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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 results of the Company and its subsidiaries (collectively the “**Group**”), the Group is expected that its consolidated results would record a loss (before Listing expenses) attributable to owners of the Company for the year ended 31 December 2018 as compared to a profit of approximately HK\$3,123,000 for the year ended 31 December 2017 (which was after Listing expenses of HK\$6,556,000).

The deterioration of the Group’s performance for the year ended 31 December 2018 was mainly attributable to (i) the decline in retail sales revenue in Hong Kong and Dubai after taking into account the revenue generated from new stores opened in the year in an increasingly competitive retail market; (ii) certain one-off projects from corporate sales were completed in 2017, which partly accounted for the decrease in furniture sales in Hong Kong; (iii) the fall in revenue from the rental of home furniture and accessories business as a result of completion of the lease period of the rental contracts; (iv) an increase in selling and administrative expenses, principally with, (a) an increase in staff cost including additional headcounts for sales and for meeting post Listing obligations, as well as employee incentives upon listing including share options; and (b) rental expenses.

The Company is still in the process of finalising the annual results of the Group. The information contained in this announcement is only based on the preliminary assessment by the Board according to the estimated annual results of the Group and, therefore, the audited annual results may differ from the information contained in this announcement. Details of the annual results will be published by the end of March 2019.

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
Pacific Legend Group Limited
Tracy-Ann Fitzpatrick
*Executive Director,
Vice Chairperson and
Chief Executive Officer*

Hong Kong, 18 February 2019

As at the date of this announcement, the Board comprises Mr. John Warren McLennan, Ms. Tracy-Ann Fitzpatrick and Ms. Mok Lai Yin Fiona as executive Directors, Mrs. Jennifer Carver McLennan as non-executive Director, and Ms. Li Yan Yan, Ms. Elaine June Cheung and Mr. Roderick Donald Nichol 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.