress of the corporate sales and projects (which in turn affects the timing of the purchases of items in respect of such projects) and also the timing of the purchases of seasonal launches and replenishments;
- (c) Rental and other deposits of HK\$12.3 million (31 December 2023: HK\$7.1 million); and
- (d) Prepayments and other receivables of HK\$21.9 million (31 December 2023: HK\$17.0 million).

### Trade and other payables

The Group's trade and other payables as at 30 June 2024 amounted to HK\$22.2 million (31 December 2023: HK\$27.0 million), which consists of the following:

- (a) Trade payables to suppliers of HK\$1.3 million (31 December 2023: HK\$8.4 million);
- (b) Deposits received from customers of HK\$3.0 million (31 December 2023: HK\$2.8 million);
- (c) Other payables of HK\$6.8 million (31 December 2023: HK\$6.6 million) mainly represents credit notes issued, accrued project costs and purchases, and value-added tax payable; and
- (d) Accruals of HK\$11.1 million (31 December 2023: HK\$9.3 million) consists of staff costs (mainly commission accruals and bonus provision) and accruals of certain expenses of the Group.



## MANAGEMENT DISCUSSION AND ANALYSIS

### USE OF PROCEEDS FROM THE LISTING

The net proceeds from the Listing (the “**Net Proceeds**”) received by the Company after deducting the underwriting commissions and fees and other listing related expenses amounted to approximately HK\$48.5 million.

As disclosed in the Company’s announcement dated 1 February 2024, having carefully considered the latest business environment and development needs of the Group, the Board had resolved to change the use of the unutilised net proceeds of HK\$10.8 million (“**Unutilised Net Proceeds**”).

The following table sets forth the status of the use of the Net Proceeds as at 30 June 2024:

	Original allocation of Net Proceeds as stated in the prospectus of the Company dated 29 June 2018 (the “Prospectus”) HK\$’000 (approximately)	Revised allocation of the Net Proceeds as disclosed in the announcement of the Company dated 18 February 2022 HK\$’000 (approximately)	Utilised Net Proceeds as at the date of the announcement of the Company dated 1 February 2024 HK\$’000 (approximately)	Unutilised Net Proceeds as at the date of the announcement of the Company dated 1 February 2024 HK\$’000 (approximately)	Further revised allocation of Unutilised Net Proceeds HK\$’000 (approximately)	Utilised Net Proceeds up to 30 June 2024 HK\$’000 (approximately)	Unutilised Net Proceeds as at 30 June 2024 HK\$’000 (approximately)	Expected timeline for fully utilizing the Unutilised Net Proceeds (taking into account of the revised allocation)
Expand the Group’s retail network by opening additional retail stores in PRC and UAE	28,382	12,284	(4,186)	8,098	-	-	-	-
Expand the Group’s retail network by opening additional retail stores in Hong Kong	-	2,000	(1,575)	425	-	-	-	-
Enhance the Group’s online shop and the Group’s information technology capability	3,893	3,000	(2,128)	872	1,200	-	1,200	31 December 2024
Recruitment of additional staff	5,545	-	-	-	-	-	-	-
Recruitment for the Group’s planned new retail stores in PRC and UAE	1,556	1,392	-	1,392	-	-	-	-
Increasing the Group’s inventory	5,056	-	-	-	-	-	-	-
Engaging in the Furniture Supply Projects	-	-	-	-	9,587	-	9,587	31 December 2024
General working capital	4,043	5,000	(5,000)	-	-	-	-	-
	<u>48,475</u>	<u>23,676</u>	<u>(12,889)</u>	<u>10,787</u>	<u>10,787</u>	<u>-</u>	<u>10,787</u>	

## MANAGEMENT DISCUSSION AND ANALYSIS

### USE OF PROCEEDS FROM THE PLACING

#### (a) The First Placing in February 2024

The net proceeds from a placing of the 22,500,000 new shares of the Company on 2 February 2024 (“**First Placing 2024**”), after deduction of placing commission and other fees, costs, charges and expenses of the placing are approximately HK\$4.60 million. The Company intends to apply the net proceeds from the placing to general working capital of the Group, as disclosed in the announcement of the dated 17 January 2024.

#### (b) The Second Placing in March 2024

The net proceeds from the placing of the 15,516,000 new shares of the Company on 20 March 2024 (“**Second Placing 2024**”), after deduction of placing commission and other fees, costs, charges and expenses of the placing are approximately HK\$3.18 million. The Company intends to apply the net proceeds from the placing to (a) the possible merger and acquisition opportunities and (b) general working capital of the Group as disclosed in the announcement dated 4 March 2024.

#### (c) The Placing in June 2023

As disclosed in the Company’s announcement dated 1 February 2024, given the fact that the Company has not identified other suitable acquisition targets or investment opportunities at that moment and considering that the Group may need further capital to finance and support its daily operation after taking into account the Group’s engagement in the possible projects with some local developers involving supply of furniture package, in order to better deploy the resources of the Group, the Board has resolved to reallocate the balance of the net proceeds from the placing of 230,700,000 new shares of the Company (the “**June 2023 Placing**”) of approximately HK\$5.3 million from financing possible investment in businesses to general working capital for daily operations.

The following table sets forth the status of the use of the net proceeds from the June 2023 Placing, the First Placing 2024 and the Second Placing 2024 as at 30 June 2024:

Event	Business strategies	Approximate net proceeds <i>HK\$'000</i>	Approximate amount utilized during the six months ended 30 June 2024	Approximate unutilized net proceeds as at 30 June 2024	Expected timeline for fully utilizing the unutilized net proceeds
			<i>HK\$'000</i>	<i>HK\$'000</i>	
June 2023 Placing	general working capital for operations	5,300	(5,300)	-	-
First Placing 2024	general working capital for operations	4,600	(4,600)	-	-
Second Placing 2024	general working capital for operations	3,180	(3,180)	-	-

# MANAGEMENT DISCUSSION AND ANALYSIS

## LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

We have funded our operations primarily through net cash flow generated from our operations. Our primary uses of cash have been, and are expected to continue to be, operational costs and capital expenditures for business expansion. We also use our import financing facilities and the funds from the proceeds of the Listing and the placing for implementing our plans and purposes as detailed in the paragraphs headed “Use of Proceeds from the Listing” and “Use of Proceeds from the Placing” above.

The Group had cash and cash equivalents of approximately HK\$6.1 million as at 30 June 2024 (31 December 2023: HK\$23.3 million). Most of such cash and cash equivalents were denominated in the functional currencies of the countries/regions in which the Group’s subsidiaries operate. As at 30 June 2024, the Group had total interest-bearing bank borrowings of approximately HK\$10.0 million (31 December 2023: HK\$11.6 million). All borrowings were denominated in Hong Kong Dollars (“**HKD**”) and United Arab Emirates Dirham (“**AED**”).

## GEARING RATIO

The Group monitors capital using a gearing ratio, which is the Group’s total debts (i.e. interest-bearing bank and other borrowings) over its total equity. The Group’s policy is to keep the gearing ratio at a reasonable level.

The Group’s gearing ratio as at 30 June 2024 was 22.9% (31 December 2023: 30.1%).

## PLEDGE OF ASSETS

The Group did not have any pledge of assets as at 30 June 2024 and 31 December 2023.

## FOREIGN CURRENCY RISK

The Group’s sales and direct costs were primarily denominated in the functional currency of the operations to which the transactions are related. Accordingly, we consider that the Group’s exposure to foreign currency risk is minimal.

The Group does not have foreign currency hedging arrangement but will closely monitor the exposure and take measures when necessary.

## CAPITAL COMMITMENTS

As at 30 June 2024, the Group did not have any significant capital commitments (31 December 2023: Nil).

## SIGNIFICANT INVESTMENT HELD

Apart from investments in subsidiaries and associate, as at 30 June 2024, the Group also had a non-refundable deposit of a proposed new joint venture of approximately HK\$4.0 million.

## MANAGEMENT DISCUSSION AND ANALYSIS

### FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the “Use of Proceeds from the Listing” section of this report, the Group did not have other plans for material investments and capital assets.

### MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as disclosed in this report, the Group did not have other any material acquisitions and disposals of subsidiaries and affiliated companies during the six months ended 30 June 2024.

### EMPLOYEE AND EMOLUMENT POLICIES

As at 30 June 2024, the employee headcount (including executive Directors) of the Group was 129 (31 December 2023: 156) and the total staff costs, including share-based payment expenses and sales commission (including Directors’ emoluments) amounted to approximately HK\$44.4 million in the First Half Year 2024 (Corresponding Period in 2023: approximately HK\$32.9 million).

The Group recruits and promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff and to enable smooth operations within the Group, the Group offered competitive remuneration packages (with reference to market conditions and individual qualifications and experience) and various in-house training courses. The remuneration packages are subject to review on a regular basis. The emoluments of the Directors and senior management are reviewed and approved by the Board of the Company, having regard to the Company’s operating results, market competitiveness, individual performance and achievement.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 June 2024, 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 (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 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:

#### (i) Long position in the shares of the Company (the “Shares”)

Name	Capacity/ Nature of interest	Number of Shares held	Percentage of shareholding (note 1)
Mr. John Warren MCLENNAN (retired on 28 June 2024)	Interest in a controlled corporation and interest held jointly with other persons (note 2)	41,450,000	18.17%
Ms. WONG Wing Man	Interest in a controlled corporation (note 3)	40,817,000	17.89%

Notes:

- (1) The calculation is based on the total number of 228,096,000 Shares in issue as at 30 June 2024.
- (2) Double Lions Limited is owned as to 40.48% by Mr. John Warren MCLENNAN, 20.00% by Ms. Tracy-Ann FITZPATRICK, 14.88% by Ms. Alison Siobhan BAILEY, 14.88% by Mr. John Martin RINDERKNECHT and 9.76% by Mr. James Seymour Dickson LEACH (collectively with Double Lions Limited, the “Single Largest Shareholders Group”). Each member of the Single Largest Shareholders Group executed the deed of acting in concert (the “Deed of AIC”) dated 12 February 2018 confirming the existence of their acting in concert and are deemed to be interested in all the Shares owned by Double Lions Limited.
- (3) Ms. WONG Wing Man holds such 40,817,000 Shares through Century Great Investments Limited which is wholly owned by Ms. WONG.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### (ii) Long position in the shares of associated corporations

Name of Directors	Name of associated corporation	Nature of interest	Number of shares of US\$1.00 each in our associated corporation held	Approximate percentage of shareholding in our associated corporation
Mr. John Warren MCLENNAN (retired on 28 June 2024)	Double Lions Limited	Beneficial interest and interest held jointly with other persons ( <i>note 1</i> )	2,530	40.48%
Ms. WONG Wing Man	Century Great Investments Limited	Beneficial interest	1	100%

*Notes:*

- (1) Double Lions Limited is owned as to 40.48% by Mr. John Warren MCLENNAN, 20.00% by Ms. Tracy-Ann FITZPATRICK, 14.88% by Ms. Alison Siobhan BAILEY, 14.88% by Mr. John Martin RINDERKNECHT and 9.76% by Mr. James Seymour Dickson LEACH. By virtue of acting in concert arrangement as documented and confirmed under the Deed of AIC, each of Mr. John Warren MCLENNAN, Ms. Tracy-Ann FITZPATRICK, Ms. Alison Siobhan BAILEY, Mr. John Martin RINDERKNECHT and Mr. James Seymour Dickson LEACH is deemed to be interested in the entire issued shares of Double Lions Limited under the SFO. Mr. John Warren MCLENNAN, Ms. Tracy-Ann FITZPATRICK and Ms. Alison Siobhan BAILEY are directors of Double Lions Limited.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### SUBSTANTIAL SHAREHOLDERS

As at 30 June 2024, the register of substantial shareholders required to be kept under Section 336 of Part XV of the SFO showed that the Company had been notified of the following substantial shareholders' interests, being 5% or more in the issued ordinary share capital of the Company. These interests are in addition to those disclosed above in respect of the Directors and Chief Executives.

Name	Capacity/ Nature of interest	Number of Shares held <i>(note 6)</i>	Percentage of shareholding <i>(note 2)</i>
Double Lions Limited	Beneficial interest	41,450,000 (L)	18.17%
Ms. Tracy-Ann FITZPATRICK	Interest in a controlled corporation, interest held jointly with other persons <i>(note 1)</i> and interest of spouse <i>(note 3)</i>	41,450,000 (L)	18.17%
Mr. David Frances BULBECK	Interest of spouse <i>(note 3)</i>	41,450,000 (L)	18.17%
Ms. Alison Siobhan BAILEY	Interest in a controlled corporation, interest held jointly with other persons <i>(note 1)</i> and interest of spouse <i>(note 4)</i>	41,450,000 (L)	18.17%
Mr. James Seymour Dickson LEACH	Interest in a controlled corporation, interest held jointly with other persons <i>(note 1)</i> and interest of spouse <i>(note 4)</i>	41,450,000 (L)	18.17%
Mr. John Martin RINDERKNECHT	Interest in a controlled corporation and interest held jointly with other persons <i>(note 1)</i>	41,450,000 (L)	18.17%
Mr. CHEUNG Wai Keung	Beneficial interest	10,700,000 (L)	4.69%
Century Great Investments Limited	Beneficial interest <i>(note 5)</i>	40,817,000 (L)	17.89%

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### Notes:

- (1) Double Lions Limited is owned as to 40.48% by Mr. John Warren MCLENNAN, 20.00% by Ms. Tracy-Ann FITZPATRICK, 14.88% by Ms. Alison Siobhan BAILEY, 14.88% by Mr. John Martin RINDERKNECHT and 9.76% by Mr. James Seymour Dickson LEACH (collectively, with Double Lions Limited, the “**Single Largest Shareholders Group**”). Each member of the Single Largest Shareholders Group executed the Deed of AIC confirming the existence of their acting in concert and are deemed to be interested in all the Shares owned by Double Lions Limited.
- (2) The calculation is based on the total number of 228,096,000 Shares in issue as at 30 June 2024.
- (3) Mr. David Frances BULBECK is the spouse of Ms. Tracy-Ann FITZPATRICK and is deemed to be interested in the Shares held by Ms. Tracy-Ann FITZPATRICK by virtue of the SFO.
- (4) Ms. Alison Siobhan BAILEY and Mr. James Seymour Dickson LEACH are married to each other and each of them is deemed to be interested in the Shares held by her/his spouse via Double Lions Limited by virtue of the SFO.
- (5) Century Great Investments Limited is 100% owned by Ms. WONG Wing Man. Ms. WONG Wing Man was appointed as an executive Director of the Company with effect from 15 March 2023.
- (6) The letter “L” denotes the entity/person’s long position in the Shares.

Save as disclosed above, as at 30 June 2024, the Directors were not aware of any other persons or companies who had any interest or short position in the Shares or underlying shares of the Company that was required to be recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

### DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: Nil).

### DIRECTORS’ RIGHTS TO ACQUIRE SHARES

Save as disclosed above, at no time during the six months ended 30 June 2024 were rights to acquire benefits by means of the acquisition of Shares or debentures of the Company granted to any Directors or their respective spouse or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

### PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the six months ended 30 June 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s securities (including sale of treasury shares). As at 30 June 2024, the Company did not hold any treasury shares.



## CORPORATE GOVERNANCE AND OTHER INFORMATION

### COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”). Having made specific enquiry of all the Directors, each of them have confirmed that they have complied with the Required Standard of Dealings during the six months ended 30 June 2024, and the Company was not aware of any non-compliance with such Required Standard of Dealings and its code of conduct regarding securities transactions by Directors during such period.

### COMPETING INTERESTS

As at the date of this report, save as disclosed in “Relationship with Controlling Shareholders” section of the prospectus of the Company dated 29 June 2018, none of the Directors, the Controlling Shareholders of the Company and their respective associates (as defined in the GEM Listing Rules) has any interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group.

### AUDIT COMMITTEE

The Company has established an audit committee with the written terms of reference in compliance with the GEM Listing Rules. The audit committee consists of three independent non-executive Directors, namely Mr. SO Alan Wai Shing, who has the appropriate accounting and financial related management expertise and serves as the chairperson of the audit committee, Mr. LEE Kwong Ming, while Mr. LEE Fung Lun had been member of the audit committee until his retirement as independent non-executive Director of the Company with effect from the conclusion of the Company’s annual general meeting on 28 June 2024. Mr. CHAN Kin Sun was appointed member of the audit committee on the same date.

The financial information in this report has not been audited by the auditor of the Company, but the audit committee has reviewed this report and has provided advice and comments thereon.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### CORPORATE GOVERNANCE

As at 30 June 2024, the Company does not have advances to any entity nor advances to affiliated companies and the controlling shareholders of the Company have not pledged all or part of their Shares. There is no circumstances which would give rise to a disclosure obligation on the part of the Group pursuant to Rules 17.22 to 17.24 of the GEM Listing Rules.

The Company has adopted the principles and the code provisions set out in the Corporate Governance Code (the “**CG Code**”) contained in Appendix C1 of the GEM Listing Rules and to the best knowledge of the Board, the Company had complied with the code provisions of the CG Code, except that until 28 June 2024, Mr. John Warren MCLENNAN (“**Mr. MCLENNAN**”) served as both the chairman of the Board and the chief executive officer of the Company, such practice deviates from code provision C.2.1 of the CG Code as contained in Appendix C1 to the GEM Listing Rules. The Board believes that vesting the roles of both the chairman of the Board and the CEO in the same person can facilitate the execution of the Group’s business strategies and boost effectiveness of its operation. Taking into account Mr. MCLENNAN’s substantial experience and leadership position in the management of the Company, the Board considered that Mr. MCLENNAN acting as both the chairman of the Board and the CEO enables effective management of the Company and is in the interests of the Group and the Shareholders as a whole. Mr. MCLENNAN retired as executive Director and Ms. WONG Wing Man has been appointed as the chairperson of the Board on 28 June 2024. The position of chief executive officer is vacant. The Company had not appointed any individual to take up the post of CEO and the functions of the CEO have been performed by all executive directors. In addition, the Board currently comprises four executive Directors and three independent non-executive Directors. The Board will remain appropriately structured with balance of power to provide sufficient checks and supervision to protect the interests of the Company and the Shareholders as a whole.

By Order of the Board  
**Pacific Legend Group Limited**  
**Wong Wing Man**  
*Executive Director and Chairperson*

Hong Kong, 28 August 2024

*As at the date of this report, the Board comprises Ms. WONG Wing Man, Mr. WONG Sui Chi, Mr. LAW Sai Kit and Mr. LAM Chun Hin as executive Directors; and Mr. SO Alan Wai Shing, Mr. LEE Kwong Ming and Mr. CHAN Kin Sun as independent non-executive Directors.*