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PACIFIC LEGEND GROUP LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8547)

DISCLOSEABLE TRANSACTION IN RELATION TO RENEWAL OF A LEASE OF AWR AS INDIGO DUBAI OFFICE AND RETAIL STORE

On 31 March 2023, Indigo Dubai as lessee entered into the AWR Lease Offer Letter with Better Homes L.L.C. as lessor (acting on behalf of R.S.M.B. Holdings L.L.C. as the owner of AWR) in relation to the renewal of the lease of AWR as Indigo Dubai’s office and a retail store located in Dubai, UAE.

In accordance with HKFRS 16 “Leases”, the Group will recognise the value of the right-of-use assets on its consolidated statement of financial position in connection with the leasing of the AWR. Accordingly, the leasing transaction under AWR 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 value of the right-of-use assets of AWR under AWR Lease Offer Letter exceed 5% but are less than 25%, the leasing transaction contemplated thereunder constitutes discloseable transaction 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.

AWR LEASE OFFER LETTER DATED 31 MARCH 2023

On 31 March 2023, Indigo Dubai as tenant entered into the AWR Lease Offer Letter with Better Homes L.L.C. as lessor (acting on behalf of R.S.M.B. Holdings L.L.C. as the owner of AWR) in relation to the renewal of tenancy of Indigo Dubai’s office and a retail store located at AWR in Dubai, UAE.

Owner:	R.S.M.B. Holdings L.L.C.
Lessor:	Better Homes L.L.C., acting on behalf of the Owner
Lessee:	Indigo Dubai
Address of the AWR:	RSMB Villas 10 and 11, Um Suqaim Third, Al Wasl Road, Dubai, United Arab Emirates
AWR Lease Term:	3 years commencing from 1 May 2023 to 30 April 2026 (both days inclusive), including a break clause after the completion of the first year of the lease
Usage:	Retail store and Indigo Dubai office
AWR Lease Total Rental:	AED4,200,000 (approximately HK\$8,977,000), being the total rent of the whole AWR Lease Term as agreed between Better Homes L.L.C. and Indigo Dubai under the AWR Lease Offer Letter (exclusive of management fees)

The Right-of-use asset under AWR Lease Offer Letter

The unaudited value of the right-of-use asset to be recognised by the Group under the AWR Lease Offer Letter amounted to approximately HK\$7,793,000, which is the present value of AWR Lease Total Rental to be paid by Indigo Dubai at the inception of the tenancy under the AWR Lease Offer Letter in accordance with HKFRS 16. Discount rate of 10.0% is applied to compute the present value of AWR Lease Total Rental under the AWR Lease Offer Letter.

Reasons and benefits for the AWR Lease Offer Letter

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 three retail stores, one located in a retail mall location, one at Sheikh Zayed Road, the main artery of the city of Dubai. AWR store (which covers Indigo Dubai's office) is located in a residential district where the local finance and operational professionals are based, and adjacent to other famous retail brands. The acceptance of AWR Lease Offer Letter will enable Indigo Dubai to attract such middle class customers in this district and maintain a diversity of Indigo Dubai's portfolio of retail stores, and continue bringing positive contribution to Indigo Dubai's retail sales performance.

The owner of AWL, R.S.M.B. Holdings L.L.C., is a property investment company incorporated in the UAE with limited liability. It is owned as to 50% each by Mr. Mohamed Obaid Mohd Albudoor and Mr. Rashid Hamad Rahmah Al Shamsy. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, R.S.M.B. Holdings L.L.C. and its owners are Independent Third Parties.

The AWR 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 AWR Lease Total Rental will be settled over the AWR Lease Term on three instalments per annum out of the internal financial resources of the Group. The Directors believed that the terms and conditions of the AWR 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", the Group will recognise the value of the right-of-use assets on its consolidated statement of financial position in connection with the leasing of AWR. Accordingly, the leasing transaction under AWR 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 value of the right-of-use assets of AWR under the AWR Lease Offer Letter 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

"AWR"	RSMB Villas 10 and 11, Um Suqaim Third, Al Wasl Road, Dubai, United Arab Emirates
"AWR Lease Offer Letter"	the offer letter entered into on 31 March 2023 between Indigo Dubai as lessee and Better Homes L.L.C. as lessor (acting on behalf of R.S.M.B.

	Holdings L.L.C. as owner) in relation to the renewal of a lease of AWR
“AWR Lease Term”	3 years commencing from 1 May 2023 to 30 April 2026 (both dates inclusive), including a break clause after the completion of the first year of the lease.
“AWR Lease Total Rental”	AED4,200,000 (approximately HK\$8,977,000), being the total rent of the whole AWR Lease Term as agreed between Better Homes L.L.C. (acting on behalf of R.S.M.B. Holdings L.L.C. as the owner of AWR) and Indigo Dubai under the AWR Lease Offer Letter (exclusive of management fees)
“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
“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
“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
“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, 31 March 2023

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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.