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## **PACIFIC LEGEND GROUP LIMITED**

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

**(Stock Code: 8547)**

### **SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION DISPOSAL OF EQUITY INTEREST IN SUBSIDIARIES**

Reference is made to the announcement of Pacific Legend Group Limited (the “**Company**”) dated 21 January 2025 in relation to the discloseable transaction disposal of equity interest in subsidiaries (the “**Announcement**”). Unless otherwise defined, capitalized terms used in this announcement shall have the same meanings as defined in the Announcement.

This announcement is made to provide the supplemental information on (i) details of the properties held by the Disposal Companies; (ii) valuation of the properties; (iii) the Consideration; and (iv) the intended application of the Consideration of HK\$2,000,000 from the Disposal.

#### **DETAILS OF THE PROPERTIES HELD BY THE DISPOSAL COMPANIES**

The Disposal Companies held two properties at the date of the Announcement and immediately before Completion. The properties are industrial properties located at Shing Yip Street, Kowloon, Hong Kong, with a saleable area of approximately 189 square feet (“**Property A**”) and 230 square feet (“**Property B**”) respectively. Property A is leased out at a monthly rent of HK\$5,800 in December 2024 and Property B has been vacant since December 2024. The properties were held as investment properties of the Group by the Disposal Companies.

#### **VALUATION OF THE PROPERTIES**

Independent valuation has been conducted on the Properties by HSBC, to assess the open market valuation of Property A and Property B at 18 January 2025.

The independent valuer adopted the market approach in valuing the Properties. The approach refers to a variety of assessment techniques that utilize recent transaction prices of the same or similar assets in the market, through direct comparison or analogical analysis, to estimate property value.

In using the direct comparison method to appraise the value of the Property, there should be

- (i) the existence of an active public market; and
- (ii) the availability of comparable assets and their transaction activities in the public market.

According to HSBC's valuation, Properties A and B were valued at HK\$1,000,000 and HK\$1,200,000 respectively on 18 January 2025. There is no material liability in the balance sheet of the Disposal Companies as at 31 December 2024.

## **CONSIDERATION**

The Consideration represented a discount of approximately 10.2% discount to the net asset value of the Disposal Companies, this discount is considered acceptable to reflect the potential difficulty to identify and secure a purchaser prepared to acquire the Disposal Companies under the current property market. Besides, the Disposal Companies are operating under negative cashflow condition.

On the other hand, the principal business of the Group, sale and leasing of home furniture and accessories, was very challenging in 2024. The home furniture market in Hong Kong in January 2025 is still weak. The Disposal gives the Group an opportunity to realise the values of the Disposal Companies and also provide a cash stream to the Group.

The Directors are of the view that the consideration HK\$2,000,000 was determined after arm's length negotiations between the vendor and the purchaser, on the normal commercial terms, fair and reasonable even disposal at a discount.

## **INTENDED APPLICATION OF THE SALE PROCEEDS**

The proceeds arising from the Disposal will be approximately HK\$2,000,000 before deducting the relevant expenses and charges are intended to be used for general working capital of the Group.

Save as disclosed above, all other information in the Announcement remains unchanged. This announcement is supplemental to and should be read in conjunction with the Announcement.

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

Hong Kong, 12 February 2025

*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 Rules Governing the Listing of Securities on GEM of the Stock Exchange 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.*

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