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PACIFIC LEGEND GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8547)

PROFIT WARNING

This announcement is made pursuant to Rule 17.10(2)(a) of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (“**GEM Listing Rules**”) and the Inside Information Provisions (as defined under the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

The Board of Directors (the “**Board**”) of Pacific Legend Group Limited (the “**Company**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the currently available information which includes, but without limitation to, the consolidated management accounts of the Company and its subsidiaries (collectively the “**Group**”), the Group is expected that its loss attributable to owners of the Company would significantly increase from HK\$28,166,000 for the year ended 31 December 2021 to no less than HK\$46,369,000 for the year ended 31 December 2022.

The deterioration of the Group’s performance for the year ended 31 December 2022 compared to the corresponding period in 2021 was mainly attributable to (i) an impairment losses of approximately HK\$21,268,000 made for the year ended 31 December 2022 to the Group’s certain intangible assets, right-of-use assets and property, plant and equipment in accordance with Hong Kong Accounting Standard 36 “Impairment of Assets”, representing an increase of approximately HK\$4,153,000 compared to HK\$17,115,000 for the year ended 31 December 2021; (ii) a further provision of expected credit loss of HK\$7,260,000 in respect of certain monetary assets in the fourth quarter of 2022; (iii) a further provision of HK\$3,607,000 in inventory in the fourth quarter of 2022; and (iv) a significant agency commission of approximately HK\$2,399,000 recognized in the fourth quarter of 2022 in respect of the referral of corporate sales customers in the United Arab Emirates.

The Board is closely monitoring the current situation and will seek further measures to minimize the losses.

The Company is still in the process of finalizing 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 Board according to the information currently available to the Board as at the date hereof and the unaudited consolidated management accounts of the Group for the year ended 31 December 2022, which have neither been confirmed nor audited by the auditors of the Company nor the audit committee of the Board, and may be subject to further adjustments. Therefore, the audited annual results may differ from the information contained in this announcement. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company, which is expected to be published on 30 March 2023.

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

By order of the Board

John Warren McLennan
*Executive Director, Chairman
and Chief Executive Officer*

Hong Kong, 27 March 2023

As at the date of this announcement, the Board comprises Mr. John Warren McLennan, Mr. So Kin Ting Wilson, Ms. Shawlain Ahmin, Ms. Wong Wing Man and Mr. Wong Ka Man as executive Directors; Mrs. Jennifer Carver McLennan as non-executive Director; and Mr. So Alan Wai Shing, Mr. Lee Kwong Ming, Mr. Lee Fung Lun, Mr. Tom Kuet Szutu and Mr. Kurt Kwai Ching Mak 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.

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.