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PACIFIC LEGEND GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8547)

DISCLOSEABLE TRANSACTION REGARDING PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

On 18 October 2023 (after trading hours), the Lender, a wholly-owned subsidiary of the Company, entered into the New Loan Agreement with the Borrower pursuant to which the Lender agreed to grant the New Loan to the Borrower of a principal amount of HK\$1.6 million.

Prior to entering into the New Loan Agreement, the Lender had entered into the Previous Loan Agreement with the Borrower to grant the Previous Loan to the Borrower of a principal amount of HK\$1.0 million.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the New Loan and the Previous Loan were granted to the Borrower within a 12-month period prior to the date of the New Loan Agreement, the New Loan and the Previous Loan were aggregated as a series of transactions pursuant to Rule 19.22 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as calculated under Rule 19.07 of the GEM Listing Rules) in respect of the grant of the New Loan and the Previous Loan on an aggregated basis are more than 5% but less than 25%, the grant of the New Loan and the Previous Loan together constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements set out in Chapter 19 of the GEM Listing Rules.

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THE LOAN AGREEMENTS

The principal terms of the Loan Agreements are set out below:

The New Loan Agreement:

Date:	18 October 2023 (after trading hours)
Lender:	Miracle Ace Company Limited
Borrower:	Century Gain Limited
Principal amount:	HK\$1,600,000
Final repayment date:	17 January 2024 (or such later date as agreed between the Lender and the Borrower in writing).
Interest rate:	12% per annum
Repayment:	<p>The Borrower shall repay the total outstanding principal amount of the New Loan together with all outstanding interest accrued thereon and all other monies payable under the New Loan Agreement and security documents on the final repayment date.</p> <p>The Borrower may make earlier repayment in whole or any part of the New Loan provided that it has given to the Lender not less than 7 business days' notice in writing of its intention to make such prepayment and that it shall, on the date of prepayment, pay to the Lender all accrued interest on the amount prepaid.</p>
Security:	<p>The New Loan is secured by the Guarantee executed by Mr. Cheung in favour of the Lender guaranteeing the due and punctual payment of the obligations of the Borrower which are or may become due and owing to the Lender under the New Loan Agreement.</p>

The Previous Loan Agreement:

Date:	1 September 2023
Lender:	Miracle Ace Company Limited
Borrower:	Century Gain Limited
Principal amount:	HK\$1,000,000
Final repayment date:	1 December 2023 (or such later date as agreed between the Lender and the Borrower in writing).
Interest rate:	12% per annum
Repayment:	<p>The Borrower shall repay the total outstanding principal amount of the Previous Loan together with all outstanding interest accrued thereon and all other monies payable under the Previous Loan Agreement and security documents on the final repayment date.</p> <p>The Borrower may make earlier repayment in whole or any part of the Previous Loan provided that it has given to the Lender not less than 7 business days' notice in writing of its intention to make such prepayment and that it shall, on the date of prepayment, pay to the Lender all accrued interest on the amount prepaid.</p> <p>As at the date of this announcement, the Previous Loan and the interest thereon remains outstanding.</p>
Security:	The Previous Loan is secured by the Guarantee executed by Mr. Cheung in favour of the Lender guaranteeing the due and punctual payment of the obligations of the Borrower which are or may become due and owing to the Lender under the Previous Loan Agreement.

INFORMATION OF THE PARTIES

The Borrower

Century Gain Limited is incorporated in Hong Kong with limited liability, of which is wholly-owned by Mr. Cheung, and is an investment holding company. As at the date of this announcement, Mr. Cheung is the sole director and shareholder of the Borrower and a merchant. Mr. Cheung is also a Shareholder of the Company holding 13,200,000 Shares, representing approximately 6.94% of the issued Shares.

Save as disclosed above, to the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Borrower and its ultimate beneficial owner, i.e. Mr. Cheung, are third parties independent of the Company and connected persons of the Company.

The Lender

The Company is an investment holding company and its subsidiaries are principally engaged in (i) sale and rental of home furniture and accessories (which includes retail, corporate sales, online shops, wholesale and franchise); (ii) rental of home furniture and accessories; and (iii) project and hospitality services (which typically involve designing, styling, decorating and furnishing commercial or residential properties such as hotels, serviced apartments and showflats).

Miracle Ace Company Limited is incorporated in Hong Kong with limited liability, of which is a wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

REASONS AND BENEFITS FOR ENTERING INTO THE LOAN AGREEMENTS

The Company considered that the Loan Agreements are short term in nature and the entering into of the Loan Agreements have no material impact on the financial position and the proposed budget of the Company. The Loan Agreements can provide an interest income of around HK\$78,000 to the Group in total, of which better than the general deposit interest rate offered by the local banks. In protection of the interest of the Company, the outstanding loan amounts under the Loan Agreements are secured by the personal guarantee provided by Mr. Cheung and the Company has carried out due diligence on, and is satisfied with, the creditworthiness and the loan repayment ability of the Borrower and Mr. Cheung. The Group will finance the loans under the Loan Agreements with its internal resources, generated from its operating activities.

Having considered the above, the terms of the Loan Agreements were negotiated on arm's length basis between the Lender and the Borrower and were on normal commercial terms. Taking into account the results of due diligence on the financial background, repayment ability of and the guarantees given by the Borrower and Mr. Cheung and the stable interest income generated/expected to be generated from the Loan Agreements, the Directors consider that the terms of the Loan Agreements are fair and reasonable and the entering into of the same is in the interests of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As the New Loan and the Previous Loan were granted to the Borrower within a 12-month period prior to the date of the New Loan Agreement, the New Loan and the Previous Loan were aggregated as a series of transactions pursuant to Rule 19.22 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as calculated under Rule 19.07 of the GEM Listing Rules) in respect of the grant of the New Loan and the Previous Loan on an aggregated basis are more than 5% but less than 25%, the grant of the New Loan and the Previous Loan together constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements set out in Chapter 19 of the GEM Listing Rules.

DEFINITIONS

“Board”	the board of Directors of the Company
“Borrower”	Century Gain Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned by Mr. Cheung
“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)
“Directors”	the directors of the Company
“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
“Guarantees”	the deeds of guarantee executed by Mr. Cheung in favour of the Lender guaranteeing the obligations of the Borrower under the Previous Loan Agreement and the New Loan Agreement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Lender”	Miracle Ace Company Limited, a company incorporated in Hong Kong with limited liability, which is a wholly-owned subsidiary of the Company
“Loan Agreements”	collectively, the Previous Loan Agreement and the New Loan Agreement
“Mr. Cheung”	Mr. Cheung Wai Keung, the sole director and the shareholder of the Borrower and a Shareholder of the Company
“New Loan”	a loan in the principal amount of HK\$1,600,000 granted by the Lender to the Borrower pursuant to the terms of the New Loan Agreement
“New Loan Agreement”	the loan agreement made between the Lender and the Borrower for the New Loan dated 18 October 2023

“Previous Loan”	a loan in the principal amount of HK\$1,000,000 granted by the Lender to the Borrower pursuant to the terms of the Previous Loan Agreement
“Previous Loan Agreement”	the loan agreement made between the Lender and the Borrower for the Previous Loan dated 1 September 2023
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholders”	holder(s) of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board
Pacific Legend Group Limited
Shawlain Ahmin
Executive Director

Hong Kong, 18 October 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.