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**PACIFIC LEGEND GROUP LIMITED**

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

**(Stock Code: 8547)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
(A) RENEWAL OF A TENANCY  
OF THE GROUP’S PRINCIPAL OFFICE AND  
(B) A TENANCY OF A NEW RETAIL STORE AT DHM**

On 29 April 2022, (a) Indigo HK as tenant entered into the Principal Office Lease Offer Letter with HKCMC as landlord in relation to the renewal of the tenancy of the Group’s Principal Office in Hong Kong; and (b) Indigo Dubai as tenant entered into the DHM Lease Offer Letter with DHER as landlord in relation to the tenancy of a new retail store in DHM in Dubai, UAE.

In accordance with HKFRS 16 “Leases”, the Group will recognise the respective values of the right-of-use assets on its consolidated statement of financial position in connection with the leasing of the Principal Office and DHM. Accordingly, the leasing transactions under the Principal Office Lease Offer Letter and DHM Lease Offer Letter will be regarded as acquisition of assets by the Group for the purpose of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the respective values of each of the right-of-use assets of (a) the Principal Office under the Principal Office Lease Offer Letter and (b) DHM under DHM Lease Offer Letter both exceed 5% but are less than 25%, the leasing transactions contemplated thereunder constitutes discloseable transactions of the Company and are subject to the announcement requirement but exempt from Shareholders’ approval requirement of the Company under Chapter 19 of the GEM Listing Rules.

**(A) THE PRINCIPAL OFFICE LEASE OFFER LETTER DATED 29 APRIL 2022**

On 29 April 2022, Indigo HK as tenant entered into the Principal Office Lease Offer Letter with HKCMC as landlord in relation to the renewal of the tenancy of the Group’s Principal Office in Hong Kong.

Landlord:	HKCMC
Tenant:	Indigo HK
Address of the Principal Office:	Units 1202-04, Level 12, 100 Cyberport 2, 100 Cyberport Road, Hong Kong
Principal Office Lease Term:	3 years commencing from 14 May 2022 to 13 May 2025 (both days inclusive)
Usage:	Office
Principal Office Total Rental:	Approximately HK\$6,291,000, being the total rent of the fixed period of the Principal Office Lease Term as agreed by HKCMC and Indigo HK under the Principal Office Lease Offer Letter (exclusive of management fees)

### **The right-of-use asset under the Principal Office Lease Offer Letter**

The unaudited value of the right-of-use asset to be recognised by the Group under the Principal Office Lease Offer Letter amounted to approximately HK\$5,972,000, which is the present value of Principal Office Total Rental to be paid by Indigo HK at the inception of the tenancy under the Principal Office Lease Offer Letter in accordance with HKFRS 16. Discount rate of approximately 3.5% is applied to compute the present value of Principal Office Total Rental under the Principal Office Lease Offer Letter.

### **Reason and benefits for the Principal Office Lease Offer Letter**

The Company is an investment holding company and its subsidiaries (including Indigo HK and Indigo Dubai) are principally engaged in (i) sale and rental of home furniture and accessories; and (ii) project and hospitality services. Indigo HK has been leasing the Principal Office since May 2013 and, as of the date of this announcement, Indigo HK has leases from the HKCMC in respect of the Indigo HK's two retail stores at the nearby the Arcade@Cyberport. The location of the Principal Office is also close to Indigo HK other stores located on the Hong Kong Island. The Company considers that the Principal Office's close proximity to these Indigo HK stores would provide better support to Indigo HK's retail stores network.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, HKCMC is a property investment company incorporated in Hong Kong with limited liability and an Independent Third Party.

The Principal Office Total Rental is arrived at arm's length negotiation with reference to the prevailing market rental of similar offices in the nearby locations. The Principal Office Total Rental will be settled over the Principal Office Lease Term on monthly instalments out of the internal financial resources of the Group. The Directors believed that the terms and conditions of the Principal Office Lease Offer Letter are fair and reasonable and the transaction is on normal commercial terms, in the ordinary and usual course of business and in the interests of the Company and its Shareholders as a whole.

### **(B) DHM LEASE OFFER LETTER DATED 29 APRIL 2022**

On 29 April 2022, Indigo Dubai as tenant entered into the DHM Lease Offer Letter with DHER as landlord in relation to the tenancy for a new retail store in DHM in Dubai, UAE.

Landlord:	DHER
Tenant:	Indigo Dubai
Address of the DHM:	Unit DHM-GF-214, The Dubai Hills Mall, Dubai Hills Estate, Dubai, UAE
DHM Lease Term:	3 years commencing from 18 October 2022 to 17 October 2025 (both days inclusive)
Usage:	Retail store
DHM Lease Total Rental:	Approximately HK\$5,840,000, being the total rent of the fixed period of the DHM Lease Term as agreed by DHER and Indigo Dubai under the DHM Lease Offer Letter (exclusive of management fees)

### **The Right-of-use asset under DHM Lease Offer Letter**

The unaudited value of the right-of-use asset to be recognised by the Group under the DHM Lease Offer Letter amounted to approximately HK\$5,561,000, which is the present value of DHM Lease Total Rental to be paid and estimated reinstatement costs by Indigo Dubai at the inception of the tenancy under the DHM Lease Offer Letter in accordance with HKFRS 16. Discount rate of 5.0% is applied to compute the present value of DHM Lease Total Rental under the DHM Lease Offer Letter.

### **Reasons and benefits for the DHM Lease Offer Letter**

As disclosed above, Indigo Dubai is principally engaged in (i) sale and rental of home furniture and accessories; and (ii) project and hospitality services. Indigo Dubai currently has two retail stores, one located in a residential district and another at Sheikh Zayed Road, the main artery of the city of Dubai. The acceptance of DHM Lease Offer Letter will diversify Indigo Dubai's portfolio of retail stores by adding a retail mall location in Dubai, which should deliver higher sales density and bring positive contribution to Indigo Dubai's retail sales performance.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, DHER is a property investment company incorporated in the UAE with limited liability and an Independent Third Party.

The DHM Lease Total Rental is arrived at arm's length negotiation with reference to the prevailing market rental of similar retail spaces in the nearby locations. The DHM Lease Total Rental will be settled over the DHM Lease Term on quarterly instalments out of the internal financial resources of the Group. The Directors believed that the terms and conditions of the DHM Lease Offer Letter are fair and reasonable and the transaction is on normal commercial terms, in the ordinary and usual course of business and in the interests of the Company and its Shareholders as a whole.

### **GEM LISTING RULES IMPLICATIONS**

In accordance with HKFRS 16 "Leases" (effective from 1 January 2019), the Group will recognise the respective values of the right-of-use assets on its consolidated statement of financial position in connection with the leasing of the Principal Office and DHM. Accordingly, the leasing transactions under the Principal Office Lease Offer Letter and DHM Lease Office Letter will be regarded as acquisition of assets by the Group for the purpose of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the respective values of each of the right-of-use assets of (a) the Principal Office under the Principal Office Lease Offer Letter and (b) DHM under the DHM Lease Offer Letter both exceed 5% but are less than 25%, the leasing transactions contemplated thereunder constitutes discloseable transactions of the Company and are subject to the announcement requirement but exempt from Shareholders' approval requirement of the Company under Chapter 19 of the GEM Listing Rules.

### **TERMS USED IN THIS ANNOUNCEMENT**

"Board" or "Director(s)"	the board of directors of the Company
"Company"	Pacific Legend Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM

“DHER”	Dubai Hills Estate Retail LLC, a company incorporated in the UAE with limited liability and an Independent Third Party
“DHM”	Unit DHM-GF-214, The Dubai Hills Mall, Dubai Hills Estate, Dubai, UAE
“DHM Lease Offer Letter”	the offer letter entered into on 29 April 2022 between Indigo Dubai as tenant and DHER as landlord in relation to a new tenancy of the DHM
“DHM Lease Term”	3 years from 18 October 2022 to 17 October 2025 (both days inclusive)
“DHM Lease Total Rental”	Approximately HK\$5,840,000, being the total rent of the fixed period of the DHM Lease Term as agreed by DHER and Indigo Dubai under the DHM Lease Offer Letter (exclusive of management fees)
“GEM”	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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKCMC”	Hong Kong Cyberport Management Company Limited, a company incorporated in Hong Kong with limited liability and an Independent Third Party
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
“Indigo Dubai”	Indigo Living LLC, a company incorporated in the UAE with limited liability and an indirectly wholly-owned subsidiary of the Company
“Indigo HK”	Indigo Living Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Principal Office”	Units 1202-04, Level 12, Cyberport 2, 100 Cyberport Road, Hong Kong

“Principal Office Lease Offer Letter”	the offer letter entered into on 29 April 2022 between Indigo HK as tenant and HKCMC as landlord in relation to renewal of the tenancy of the Principal Office
“Principal Office Lease Term”	3 years from 14 May 2022 to 13 May 2025 (both days inclusive)
“Principal Office Total Rental”	approximately HK\$6,291,000, being the total rent of the fixed period of the Principal Office Lease Term between the Landlord and Indigo HK under the Principal Office Lease Offer Letter (exclusive of management fees)
“Shareholders”	holder(s) of the ordinary shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“UAE”	United Arab Emirates
“%”	per cent

By order of the Board  
**Pacific Legend Group Limited**  
**John Warren McLennan**  
*Executive Director,  
Chairman and  
Chief Executive Officer*

Hong Kong, 29 April 2022

*As at the date of this announcement, the Board comprises Mr. John Warren McLennan, Ms. Mok Lai Yin Fiona, Mr. So Kin Ting Wilson and Mr. Zheng Tianzhi as executive Directors, Mrs. Jennifer Carver McLennan as non-executive Director, and Mr. Roderick Donald Nichol, Ms. Lale Kesebi, Mr. So Alan Wai Shing, Mr. Lee Kwong Ming and Mr. Lee Fung Lun 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](http://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](http://www.pacificlegendgroup.com).*