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PACIFIC LEGEND GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8547)

RESULTS ANNOUNCEMENT FOR THE EIGHTEEN MONTHS ENDED 30 JUNE 2025

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.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, 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 announcement 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 announcement misleading.*

FINANCIAL HIGHLIGHTS

- The revenue of the Group amounted to approximately HK\$383.5 million for the eighteen months ended 30 June 2025 (the “**Reporting Period**”), representing an increase of approximately HK\$132.9 million or 53.0% as compared with the revenue of approximately HK\$250.6 million for the year ended 31 December 2023 (the “**Corresponding Period**”).
- The loss after tax of the Group was approximately HK\$5.2 million (including impairment losses on non-financial assets of approximately HK\$4.0 million) for the eighteen months ended 30 June 2025, as compared to a loss of approximately HK\$35.9 million for the year ended 31 December 2023 (including impairment losses on non-financial assets of approximately HK\$9.2 million).
- No final dividend is recommended by the board of Directors (the “**Board**”) for the eighteen months ended 30 June 2025.

RESULTS

Reference is made to the announcement of the Company dated 15 October 2024, in relation to the change of financial year end date of the Company from 31 December to 30 June and its update, respectively. As a result of such change of financial year end date, the Board hereby announces the consolidated results of the Company and its subsidiaries (hereinafter collectively referred to as the “**Group**”) for the eighteen months ended 30 June 2025 together with the comparative figures in the preceding financial year as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the eighteen months ended 30 June 2025

		Eighteen months ended 30 June 2025	Year ended 31 December 2023
	<i>Notes</i>	HK\$'000	HK\$'000
Revenue	3	383,477	250,566
Cost of sales		<u>(224,045)</u>	<u>(123,468)</u>
Gross profit		159,432	127,098
Other income, gains and losses, net	4	16,774	2,707
Selling and distribution expenses		(68,415)	(50,874)
Administrative and other operating expenses		(105,043)	(93,090)
Provision for allowance for expected credit losses		(1,115)	(9,652)
Impairment losses on non-financial assets		<u>(4,000)</u>	<u>(9,182)</u>
Loss from operations		(2,367)	(32,993)
Finance costs	5	(4,012)	(2,850)
Share of results of associates		<u>1,650</u>	<u>–</u>
Loss before income tax	6	(4,729)	(35,843)
Income tax expense	7	<u>(513)</u>	<u>(69)</u>
Loss for the period/year		<u>(5,242)</u>	<u>(35,912)</u>

		Eighteen months ended 30 June 2025	Year ended 31 December 2023
	<i>Note</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Other comprehensive (expense)/income for the period/year			
Items that may be reclassified subsequently to profit or loss:			
— Release of exchange reserve upon disposal of subsidiaries		(1,787)	—
— Exchange differences on translation of financial statements of foreign operations		(1,781)	1,586
		(3,568)	1,586
Total comprehensive expense for the period/year		(8,810)	(34,326)
(Loss)/profit for the period/year attributable to:			
— Owners of the Company		(5,571)	(33,524)
— Non-controlling interests		329	(2,388)
		(5,242)	(35,912)
Total comprehensive (expense)/income for the period/year attributable to:			
— Owners of the Company		(9,139)	(31,938)
— Non-controlling interests		329	(2,388)
		(8,810)	(34,326)
		<i>HK cents</i>	<i>HK cents</i>
			(Restated)
Loss per share			
— Basic and diluted	8	(2.03)	(18.90)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

		As at 30 June 2025 HK\$'000	As at 31 December 2023 HK\$'000
	<i>Notes</i>		
Non-current assets			
Property, plant and equipment		2,987	770
Intangible assets		–	21
Right-of-use assets		2,745	2,995
Investment properties		–	4,490
Interests in associates		19,680	13,530
Finance lease receivables		2,716	737
Financial assets at fair value through profit or loss	9	–	3,000
Non-refundable deposit		–	4,000
		28,128	29,543
Current assets			
Inventories		19,411	32,328
Contract assets		2,606	2,158
Trade and other receivables	10	55,458	85,428
Loan receivables		–	2,792
Finance lease receivables		4,930	3,250
Financial assets at fair value through profit or loss	9	20,206	–
Cash and cash equivalents		4,926	23,303
		107,537	149,259
Assets of disposal subsidiaries classified as held for sale		–	1,109
		107,537	150,368
Current liabilities			
Trade and other payables	11	29,659	27,034
Contract liabilities		12,447	70,329
Interest-bearing bank and other borrowings		18,579	11,645
Lease liabilities		4,765	11,818
Tax payable		259	2
		65,709	120,828
Liabilities of disposal subsidiaries classified as held for sale		–	5,768
		65,709	126,596
Net current assets		41,828	23,772
Total assets less current liabilities		69,956	53,315

		As at 30 June 2025 HK\$'000	As at 31 December 2023 HK\$'000
	<i>Notes</i>		
Non-current liabilities			
Lease liabilities		756	6,455
Provisions	12	8,764	8,150
Deferred tax liabilities		–	69
		9,520	14,674
NET ASSETS		60,436	38,641
Capital and reserves			
Share capital	13	41,054	19,008
Reserves		15,740	18,087
Equity attributable to owners of the Company		56,794	37,095
Non-controlling interests		3,642	1,546
TOTAL EQUITY		60,436	38,641

NOTES

For the eighteen months ended 30 June 2025

1. GENERAL INFORMATION

The Company is incorporated as an exempted company with limited liability in the Cayman Islands on 1 September 2017. On 18 July 2018, the Company's shares were listed on GEM of 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 6/F, Horizon Plaza, 2 Lee Wing Street, Ap Lei Chau, Hong Kong.

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 consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

(a) Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable HKFRS Accounting Standards, which collective term includes all individual Hong Kong Financial Reporting Standards ("HKFRSs"), Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the GEM Listing Rules.

The HKICPA has issued certain new and amendments to HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in the consolidated financial statements.

The consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies (e.g. investment properties and financial assets at fair value through profit or loss ("FVTPL")).

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The preparation of the consolidated financial statements in conformity with HKFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires the Directors to exercise its judgement in the process of applying the Group's accounting policies.

(b) Change of financial year end date

Pursuant to the Board resolution on 15 October 2024, the Company's financial year end date has been changed from 31 December to 30 June in order to rationalise and mobilise its resources with higher efficiency for the preparation of results announcement as well as reports. Accordingly, the consolidated financial statements of the current period cover an eighteen-month period from 1 January 2024 to 30 June 2025 and the comparative figures cover a twelve-month period from 1 January 2023 to 31 December 2023. The comparative figures are therefore not entirely comparable.

(c) Adoption of amendments to HKFRS Accounting Standards

Application of amendments to HKFRS Accounting Standards

The Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA for the first time, which are mandatorily effective for the accounting period beginning on or after 1 January 2024, for the preparation of the consolidated financial statements:

Amendments to HKAS 1	Classification of Liabilities as Current or Non-current
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The application of the amendments to HKFRS Accounting Standards in the current accounting period had no material impact on the Group's consolidated financial positions and financial performance for the current period and prior year and/or on the disclosures set out in the consolidated financial statements.

New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards and the Interpretation that have been issued but are not yet effective for the accounting period beginning 1 January 2024:

	Effective for the accounting periods beginning on or after
Amendments to HKAS 21 and HKFRS 1 — Lack of Exchangeability	1 January 2025
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 — Contracts Referencing Nature-dependent Electricity	1 January 2026
Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to Hong Kong Interpretation 5 (Revised) — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA

The directors of the Company anticipate that, except as described below, the application of other amendments to HKFRS Accounting Standards and the Interpretation will not have material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 — Presentation and Disclosure in Financial Statements

HKFRS 18 will replace HKAS 1 — Presentation of Financial Statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though HKFRS 18 will not impact the recognition or measurement of items in the consolidated financial statements, HKFRS 18 introduces significant changes to the presentation of the consolidated financial statements, with a focus on information about consolidated financial performance present in the consolidated statement of profit or loss, which will affect how the Group present and disclose financial performance in the consolidated financial statements. The key changes introduced in HKFRS 18 relate to (i) the structure of the statement of profit or loss; (ii) required disclosures for management defined performance measures (which are referred to alternative or non-GAAP performance measures); and (iii) enhanced requirements for aggregation and disaggregation of information.

The Directors are currently assessing the impact of applying HKFRS 18 on the presentation and disclosures of the consolidated financial statements.

3. 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 chief operating decision maker (the "CODM"), being most senior executive management, for the purposes of resource allocation and performance assessment, the Group presented the following three reportable segments:

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

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents the profit earned by each segment without allocation of certain other income, other gains and losses, net, certain depreciation of property, plant and equipment and right-of-use assets, amortisation of intangible assets, certain provision for allowance for ECLs, certain impairment losses on non-financial assets, share of results of associates, finance costs and other central administrative expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

The CODM does not evaluate operating segment using information related to assets and liabilities, so segment assets and liabilities are not reported to the CODM. Accordingly, no reportable segment assets and liabilities have been presented.

Segment revenue and results

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

For the eighteen months ended 30 June 2025

	Sale of home furniture and accessories <i>HK\$'000</i>	Rental of home furniture and accessories <i>HK\$'000</i>	Project and hospitality services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from contracts with customers within the scope of HKFRS 15				
— At a point in time	169,354	—	—	169,354
— Over time	—	—	180,702	180,702
Revenue from other sources	—	33,421	—	33,421
	<u>169,354</u>	<u>33,421</u>	<u>180,702</u>	<u>383,477</u>
Reportable segment results	<u>43,413</u>	<u>26,029</u>	<u>86,005</u>	<u>155,447</u>
Unallocated items:				
Bank interest income				79
Fair value gains on financial assets at fair value through profit or loss ("FVTPL")				12,561
Fair value losses on investment properties				(2,303)
Interest income from loan receivables				159
Rental income from investment properties				150
Gain on disposal of subsidiaries				2,362
Share of result of associates				1,650
Provision for allowance for expected credit losses ("ECLs")				(928)
Impairment losses on non-financial assets				(4,000)
Amortisation of intangible assets				(21)
Finance costs				(4,012)
Staff costs				(92,295)
Unallocated other corporate expenses				<u>(73,578)</u>
Loss before income tax				<u>(4,729)</u>
Gain on disposal of property, plant and equipment	—	(169)	—	(169)
Interest income from finance lease receivables	—	(1,506)	—	(1,506)
Provision for inventories, net	3,939	—	—	3,939
Provision for allowance for ECLs	187	—	—	187
Depreciation of property, plant and equipment	393	2,138	—	2,531
Depreciation of right-of-use assets	<u>5,033</u>	<u>—</u>	<u>—</u>	<u>5,033</u>

For the year ended 31 December 2023

	Sale of home furniture and accessories <i>HK\$'000</i>	Rental of home furniture and accessories <i>HK\$'000</i>	Project and hospitality services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue from contracts with customers				
within the scope of HKFRS 15				
— At a point in time	130,888	—	—	130,888
— Over time	—	—	94,420	94,420
Revenue from other sources	—	25,258	—	25,258
	<u>130,888</u>	<u>25,258</u>	<u>94,420</u>	<u>250,566</u>
Reportable segment results	<u>63,149</u>	<u>17,464</u>	<u>30,759</u>	<u>111,372</u>
Unallocated items:				
Bank interest income				199
Fair value losses on financial assets at FVTPL				(2,938)
Fair value gains on investment properties				421
Interest income from loan receivables				296
Rental income from investment properties				14
Provision for allowance for ECLs				(6,200)
Impairment losses on non-financial assets				(598)
Depreciation of property, plant and equipment				(189)
Depreciation of right-of-use assets				(247)
Amortisation of intangible assets				(15)
Finance costs				(2,850)
Staff costs				(72,829)
Unallocated other corporate expenses				<u>(62,279)</u>
Loss before income tax				<u>(35,843)</u>
Gain on disposal of property, plant and equipment	—	(6)	—	(6)
Interest income from finance lease receivables	—	(1,512)	—	(1,512)
Royalty income from franchising	—	—	(851)	(851)
Provision for inventories, net	355	—	—	355
Provision for allowance for ECLs	—	—	3,452	3,452
Impairment losses on non-financial assets	7,907	677	—	8,584
Depreciation of property, plant and equipment	570	3,584	—	4,154
Depreciation of right-of-use assets	<u>3,151</u>	<u>—</u>	<u>—</u>	<u>3,151</u>

There were no inter-segment revenue for the eighteen months ended 30 June 2025 and year ended 31 December 2023.

Geographical information

Revenue from external customers

	Eighteen months ended 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Hong Kong	283,193	149,682
United Arab Emirates (“UAE”)	100,190	99,013
The People’s Republic of China (excluding Hong Kong and Macao)	94	1,871
	<u>383,477</u>	<u>250,566</u>

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

Non-current assets

	As at 30 June 2025 HK\$'000	As at 31 December 2023 HK\$'000
Hong Kong	24,679	22,042
UAE	733	3,764
	<u>25,412</u>	<u>25,806</u>

The above non-current assets information is based on the locations of the assets and excluded the finance lease receivables and financial assets at FVTPL as at 30 June 2025 and 31 December 2023.

Transaction price allocated to the remaining performance obligations for contracts with customers

The project contracts are with an original expected duration of one year or less or contracts for which revenue is recognised at the amount to which that Group has the right to invoice for the services performed. Accordingly, the Group has elected the practical expedient and has not disclosed the amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at 30 June 2025 and 31 December 2023.

4. OTHER INCOME, GAINS AND LOSSES, NET

	Eighteen months ended 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Bank interest income	79	199
Fair value gains/(losses) on financial assets at FVTPL	12,561	(2,938)
Fair value losses/(gains) on investment properties	(2,303)	421
Gain on disposal of property, plant and equipment	169	6
Gain on disposal of subsidiaries, net	2,362	–
Interest income from finance lease receivables	1,506	1,512
Interest income from loan receivables	159	296
Royalty income from franchising	–	851
Rental income from investment properties	150	14
Consultancy income	–	801
Sundry income	2,091	1,545
	<u>16,774</u>	<u>2,707</u>

5. FINANCE COSTS

	Eighteen months ended 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Interest on bank and other borrowings	2,240	1,053
Interest on lease liabilities	1,772	1,797
	<u>4,012</u>	<u>2,850</u>

6. LOSS BEFORE INCOME TAX

Loss before income tax has been arrived at after charging/(crediting):

	Eighteen months ended 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Auditor's remuneration	1,000	1,000
Amortisation of intangible assets	21	15
Cost of inventories recognised as expenses	212,695	115,996
Depreciation of property, plant and equipment	2,531	4,343
Depreciation of right-of-use assets	5,033	3,398
Expenses related to short-term leases	11,323	4,363
Expenses relating to variable lease payments not included in the measurement of lease liabilities	218	606
Provision for/(reversal of) allowance for ECLs:		
— Contract assets	—	(840)
— Trade receivables	187	4,292
— Other receivables	928	6,200
	1,115	9,652
Impairment losses on non-financial assets:		
— Non-refundable deposit	4,000	—
— Property, plant and equipment	—	1,283
— Right-of-use assets	—	7,899
	4,000	9,182
Staff costs (including directors' emoluments)		
— Salaries, allowance and commission	89,166	69,532
— Retirement benefits scheme contributions	1,583	1,975
— Provision for long service payment ("LSP") and employees' end-of-service benefits (<i>Note 12</i>)	1,511	1,322
— Share-based payment expenses	35	—
Total staff costs	92,295	72,829
Provision for reinstatement costs for rented premises (<i>Note 12</i>)	—	240
Provision for inventories, net, included in cost of sales	3,939	355

7. INCOME TAX EXPENSE

	Eighteen months ended 30 June 2025 HK\$'000	Year ended 31 December 2023 HK\$'000
Hong Kong Profits Tax		
— Provision for the period/year	513	—
Deferred taxation	<u>—</u>	<u>69</u>
	<u>513</u>	<u>69</u>

8. LOSS PER SHARE

The calculation of the basic loss per share is based on loss for the period attributable to owners of the Company of approximately HK\$5,571,000 (year ended 31 December 2023: HK\$33,524,000) and the weighted average number of ordinary shares in issue of 274,252,665 (year ended 31 December 2023: 177,397,436 (restated)).

The weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share has been adjusted to take into effect the bonus elements on the rights issue (note 13(viii)) as if it had been effective on 1 January 2023.

The diluted loss per share for the eighteen months ended 30 June 2025 is the same with the basic loss per share since the conversion of the Company's outstanding share options would result in decrease in loss per share.

The diluted loss per share for the year ended 31 December 2023 was the same with the basic loss per share as there was no potential dilutive ordinary shares in issue during the year ended 31 December 2023.

9. FINANCIAL ASSETS AT FVTPL

	As at 30 June 2025 HK\$'000	As at 31 December 2023 HK\$'000
Non-current assets:		
Investment in an unlisted fund	—	3,000
Current assets:		
Investments in unlisted equity securities	20,000	—
Investment in listed equity securities in Hong Kong	206	—
	<u>20,206</u>	<u>—</u>
	<u>20,206</u>	<u>3,000</u>

10. TRADE AND OTHER RECEIVABLES

	As at 30 June 2025 HK\$'000	As at 31 December 2023 HK\$'000
Trade receivables, gross	30,092	40,414
Less: allowance for ECLs	(2,548)	(2,361)
Trade receivables, net	27,544	38,053
Other receivables	17,211	15,799
Trade deposits	4,477	23,021
Rental and other deposits	7,575	7,140
Prepayments	2,812	5,037
Staff advance	626	237
	32,701	51,234
Less: allowance for ECLs on other receivables	(4,787)	(3,859)
	27,914	47,375
	55,458	85,428

The ageing analysis of trade receivables, based on invoice date, which approximates the respective revenue recognition dates, and net of allowance for ECLs, is as follows:

	As at 30 June 2025 HK\$'000	As at 31 December 2023 HK\$'000
Within 1 month	21,906	27,751
More than 1 month but less than 3 months	2,441	7,686
More than 3 months but less than 12 months	2,591	2,505
More than 12 months	606	111
	27,544	38,053

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

11. TRADE AND OTHER PAYABLES

	As at 30 June 2025 HK\$'000	As at 31 December 2023 HK\$'000
Trade payables	2,768	8,365
Deposits received	4,504	2,806
Other payables	18,812	6,592
Accruals	3,575	9,271
	<u>29,659</u>	<u>27,034</u>

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

	As at 30 June 2025 HK\$'000	As at 31 December 2023 HK\$'000
Within 1 month	425	1,222
More than 1 month but less than 3 months	349	6,479
More than 3 months	1,994	664
	<u>2,768</u>	<u>8,365</u>

12. PROVISIONS

	LSP HK\$'000	Employees' end-of-service benefits HK\$'000	Reinstatement costs for rented premises HK\$'000	Total HK\$'000
At 1 January 2023	300	4,566	2,283	7,149
Provision made	–	1,322	502	1,824
Provision reversed	–	–	(262)	(262)
Provision utilised	–	(565)	–	(565)
Exchange realignment	–	4	–	4
At 31 December 2023 and 1 January 2024	<u>300</u>	<u>5,327</u>	<u>2,523</u>	<u>8,150</u>
Provision made	–	1,511	–	1,511
Provision utilised	(97)	(810)	–	(907)
Exchange realignment	–	10	–	10
At 30 June 2025	<u>203</u>	<u>6,038</u>	<u>2,523</u>	<u>8,764</u>

13. SHARE CAPITAL

	Notes	Number of shares	Each share	Amount HK\$'000
Authorised:				
At 1 January 2023		10,000,000,000	HK\$0.01	100,000
Share consolidation	(iii)	<u>(9,000,000,000)</u>	<u>N/A</u>	<u>N/A</u>
At 31 December 2023, 1 January 2024 and 30 June 2025		<u>1,000,000,000</u>	<u>HK\$0.1</u>	<u>100,000</u>
Issued and fully paid:				
At 1 January 2023		1,320,000,000	HK\$0.01	13,200
Issue of shares upon placing on 6 February 2023	(i)	264,000,000	HK\$0.01	2,640
Issue of shares upon placing on 27 July 2023	(ii)	230,700,000	HK\$0.01	2,307
Share consolidation	(iii)	<u>(1,633,230,000)</u>	<u>N/A</u>	<u>N/A</u>
Issue of shares upon placing on 13 September 2023	(iv)	<u>8,610,000</u>	<u>HK\$0.1</u>	<u>861</u>
At 31 December 2023 and 1 January 2024		190,080,000	HK\$0.1	19,008
Issue of shares upon placing on 2 February 2024	(v)	22,500,000	HK\$0.1	2,250
Issue of shares upon placing on 20 March 2024	(vi)	15,516,000	HK\$0.1	1,552
Issue of shares upon placing on 28 August 2024	(vii)	42,700,000	HK\$0.1	4,270
Issue of shares for the acquisition of a subsidiary		2,900,000	HK\$0.1	290
Issue of shares upon rights issue on 12 May 2025	(viii)	<u>136,843,500</u>	<u>HK\$0.1</u>	<u>13,684</u>
At 30 June 2025		<u>410,539,500</u>	<u>HK\$0.1</u>	<u>41,054</u>

Notes:

- (i) On 9 January 2023, 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 264,000,000 shares of the Company at a price of HK\$0.052 per each placing share. The above-mentioned placing has been completed on 6 February 2023, with issue of 264,000,000 shares of the Company at HK\$0.052 per each placing share with gross proceeds of HK\$13,728,000. The net proceeds of the above-mentioned placing was approximately HK\$13,452,000, net of directly attributable cost of approximately HK\$276,000. Approximately HK\$2,640,000 and HK\$10,812,000 were credited to share capital and share premium of the Company respectively upon the completion.

Details are set out in the Company's announcements dated 9 January 2023, 20 January 2023 and 6 February 2023.

- (ii) On 9 June 2023, 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 316,800,000 shares of the Company at a price of HK\$0.078 per each placing share. The above-mentioned placing has been completed on 27 July 2023, with issue of 230,700,000 shares of the Company at HK\$0.078 per each placing share with gross proceeds of HK\$17,995,000. The net proceeds of the above-mentioned placing was approximately HK\$17,635,000, net of directly attributable cost of approximately HK\$360,000. Approximately HK\$2,307,000 and HK\$15,328,000 were credited to share capital and share premium of the Company respectively upon the completion.

Details are set out in the Company's announcements dated 9 June 2023, 30 June 2023 and 27 July 2023.

- (iii) On 16 June 2023, the Directors proposed to implement the share consolidation on the basis that every ten issued and unissued shares of the Company of HK\$0.01 each would be consolidated into one consolidated share of the Company of HK\$0.1 each. The share consolidation was passed by ordinary resolution of the shareholder of the Company in an extraordinary general meeting on 26 July 2023 and became effective on 28 July 2023. Immediately after the completion of the share consolidation on 28 July 2023, the authorised share capital was changed from 10,000,000,000 shares of HK\$0.01 each to 1,000,000,000 shares of HK\$0.1 each while the issued share capital was changed from 1,814,700,000 shares of HK\$0.01 each to 181,470,000 shares of HK\$0.1 each.

Details are set out in the Company's announcements dated 16 June 2023, 10 July 2023 and 26 July 2023 and the Company's circular dated 10 July 2023.

- (iv) On 30 August 2023, 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 8,610,000 shares of the Company at a price of HK\$0.2 per each placing share. The above-mentioned placing has been completed on 13 September 2023, with issue of 8,610,000 shares of the Company at HK\$0.2 per each placing share with gross proceeds of HK\$1,722,000. The net proceeds of the above-mentioned placing was approximately HK\$1,687,000, net of directly attributable cost of approximately HK\$35,000. Approximately HK\$861,000 and HK\$826,000 were credited to share capital and share premium of the Company respectively upon the completion.

Details are set out in the Company's announcements dated 30 August 2023 and 13 September 2023.

- (v) On 17 January 2024, 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 38,016,000 shares of the Company at a price of HK\$0.21 per each placing share. The above-mentioned placing has been completed on 2 February 2024, with issue of 22,500,000 shares of the Company of HK\$0.21 per each placing share with gross proceeds of HK\$4,725,000. The net proceeds of the above-mentioned placing was approximately HK\$4,630,000, net of directly attributable cost of approximately HK\$95,000. Approximately HK\$2,250,000 and HK\$2,380,000 were credited to share capital and share premium of the Company respectively upon the completion.

Details are set out in the Company's announcements dated 17 January 2024 and 2 February 2024.

- (vi) On 4 March 2024, 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 15,516,000 shares of the Company at a price of HK\$0.21 per each placing share. The above-mentioned placing has been completed on 20 March 2024, with issue of 15,516,000 shares of the Company of HK\$0.21 per each placing share with gross proceeds of approximately HK\$3,258,000. The net proceeds of the above-mentioned placing was approximately HK\$3,209,000, net of directly attributable cost of approximately HK\$49,000. Approximately HK\$1,552,000 and HK\$1,657,000 were credited to share capital and share premium of the Company respectively upon the completion.

Details are set out in the Company's announcements dated 4 March 2024 and 20 March 2024.

- (vii) On 8 August 2024, 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 shares of the Company at a price of HK\$0.165 per each placing share. The above-mentioned placing has been completed on 28 August 2024, with issue of 42,700,000 shares of the Company of HK\$0.165 per each placing share with gross proceeds of approximately HK\$7,046,000. The net proceeds of the above-mentioned placing was approximately HK\$6,905,000, net of directly attributable cost of approximately HK\$141,000. Approximately HK\$4,270,000 and HK\$2,635,000 were credited to share capital and share premium of the Company respectively upon the completion.

Details are set out in the Company's announcements dated 8 August 2024, 12 August 2024 and 28 August 2024.

- (viii) On 19 March 2025, the directors of the Company proposed to implement a rights issue on the basis of one rights share for every two shares of the Company at the subscription price of HK\$0.1 per each rights share. 136,848,000 rights shares would be issued with gross proceeds of approximately HK\$13,685,000. On 6 May 2025, a total of 53,493,500 rights shares have been received while among 83,354,500 unsubscribed rights shares, 83,350,000 unsubscribed rights shares were placed to independent placees. A total of 136,843,500 shares of the Company have been issued upon the completion of the rights issue on 12 May 2025, with gross proceeds of approximately HK\$13,684,000. The net proceeds of the rights issue was approximately HK\$13,580,000, net of directly attributable cost of approximately HK\$104,000. Approximately HK\$13,684,000 was credited to share capital while approximately HK\$104,000 was debited to share premium of the Company upon the completion.

Details are set out in the Company's announcements dated 19 March 2025, 25 April 2025 and 12 May 2025 and the Company's prospectus dated 8 April 2025.

14. DIVIDEND

No dividend was paid or proposed during the eighteen months ended 30 June 2025, nor has any dividend been proposed since the end of the reporting period (year ended 31 December 2023: nil).

15. EVENT AFTER THE REPORTING PERIOD

On 15 August 2025, the Directors proposed the change of the name of the Company from Pacific Legend Group Limited to Zhongjin Group Holdings Limited and the adoption of the Chinese name as 中經集團控股有限公司 as the secondary name of the Company (the “**Proposed Changes**”). The Proposed Changes are subject to the passing of a special resolution by the shareholders of the Company and the approval granted from the Registrar of Companies in the Cayman Islands. At the date of approval of this annual results announcement, the Proposed Changes are not effective.

Details are set out in the Company’s announcement dated 15 August 2025.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Outlook

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, wholesales 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).

For the eighteen months ended 30 June 2025, the second-hand property market in Hong Kong remained weak due to the continuous change in demography and economic downturn in the last few years. In addition, the general decrease in market sentiment in consumption in Hong Kong 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 affected. The Group strategically shifted the focus on Projects business in both Hong Kong and the UAE.

For the eighteen months ended 30 June 2025, the Group’s revenue increased by approximately 53.0% to approximately HK\$383.5 million for the Reporting Period from approximately HK\$250.6 million for the year ended 31 December 2023. The increase was mainly attributable to the revenue from Furniture Sales, Projects and Furniture Rental. The Group’s gross profit increased to approximately HK\$159.4 million for the Reporting Period from approximately HK\$127.1 million for the Corresponding Period, representing an increase of approximately 25.4%. The Group’s gross profit margin decreased from approximately 50.7% for the year ended 31 December 2023 to approximately 41.6% for the Reporting Period as a result of (i) the increase in revenue from Projects which we charged a lower gross profit margin to a large-scale and renowned property developer in Hong Kong; (ii) offering discounts on the retail sales; and (iii) the increase in the cost of sales. The Group recorded a loss attributable to the owners of the Company of approximately HK\$5.6 million for the Reporting Period (Corresponding Period: approximately HK\$33.5 million) as a result of (i) the increase in gross profit; (ii) the increase in fair value gain on an investment in an unlisted equity securities of a group company; and (iii) the decrease in provision for allowance of expected credit losses and impairment losses on non-financial assets in Reporting Period.

The Company has completed three placings of new shares on 2 February 2024, 30 March 2024 and 28 August 2024. The Company raised net proceeds of approximately HK\$4.6 million, HK\$3.2 million and HK\$6.9 million (after deduction of commission and other expenses of the placings), respectively from these placings. The Company also issued 22,500,000, 15,516,000 and 42,700,000 shares, respectively.

On 12 May 2025, the Company completed the rights issue (“**May 2025 Rights Issue**”) and raised net proceeds of approximately HK\$13.6 million (after deducting all necessary costs and expenses).

Outlook

We are still operating within a challenging environment globally as the economy still continues to recover slowly as affected by the rising inflation in various regions, the US-China trade war and the downward pressure on the global economy. For the retail business of the Group in Hong Kong, the Group will manage the cash flow in a prudent manner, strive to improve cost efficiency, diversify financing channels, balance risks and lower operating costs. As such, the Group may consider not renewing the leases of the current retail stores and will reconsider prudently the new locations of the current retail stores.

The Hong Kong government has announced to cancel all demand-side management measures for residential properties including special stamp duty, buyer’s stamp duty or new residential stamp duty with effect from 28 February 2024 and plans to develop more private homes in northern part of Hong Kong, according to the Policy Address 2025 issued in September 2025, the Group expects that there will be a general increase in demand for renovation of the residential properties in future and it is believed that more Hong Kong residential property owners or tenants will seek to decorate, refit or renovate their properties. The Group will continue to work with the property developers and introduce more furniture packages for first-hand residential flats buyers, and the Group will expect a potential growth in demand for its Projects businesses in UAE and Hong Kong in the coming years. The Group shall seek and seize opportunities to further expand its businesses by way of organic growth of our existing businesses or acquisition of suitable company(ies) when the suitable opportunity arises.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Reporting Period was approximately HK\$383.5 million, representing an increase of approximately HK\$132.9 million or 53.0% as compared with that of approximately HK\$250.6 million for Corresponding Period. Such increase was mainly attributable to the increase in revenue from Furniture Sales, Projects and Furniture Rental.

The following table sets forth a breakdown of the Group's revenue by business segments for the eighteen months ended 30 June 2025 and the year ended 31 December 2023:

Revenue by business segments	For the eighteen months ended 30 June 2025		For the year ended 31 December 2023	
	HK\$'000	%	HK\$'000	%
Furniture Sales	169,354	44.2	130,888	52.2
Furniture Rental	33,421	8.7	25,258	10.1
Projects	180,702	47.1	94,420	37.7
Total	383,477	100.0	250,566	100.0

Furniture Sales

The revenue derived from the Furniture Sales increased by approximately HK\$38.5 million or 29.4% from approximately HK\$130.9 million in the Corresponding Period to approximately HK\$169.4 million during the Reporting Period. The increase was mainly attributable to (i) the increase of the sale of home furnitures for residential properties in Dubai for local property owners to improve their living environment and the increase of the sales of furnitures sold to large-scale property developers in Hong Kong for their showflats; (ii) the increase of sales of accessories such as sales of fuel products to wholesale customers in Hong Kong; and (iii) the increase in retail sales in Dubai and Hong Kong by implementing competitive pricing strategies to the customers to boost up the sales.

Furniture Rental

The Group's revenue from the Furniture Rental increased by approximately HK\$8.2 million or 32.4% from approximately HK\$25.3 million in the Corresponding Period to approximately HK\$33.4 million in the Reporting Period. Such growth was mainly attributable to that additional six-months rental income was generated during the Reporting Period as compared to the Corresponding Period.

Projects

The Group's revenue from Projects increased significantly by approximately 91.4% from approximately HK\$94.4 million in the Corresponding Period to approximately HK\$180.7 million in the Reporting Period. Such increase was mainly attributable to the completion of three major projects for the relatively new residential properties in Tuen Mun, Yuen Long and Taipo in Hong Kong for a renowned property developer in Hong Kong, which contributed to the growth of this segment revenue in the Reporting Period.

Gross profit

The Group's gross profit margins for our three lines of business varied principally as a result of the composition of the revenues of our Furniture Sales, Furniture Rental and Projects, changing conditions of the markets and their effects on product pricing, product mix and our cost of sales.

The gross profit of the Group increased by approximately HK\$32.3 million or 25.4% from approximately HK\$127.1 million in the Corresponding Period to approximately HK\$159.4 million in Reporting Period, which was in line with the revenue growth. The Group recorded a decrease in overall gross profit margin by approximately 9.1% from approximately 50.7% in the Corresponding Period to approximately 41.6% in Reporting Period, primarily due to the (i) significant increase in relative proportion of revenue from Projects in Reporting Period, which entailed generally a lower profit margin as the Group charged lower gross profit margins for three projects to a renowned property developer in Hong Kong; (ii) offering promotion discounts on Furniture Sales in Hong Kong and Dubai to increase the retail sales; and (iii) the increase in the cost of sales primarily due to the increase in freight costs, purchase costs and written-off of obsolete inventories.

Other income, gains and losses

For the Reporting Period, the Group's other income, gains and losses, net mainly comprised of the gain on disposal of subsidiaries, interest income from finance leases receivables, fair value losses on investment properties, fair value gains on financial assets at FVTPL and sundry income, etc. Such amount increased by approximately HK\$14.1 million or 522.2% from approximately HK\$2.7 million in the Corresponding Period to approximately HK\$16.8 million in Reporting Period, mainly attributable to the increase in the fair value gains on the financial assets at FVTPL, which represented an increased fair value gain on the investment on the equity securities of a group company which seeks a listing in Nasdaq. As the financial results of this group company was further enhanced in the recent financial year, the Group recorded a significant fair value gain on this investment of approximately HK\$16 million during the Reporting Period, which was partially offset by the full impairment of an investment in an unlisted fund and the fair value loss on the investment properties.

Selling and distribution expenses

The Group's selling and distribution expenses mainly comprised of staff costs of its sales teams, staff commission, advertising and promotion, freight outwards, credit card commission, agency fees and others, etc. The Group's selling and distribution expenses increased by approximately HK\$17.5 million or 34.4% from approximately HK\$50.9 million in the Corresponding Period to approximately HK\$68.4 million in the Reporting Period. This increase was mainly attributable to the higher commissions fees to the sales persons derived from Projects and the basic salaries of the salespersons in the Reporting Period.

Administrative and other operating expenses

The Group's administrative and other operating expenses mainly comprised of travelling costs, audit fee, legal and professional fee, warehouse expenses, provision for bad debts and repairs and maintenance expenses, depreciation of right-of-use assets, rent and rates and legal professional fee, etc. Such expenses increased by approximately HK\$11.9 million or 12.8% from approximately HK\$93.1 million in the Corresponding Period to approximately HK\$105.0 million in the Reporting Period. Such increase was mainly primarily attributable to the increase in the rent and rates and depreciation of right-of-use assets resulting from the three new rental contracts for retail stores and two new rental contracts for offices as well as the increase in legal professional fees due to conducting more corporate activities such as placing and right issues in the Reporting Period.

Impairment losses

Same as the Corresponding Period, the Group's management identified certain retail stores and business units which under-performed and estimated the recoverable amounts of non-current assets (namely right-of-use assets and property, plant and equipment) attributable or allocated to these stores and business units based on their values-in-use as calculated in accordance with Hong Kong Accounting Standard 36 "Impairment of Assets" and compared to the carrying value of such assets. The impairment loss of these assets for the Reporting Period amounted to approximately HK\$4.0 million (Corresponding Period: HK\$9.2 million). The Group recorded a decrease in impairment losses in the Reporting Period as the Group made sufficient impairment allowances on certain right-of-use assets and property, plant and equipment in the Corresponding Period. In the Reporting Period, the Group further made a full provision for impairment allowances on the non-refundable deposit for the joint venture during the Reporting Period, given in the opinion of the directors of the Company, the recoverability of the non-refundable deposit was remote and the impairment loss of non-refundable deposit was approximately HK\$4.0 million.

Provision of loss allowance for trade receivables

The Group recognised loss allowances for trade receivables based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, ageing of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions.

For the Reporting Period, the Group recorded an impairment loss of approximately HK\$1.1 million (Corresponding Period: an impairment loss of approximately HK\$9.7 million) on the trade and other receivables as a result of improved recoverability of trade receivables during the Reporting Period.

Finance costs

The Group recorded an increase in finance costs from approximately HK\$2.9 million in Corresponding Period to approximately HK\$4.0 million in Reporting Period, primarily due to the increase in bank loans in the Reporting Period for financing the operation in Hong Kong and UAE.

Loss for the year

As a result of the foregoing, the loss after tax of the Group for the Reporting Period amounted to approximately HK\$5.2 million (Corresponding Period: approximately HK\$35.9 million).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

The Group has funded our operations primarily through net cash flow generated from our operations. The primary uses of cash have been, and are expected to continue to be, operational costs and capital expenditures for business expansion. The Group also uses the banking facilities, right issues in May 2025, the funds from the proceeds from the share offer upon the Company's share listing on the Stock Exchange on 18 July 2018 (the "**Listing**") and the proceeds from the placing of new shares of the Company on 2 February 2024, 30 March 2024 and 28 August 2024 (the "**Placing**") for implementing its future plans and support the operation.

The Group had cash and cash equivalents of approximately HK\$4.9 million as at 30 June 2025 (31 December 2023: approximately 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 2025, the Group had total interest-bearing bank borrowings and other borrowings of approximately HK\$18.6 million (31 December 2023: HK\$11.6 million). The borrowings of the Group were denominated in United Arab Emirates Dirham ("AED"), Hong Kong dollars and Renminbi as at 30 June 2025 (31 December 2023: Hong Kong dollars ("HK\$") and AED).

The Group's current ratio, being the ratio of current assets to current liabilities, was approximately 1.6 times as at 30 June 2025 (31 December 2023: approximately 1.2 times). The increase was mainly due to (i) the increase in financial assets through FVTPL due to the increase in fair value gain on the investment on the equity securities of a group company which seeks listing in Nasdaq; and (ii) the decrease in contact liabilities as a result of the recognition of contract liabilities as revenue since three major projects were completed during the Reporting Period.

GEARING RATIO

The Group monitors capital using a gearing ratio, which is the Group's total debts (interest-bearing bank borrowings 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 2025 was approximately 30.7% (31 December 2023: approximately 30.1%).

PLEDGE OF ASSETS

The Group did not have any pledge of assets as at 30 June 2025 (31 December 2023: nil).

FOREIGN EXCHANGE EXPOSURE

The Group's sales and direct costs were primarily denominated in the functional currency of the operations to which the transactions are related. The Group's several subsidiaries have trade and other receivables and cash and cash equivalents which are mainly denominated HK\$ and AED at the end of the reporting period.

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 2025 and 31 December 2023, the Group did not have any material capital commitments.

SIGNIFICANT INVESTMENT HELD

Financial assets through FVTPL

On 9 October 2023 (after trading hours), GPD Investment Company Limited, a wholly-owned subsidiary of the Company, entered into a subscription agreement dated 9 October 2023 with the MPJS Group Limited (the “**MPJS Group**”), pursuant to which GPD Investment Company Limited agreed to subscribe for, and MPJS Group agreed to allot and issue to GPD Investment Company Limited, 67 new ordinary shares of the MPJS Group the aggregate subscription price of HK\$4,000,000. Upon completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement, GPD Investment Company Limited will hold a total of 67 ordinary shares of the MPJS Group, representing approximately 6.7% of the entire share capital of the MPJS Group. On March 17, 2025, MPJS Group issued 28,499,000 Ordinary Shares to the existing shareholders pro rata. Upon the completion of share issuance, GPD Investment Company Limited held 1,909,500 ordinary shares of MPJS Group.

On 30 April 2025 (after trading hours), MPJS Group and GPD Investment Company Limited (the “**Subscriber**”), a wholly-owned subsidiary of the Company, entered into a supplemental deed to amend and modify certain terms of the subscription agreement, pursuant to which the MPJS Group and the Subscriber agreed to (i) extend the put option granted to the Subscriber to cover all shares beneficially owned by the Subscriber at the time the Subscriber exercises the put option; and (ii) in the event that MPJS Group successfully completes its proposed listing, the Subscriber shall not sell, transfer or otherwise dispose of any shares or similar securities in MPJS Group for a period of six (6) months following the execution of the underwriting agreement relating to the proposed listing without the prior written consent of the representatives of the underwriters.

The fair value of MPJS Group was HK\$20 million as at 30 June 2025, representing approximately 14.7% of the Group’s total assets as at 30 June 2025. Accordingly, the Group recorded an unrealised fair value gain on financial assets through FVTPL of HK\$16.0 million for the eighteen months ended 30 June 2025. The Company did not receive any dividend from MPJS Group during the Reporting Period.

MPJS is a holding company established under the laws of the BVI in September 2023 and its operating subsidiaries are jewelry retailers based in Hong Kong. MPJS Group has filed a submission for application for listing in Nasdaq in April 2025.

The Group has continued to seek and seize opportunities to further expand its businesses by way of organic growth of our existing businesses or acquisition of suitable company(ies) when the suitable opportunity arises. The investment of MPJS Group was one of investments of the Group, which is in line with the corporate strategies of the Group.

For details, please refer to the Company's announcements dated 9 October 2023 and 2 May 2025.

As at 30 June 2025, the Group's interests in associates amounted to approximately HK\$19.7 million (31 December 2023: approximately HK\$13.5 million).

CONTINGENT LIABILITIES

As at 30 June 2025 and 31 December 2023, the Group had no significant contingent liabilities.

CORPORATE GOVERNANCE PRACTICES

The Board is committed to establishing and ensuring high standards of corporate governance and adopt sound corporate governance practices on the basis of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix C1 to the GEM Listing Rules. The Board recognizes that good governance is vital for the long-term success and sustainability of our businesses.

This Corporate Governance Report is presented for the Reporting Period. The Directors consider that the Company has complied with all the code provisions set out in the CG Code during the Reporting Period.

The Board will continue to review the effectiveness of the corporate governance structure of the Group in order to assess whether separation of the roles of Chairperson and CEO is necessary. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review its corporate governance practices from time to time to ensure they comply with the statutory requirements and regulations and the CG Code and align with the latest developments.

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 confirmed that they had complied with the Required Standard of Dealings throughout the Reporting Period, 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 the Reporting Period.

EMPLOYEE AND EMOLUMENT POLICIES

As at 30 June 2025, the employee headcount (including executive Directors) of the Group was 90 (31 December 2023: 151) and the total staff costs, including share-based payments and sales commission (including Directors' emoluments) amounted to approximately HK\$92.3 million in the Reporting Period (Corresponding Period: approximately HK\$72.8 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, having regard to the Company's operating results, market competitiveness, individual performance and achievement.

The Group participates in a Mandatory Provident Fund Scheme (the “**MPF Scheme**”) under rules and regulations of Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the laws of Hong Kong) (the “**MPF Ordinance**”) for all of its employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Schemes Authority under the MPF Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rules of the MPF Scheme, contributions are made based on a percentage of the participating employees' relevant income from the Group and are charged to the profit or loss as they become payable. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. When an employee leaves the MPF Scheme, the mandatory contributions are fully vested with the employee.

The employees of the Group in the People's Republic of China (excluding Hong Kong and Macao) (the “**PRC**”) are members of a state-managed retirement benefits scheme operated by the PRC government. The Group is required to contribute a specified percentage of payroll costs as determined by respective local government authority to the retirement benefits scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefits scheme is to make the specified contributions under the scheme.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the eighteen months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's securities.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms which are the same as the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company periodically issues notices to the Directors reminding them of the general prohibition on dealing in the Company's listed securities during the blackout periods before the publication of announcements of financial results. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the required standards of dealings throughout the Reporting Period. The Company was not aware of any non-compliance during the Reporting Period.

EVENTS AFTER THE REPORTING PERIOD

On 15 August 2025, the Board proposes to change the English name of the Company from “Pacific Legend Group Limited” to “Zhongjin Group Holdings Limited”, and to adopt the Chinese name “中緡集團控股有限公司” as the secondary name of the Company (the “**Proposed Change of Company Name**”) subject to the following conditions:

- 1) the passing of a special resolution by the shareholders of the Company approving the Proposed Change of Company Name at an extraordinary general meeting of the Company; and
- 2) the Registrar of Companies in Cayman Islands granting approval for the Proposed Change of Company Name.

On 29 August 2025 (after trading hours), 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 82,107,900 placing shares, to not less than six placees who and whose ultimate beneficial owners shall be independent third parties at a price of HK\$0.468 per placing Share. However, on 18 September 2025, the Board announces that as the conditions precedent set out in the placing agreement were not fulfilled on or before 18 September 2025, the placing agreement has lapsed and the placing will not proceed. All obligations of the placing agent and of the Company hereunder shall cease and determine and none of the parties shall have any claim against the other in relation to the placing agreement.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with Rule 5.29 of the GEM Listing Rules and paragraph C.3.3 of the CG Code pursuant to a resolution of the Directors passed on 19 June 2018. The primary duties of the Audit Committee are, among other things, to make recommendations to the Board on the appointment, reappointment and removal of external auditors, review the financial statements and provide advice in respect of financial reporting, oversee our financial reporting process, internal control, risk management systems and audit process, and perform other duties and responsibilities assigned by the Board.

The Audit Committee comprises Mr. SO Alan Wai Shing (chairman), Mr. LEE Kwong Ming and Mr. CHAN Kin Sun, all being independent non-executive Directors.

The Audit Committee held four meetings during the Reporting Period for the purposes of, among other things, that reviewed the financial results for the year ended 31 December 2023 and the interim and second interim financial results for 2024 before submission to the Board. The Audit Committee has also reviewed with the management the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including review of the financial results and the consolidated financial statements of the Group for the Reporting Period and recommended improvements.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group's consolidated statement of financial position as at 30 June 2025, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the eighteen months ended 30 June 2025 as set out in this announcement have been agreed by Jon Gepsom CPA Limited ("**Jon Gepsom**") to the amounts set out in the Group's consolidated financial statements for the period. The work to be performed by Jon Gepsom in this respect does not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance would be expressed by Jon Gepsom.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This results announcement is available for viewing on the websites of the Stock Exchange at www.hkexnews.hk and of the Company at www.pacificlegendgroup.com respectively. The annual report of the Company for the eighteen months ended 30 June 2025 containing the information required by the GEM Listing Rules and the applicable laws will be dispatched to the shareholders of the Company in due course.

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

Hong Kong, 25 September 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 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.