

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitors, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Pacific Legend Group Limited, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and Hong Kong Securities Clearing Company Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "16. Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents.

Subject to the grant of the listing of, and permission to deal in the Rights Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

This Prospectus appears for information purposes only and does not constitute an invitation or offer to the Shareholders or any other persons to acquire, purchase, or subscribe for securities of the Company.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus should acquaint themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus is not for release, publication or distribution, directly or indirectly, in or into the United States of America. This Prospectus is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale or purchase of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The securities referred to herein have not been and will not be registered under the US Securities Act or the laws of any state or jurisdiction of the United States of America, and may not be offered or sold within the United States of America, absent registration or an exemption from the registration requirements of the US Securities Act and applicable state laws. There is no intention to register any portion of the rights issue or any securities described herein in the United States of America or to conduct a public offering of securities in the United States of America.

PACIFIC LEGEND GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8547)

RIGHTS ISSUE

ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

**Placing Agent of the Rights Issue
Constance Capital Limited**

Financial adviser to the Company

RAINBOW.

RAINBOW CAPITAL (HK) LIMITED
流博資本有限公司

Capitalised terms used in this cover page have the same meanings as those defined in this Prospectus.

Shareholders and potential investors should note that the Rights Issue is conditional upon the fulfillment of the conditions referred to in the section headed "Letter from the Board — Conditions of the Rights Issue" in this Prospectus. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed. Pursuant to the Company's constitutional document, the Companies Act, the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) and the GEM Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue.

Shareholders should note that the Shares have been dealt in on an ex-rights basis from Thursday, 27 March 2025. Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 10 April 2025 to Thursday, 17 April 2025 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers. The latest date and time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Thursday, 24 April 2025. The procedures for application and payment for the Rights Shares are set out on pages 15 to 16 of this Prospectus.

8 April 2025

CHARACTERISTICS OF GEM

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 of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions shall have the following meanings:

“12M2023”	the twelve months ended 31 December 2023
“12M2024”	the twelve months ended 31 December 2024
“acting in concert”	has the same meaning ascribed thereto under the Takeovers Code
“AED”	United Arab Emirates dirham, the lawful currency of UAE
“AFRC”	the Accounting and Financial Reporting Council in Hong Kong
“Announcement”	the announcement of the Company dated 19 March 2025 in relation to, among other things, the Rights Issue and the Placing
“associate(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day on which licensed banks in Hong Kong are generally open for business, other than a Saturday or a Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is announced in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Century Great”	Century Great Investments Limited, a company incorporated in the British Virgin Islands with limited liability, which is wholly-owned by Ms. Wong
“Company”	Pacific Legend Group Limited, a company incorporated in Cayman Islands with limited liability and the issued shares of which are listed on GEM (stock code: 8547)
“Compensatory Arrangements”	placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 10.31(1)(b) of the GEM Listing Rules

DEFINITIONS

“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Financial Adviser”	Rainbow Capital (HK) Limited, a corporation licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities, being the financial adviser to the Company as to working capital sufficiency
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the same meaning ascribed thereto under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollars”	Hong Kong Dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any individual or company not being the connected persons of the Company, independent of the Company and its connected persons and not connected with any of them or their respective associates
“Irrevocable Undertakings”	the undertakings given by Century Great in relation to the Rights Issue
“Last Trading Day”	Tuesday, 18 March 2025, being the last trading day of the Shares on the Stock Exchange before the release of the Announcement
“Latest Practicable Date”	31 March 2025, being the latest practicable date prior to the publication of this Prospectus for the purpose of ascertaining certain information contained in this Prospectus
“Latest Time for Acceptance”	4:00 p.m. on Thursday, 24 April 2025 (or such other time and date as may be determined by the Company), being the latest time for acceptance of and payment for the Rights Shares

DEFINITIONS

“Latest Time for Termination”	4:00 p.m. on Tuesday, 6 May 2025, being the first business day after the latest time for the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent, being the latest time to terminate the Placing Agreement
“Ms. Wong”	Ms. Wong Wing Man, an executive Director of the Company and sole beneficial owner of Century Great
“Net Gain”	any premium (being the aggregate amount paid by the placees after deducting (i) the aggregate amount of the Subscription Price for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares placed by the Placing Agent; and (ii) the aggregate amount of the expenses of the Placing Agent and any other related expenses/fees under the Placing Agreement) under the Compensatory Arrangements
“No Action Shareholder(s)”	Qualifying Shareholders who do not subscribe for the Rights Shares (whether partially or fully) under the PALs or their renounees, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed, including the Non-Qualifying Shareholders in respect of NQS Unsold Rights Shares
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making enquiries, consider it necessary, or expedient not to offer the Rights Issue to such Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Unsold Rights Share(s)”	the Rights Share(s) which would otherwise has/have been provisionally allotted to the Non-Qualifying Shareholder(s) in nil-paid form that has/have not been sold by the Company
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“PAL(s) or “Provisional Allotment Letter”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue

DEFINITIONS

“Placing”	the offer by way of private placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent and/or its sub-placing agents(s) to the places on the terms and subject to the conditions of the Placing Agreement
“Placing Agent”	Constance Capital Limited, a licensed corporation to carry on business in type 1 regulated activity (dealing in securities), type 4 regulated activity (advising on securities) and type 9 regulated activity (asset management) under the SFO, being the placing agent appointed by the Company to place any Unsubscribed Rights Shares and the NQS Unsold Rights Shares under the Compensatory Arrangements in accordance with Rule 10.31(1)(b) of the GEM Listing Rules
“Placing Agreement”	the placing agreement dated 19 March 2025 and entered into between the Company and the Placing Agent in relation to the Placing on a best effort basis
“Posting Date”	Tuesday, 8 April 2025 (or such other date as may be determined by the Company), being the date of the Prospectus Documents to be made available and/or sent (as the case maybe) to the Qualifying Shareholders, and the Prospectus for information only to the Non-Qualifying Shareholders
“PRC”	the People’s Republic of China, and for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus to be made available to the Qualifying Shareholders (and the Non-Qualifying Shareholder(s) for information only) on the Posting Date in connection with the Rights Issue
“Prospectus Documents”	the Prospectus and the PAL(s)
“Qualifying Shareholder(s)”	the Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders
“Record Date”	Monday, 7 April 2025 or such other date as may be determined by the Company, being the date for determining entitlements of Shareholders to participate in the Rights Issue

DEFINITIONS

“Registrar”	Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong, being the Company’s branch share registrar and transfer office in Hong Kong
“Rights Issue”	the proposed issue by way of rights on the basis of one (1) Rights Share for every two (2) Shares in issue held on the Record Date
“Rights Share(s)”	up to 136,848,000 new Shares proposed to be allotted and issued under the Rights Issue
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.1 per Rights Share
“substantial shareholder(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“UAE”	the United Arab Emirates
“Unsubscribed Rights Shares”	Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue. All times and dates stated in this Prospectus refer to Hong Kong local times and dates. The expected timetable below is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. The expected timetable is subject to change and further announcement(s) will be made by the Company should there be any changes to the expected timetable:

Event	Date and time (Hong Kong time)
Prospectus Documents are made available and/or sent (as the case maybe) to the Qualifying Shareholders, and in case of the Non-Qualifying Shareholders, the Prospectus only.....	Tuesday, 8 April 2025
First day of dealings in nil-paid Rights Shares	Thursday, 10 April 2025
Latest time for splitting the PAL	4:00 p.m. on Monday, 14 April 2025
Last day of dealings in nil-paid Rights Shares	Thursday, 17 April 2025
Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the payment of Net Gain	4:00 p.m. on Thursday, 24 April 2025
Latest time for acceptance of, and payment for, the Rights Shares.....	4:00 p.m. on Thursday, 24 April 2025
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements and the NQS Unsold Rights Shares.....	Friday, 25 April 2025
Commencement of placing the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent	Monday, 28 April 2025
Latest time of placing the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent	5:00 p.m. on Friday, 2 May 2025
Latest time for terminating the Placing Agreement and the Rights Issue become unconditional	Tuesday, 6 May 2025
Announcement of allotment results of the Rights Issue (including results of the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the amount of the Net Gain per Rights Shares under the Corresponding Arrangements)	Monday, 12 May 2025

EXPECTED TIMETABLE

- Despatch of share certificates for fully-paid Rights Shares
and refund cheques (if the Rights Issue is terminated) Tuesday, 13 May 2025
- Commencement of dealings in fully-paid Rights Shares .. 9:00 a.m. Wednesday, 14 May 2025
- Designated broker commences to provide
matching services for odd lots of Shares..... 9:00 a.m. Wednesday, 14 May 2025
- Designated broker ceases to provide
matching services for odd lots of Shares..... 4:00 p.m. on Tuesday, 3 June 2025
- Payment of Net Gain to relevant
No Action Shareholders (if any) and
the Non-Qualifying Shareholders (if any) Tuesday, 3 June 2025

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance will not take place if:

1. typhoon signal No. 8 (or above);
2. “extreme conditions” caused by super typhoons as announced by the Government of the Hong Kong Special Administrative Region; or
3. a “black” rainstorm warning
 - (i) is/are in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
 - (ii) is/are in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in paragraph headed “Expected Timetable” above may be affected. Announcement will be made by the Company in such event.

LETTER FROM THE BOARD

PACIFIC LEGEND GROUP LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8547)

Executive Directors:

Ms. Wong Wing Man
Mr. Wong Sui Chi
Mr. Law Sai Kit
Mr. Lam Chun Hin

Independent non-executive Directors:

Mr. So Alan Wai Shing
Mr. Lee Kwong Ming
Mr. Chan Kin Sun

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111, Cayman Islands

*Principal place of business
in Hong Kong:*

Units 1202–1204
Level 12, Cyberport 2
100 Cyberport Road
Hong Kong

8 April 2025

To the Qualifying Shareholders and for information only, the Non-Qualifying Shareholders

Dear Sir or Madam,

**RIGHTS ISSUE
ON THE BASIS OF ONE (1) RIGHTS SHARE FOR
EVERY TWO (2) SHARES HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

INTRODUCTION

Reference is made to the Announcement, in relation to, among other matters, the Rights Issue and the Placing.

On 19 March 2025, the Board announced that, among other matters, the Board proposed to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) Shares held on the Record Date at the Subscription Price of HK\$0.1 per Rights Share, to raise gross proceeds of approximately HK\$13.7 million before expenses (assuming no change in the number of Shares in issue on or before the Record Date) by way of issuing up to 136,848,000 Rights Shares.

The purpose of this Prospectus is to provide you with, among others, further details on the Rights Issue, certain financial information and other general information on the Group.

LETTER FROM THE BOARD

RIGHTS ISSUE

Issue statistic

Details of the Rights Issue are set out as follows:

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) Shares held at the close of business on the Record Date
Subscription Price	:	HK\$0.1 per Rights Share
Net price per Rights Share (i.e. Subscription Price less costs and expenses incurred in the Rights Issue)	:	Approximately HK\$0.0972 per Rights Share
Number of Shares in issue as at the Record Date	:	273,696,000 Shares
Total number of Rights Shares	:	Up to 136,848,000 Rights Shares
Aggregate nominal value of the Rights Shares	:	Up to HK\$13,684,800
Total number of Shares in issue upon completion of the Rights Issue	:	Up to 410,544,000 Shares
Number of Rights Shares being undertaken by Century Great	:	23,808,500 Rights Shares undertaken by Century Great
Gross proceeds to be raised from the Rights Issue	:	Up to approximately HK\$13.7 million before expenses (assuming all Rights Shares are taken up by the Qualifying Shareholders)

The maximum number of 136,848,000 Rights Shares to be issued represents (i) 50% of the total issued Shares of the Company (based on the Company's issued share capital as at the Record Date), and (ii) approximately 33.3% of the total issued Shares of the Company as enlarged by the allotment and issuance of the Rights Shares in full immediately upon completion of the Rights Issue (assuming that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue).

As at the Latest Practicable Date, the Company does not have any derivatives, options, warrants and conversion rights or other similar rights which are convertible or exchangeable into Shares.

LETTER FROM THE BOARD

Irrevocable undertakings

As at the Latest Practicable Date, Century Great, which is wholly-owned by Ms. Wong who is an executive Director of the Company, holds 47,617,000 Shares, representing approximately 17.40% of the total issued share capital of the Company. Pursuant to the Irrevocable Undertaking, Century Great has irrevocably undertaken to the Company, among other things, that (i) Century Great will subscribe for 23,808,500 Rights Shares which comprise the full acceptance of its provisional entitlement in respect of the 47,617,000 Shares beneficially held by it; and (ii) it will not dispose of or transfer any interests in the Company (including Shares) from the date of the Irrevocable Undertaking up to and including the date on which the Rights Issue has become unconditional or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier.

Save for the Irrevocable Undertaking, the Board has not received any information or undertaking from any Shareholders of their intention to take up or not to take up the securities of the Company to be provisionally allotted to them under the Rights Issue as at the Latest Practicable Date.

Non-underwritten basis

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. There is no minimum amount to be raised for the Rights Issue to proceed.

The legal adviser of the Company has confirmed that there are no applicable statutory requirements under the Companies Act (as revised) of the Cayman Islands regarding minimum subscription level of the Rights Shares pursuant to the Rights Issue.

In the event that the Rights Issue is undersubscribed, any Rights Shares not taken up by the Qualifying Shareholders under PAL(s), or transferees of nil-paid Rights Shares together with the NQS Unsold Rights Shares will be placed to independent places under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company, and hence, the size of the Rights Issue will be reduced accordingly.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlements under the PAL(s) may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 10.26(2) of the GEM Listing Rules. The application of Shareholder (except for HKSCC Nominees Limited) for his/her/its entitlement under the Rights Issue will also be scaled down to avoid any non-compliance of the public float requirement under the GEM Listing Rules. Any subscription monies not utilised due to the scaled-down application of entitled Rights Shares will be refunded to the affected applicants.

LETTER FROM THE BOARD

Subscription Price

The Subscription Price is HK\$0.1 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 31.97% to the closing price of HK\$0.147 per Share as quoted on the Stock Exchange as at the Latest Practicable Date;
- (ii) a discount of approximately 9.09% to the closing price of HK\$0.11 per Share as quoted on the Stock Exchange as at the date of the Announcement;
- (iii) a discount of approximately 13.79% to the closing price of HK\$0.116 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a discount of approximately 13.79% to the average closing price of approximately HK\$0.116 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 11.50% to the average closing price of approximately HK\$0.113 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 9.64% to the theoretical ex-rights price of approximately HK\$0.1107 per Share based on the closing price of HK\$0.116 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (vii) a discount of approximately 53.99% to the net asset value of approximately HK\$0.2173 per Share based on the total equity attributable to owners of the Company of approximately HK\$59.48 million as at 31 December 2024 as disclosed in the second interim report of the Company for 12M2024 and 273,696,000 Shares; and
- (viii) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of approximately 4.60%, represented by a nominal discount of the theoretical diluted price of approximately HK\$0.1107 per Share to the theoretical benchmarked price of HK\$0.116 per Share (as defined under Rule 10.44A of the GEM Listing Rules, taking into account the higher of the closing price as at the date of the Announcement of HK\$0.11 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Announcement of approximately HK\$0.116 per Share).

Note: The Shares prices for the theoretical ex-rights price of approximately HK\$0.1107 as quoted above have been rounded to the nearest four decimal places.

LETTER FROM THE BOARD

The Board has noted the relatively large discount mentioned in (vii) above. Nevertheless, taking into account of the fact that the Shares were traded at a discount to the net asset value attributable to the Shareholders per Share during the three months up to and including the Last Trading Day, the Board is of the view that the net asset value per Share may not be a meaningful reference to determine the Subscription Price. Under the prevailing market conditions and economic sentiment and with reference to the recent market performance of the Shares, the Directors consider that it would be more practical and commercially reasonable to set a subscription price which is lower than the prevailing market price so as to encourage the Shareholders to participate in the Rights Issue.

The Subscription Price was determined with reference to the recent closing price of the Share, the financial conditions of the Company, the current market conditions and the reasons and benefits of the Rights Issue as discussed in the paragraphs headed “**Reasons for the Rights Issue and use of proceeds**” under the section headed “**Letter from the Board**” in this Prospectus:

1. Recent market prices of the Shares

In the three months leading up to and including the date of the Announcement, the market prices of the Shares ranged from HK\$0.096 per Share up to HK\$0.13 per Share, with an average price of approximately HK\$0.1175 per Share and a median price of HK\$0.1 per Share over the relevant period. The Subscription Price represents a minimal discount of 0.15% to the average price and is equal to the median price. Taking into account the above, the Directors are of the view that the Subscription Price matches the median trading price, showing it is in line with the Share’s typical market value during this period. At the same time, the 0.15% discount to the average price is immaterial and falls within an acceptable range. As such, in order to enhance the attractiveness of the Rights Issue, the Directors set the Subscription Price at its par value of HK\$0.1 which is towards the bottom range of the above price range.

2. Financial Condition of the Company

For 12M2024, the Group’s revenue and gross profit had increased as compared to 12M2023, with revenue increasing from approximately HK\$250.6 million in 12M2023 to approximately HK\$327.1 million in 12M2024, and gross profit increasing from approximately HK\$127.1 million in 12M2023 to approximately HK\$137.0 million in 12M2024. Although the Group’s revenue had increased in 12M2024 as compared to 12M2023, this was mainly due to the completion of certain large-scale corporate projects. However, the Group saw a decrease in overall gross profit margin for 12M2024 due to offering competitive pricing on projects to customers, as compared to the 12M2023 (from approximately 50.7% in 12M2023 to approximately 41.9% in 12M2024). The Directors are of the view with the decrease in overall gross profit margin, this indicates lower profitability per revenue unit. Taking into account the above, the Board takes the view that setting the Subscription Price towards the bottom range of the above price range is a prudent approach and can encourage Shareholders to actively participate in the Rights Issue.

LETTER FROM THE BOARD

3. *Current market conditions*

Although there has been recent rebound in the Hong Kong stock market, the prevailing economic situation and market conditions remain uncertain and volatile. The Board noted that geopolitical tensions and global trade uncertainties remain a significant concern to the market. In Hong Kong, the second-hand property market is still weak due to the decline in the price of the first-hand property by the property developers and the uncertain economic development in last few years. Moreover, the outflux of locals' money abroad due to the reopening of borders and depreciation of Renminbi brought an adverse impact on the Group's retail sales in Hong Kong. The Directors considered that such economic uncertainty and market volatility affect the confidence of investors in the market who generally remain cautious in their investment decisions. As a result, the Board takes the view that setting the Subscription Price towards the bottom range of the above price range is a prudent approach and can encourage Shareholders to actively participate in the Rights Issue.

The Directors consider that the Subscription Price at a discount to the current market price of the Shares would enhance the attractiveness of the Rights Issue, and in turn encourage the Shareholders to participate in the Rights Issue, and accordingly allow them to maintain their shareholdings in the Company and participate in the future growth and development of the Group.

The Directors consider that, in view of the prevailing market conditions and the factors as described above, the terms of the Rights Issue (including the Subscription Price) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) Shares held by the Qualifying Shareholders as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment shall be made by completing a PAL and lodging the same with remittance for the Rights Shares accepted with the Registrar by 4:00 p.m. on Thursday, 24 April 2025.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company.

LETTER FROM THE BOARD

The Qualifying Shareholders who take up their pro-rata entitlement in full will not experience any dilution to their interests in the Company. If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

Based on the register of members of the Company as at the Latest Practicable Date, there were 12 Overseas Shareholders with registered address located in the PRC, which were interested in an aggregate of 83,000 Shares, representing approximately 0.03% of the Company's issued share capital as at the Latest Practicable Date. Save for the 12 Overseas Shareholders with registered addresses located in the PRC, there were no other Overseas Shareholders based on the register of members of the Company as at the Latest Practicable Date.

In compliance with Rule 17.41(1) of the GEM Listing Rules, the Company has made enquiries to its legal adviser on PRC law regarding the feasibility of extending the Rights Issue to such Overseas Shareholders. Taking into account the advice provided by the legal adviser in the PRC, the Directors are of the view that the relevant PRC legal restrictions and requirements of the regulatory body or stock exchange in the PRC do not make it necessary or expedient to exclude the Overseas Shareholders with registered addresses located in the PRC from the Rights Issue. Accordingly, the Board is of the view that Shareholders with registered addresses in the PRC will be entitled to receive Shares under the Rights Shares and are considered to be Qualifying Shareholders, and therefore the Rights Shares will also be extended to the Overseas Shareholders in the PRC.

In light of the above, as at the Latest Practicable Date, there was no Non-Qualifying Shareholders. Since the register of members has been closed from Monday, 31 March 2025 to Monday, 7 April 2025 (both dates inclusive), there will be no Non-Qualifying Shareholders as at the Record Date. Accordingly, there will be no Non-Qualifying Shareholders for the purpose of the Rights Issue.

Nevertheless, it is the responsibility of the Qualifying Shareholders outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself before acquiring any rights to subscribe for the Rights Shares as to the observance of the laws and regulations of all relevant territories, including the obtaining of any governmental or other consents, and to pay any taxes and duties required to be paid in such territory in connected therewith. Any acceptance of or application for Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. If you are in doubt as to your position, you should consult your own professional advisers.

LETTER FROM THE BOARD

The Company reserves the right to treat as invalid any acceptance of Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares.

The Non-Qualifying Shareholders (if any) (which are excluded from the Rights Issue) will not have any entitlement under the Rights Issue. However, arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, will be paid pro rata (but rounded down to the nearest cent) to the Non-Qualifying Shareholders in Hong Kong dollars, except that the Company will retain individual amounts of less than HK\$100 for its own benefit.

Any NQS Unsold Rights Shares, which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form, will be placed by the Placing Agent at the price not less than the Subscription Price under the Placing together with the Unsubscribed Rights Shares. Any NQS Unsold Rights Shares and Unsubscribed Rights Shares remain not placed after completion of the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 17.41(1) of the GEM Listing Rules. The Company reserves the right to treat as invalid any acceptance of Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and beneficial owners of the Shares who are residing outside Hong Kong should exercise caution when dealing in the Shares.

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. Shareholders and beneficial owners of the Shares (including, without limitation, their respective agents, custodians, nominees and trustees) should inform themselves of and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares, and the Compensatory Arrangements

The Company will make arrangements as described in Rule 10.31(1)(b) of the GEM Listing Rules to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent places for the benefit of the Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue.

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The Company has appointed the Placing Agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares after the Latest Time for Acceptance to independent places at a price not less than the Subscription Price on a best effort basis by not later than 5:00 p.m. on Friday, 2 May 2025, and any Net Gain that is realised from the Placing will be paid to the No Action Shareholders and the Non-Qualifying Shareholders in the manner set out below.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders and the Non-Qualifying Shareholders as set out below on a pro-rata basis (but rounded down to the nearest cent):

- (i) the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- (ii) the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

It is proposed that Net Gain to any of the No Action Shareholder(s) and the Non-Qualifying Shareholders mentioned in (i) and (ii) above which is in an amount of HK\$100 or more will be paid to them in Hong Kong Dollars only and the Company will retain individual amounts of less than HK\$100 for its own benefit. Shareholders are reminded that Net Gain may or may not be realised, and accordingly the No Action Shareholders and the Non-Qualifying Shareholders may or may not receive any Net Gain.

Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed after completion of the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Status of the Rights Shares

The Rights Shares, when issued and fully paid, will rank *pari passu* in all respects with the Shares then in issue on the date of allotment and issue of the Rights Shares. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment and issue of the Rights Shares.

Fractional entitlements to the Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of Rights Shares. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved.

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Odd Lot Arrangement

Upon completion of the Rights Issue, the board lots of the Company will remain as 10,000 Shares. In order to facilitate the trading of odd lots (if any) of the Shares arising from the Rights Issue, the Company had appointed Huaan Securities (Hong Kong) Brokerage Limited as an agent to provide matching services, on a best effort basis, for the holders of odd lots of Shares during the period from 9:00 a.m. on Wednesday, 14 May 2025 to 4:00 p.m. on Tuesday, 3 June 2025 (both days inclusive). Shareholders who wish to take advantage of this facility should contact Mr. Frankie Lin of 8/F, Li Po Chun Chambers, 168 Des Voeux Road Central, Sheung Wan, Hong Kong (telephone number: (852) 2236 9118) during office hours of such period.

Holders of Shares in odd lots should note that the matching services mentioned above are on a best effort basis only and successful matching of the sale and purchase of odd lots of Shares is not guaranteed and will depend on there being adequate amount of odd lots of Shares available for matching. Shareholders are advised to consult their professional advisers if they are in doubt about the above arrangements.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on Tuesday, 13 May 2025.

If the Rights Issue does not become unconditional, refund cheques are expected to be sent on Tuesday, 13 May 2025 by ordinary post to the applicants, at their own risk, to their registered addresses.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding the Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf.

Application for listing of the Rights Shares

The Company has applied to the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the equity or debt securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges. Nil-paid Rights Shares and fully-paid Rights Shares are expected to be traded in board lots of 10,000 as the Shares are currently traded on the Stock Exchange in board lots of 10,000.

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Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbrokers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the branch register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

Procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares

The PAL to be issued to the Qualifying Shareholders in connection with the Rights Issue, if the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PALs, they must lodge the PALs in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong by no later than 4:00 p.m. on Thursday, 24 April 2025. All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**UNION REGISTRARS LIMITED — CLIENT A/C NO 2**” and crossed “**ACCOUNT PAYEE ONLY**”.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Thursday, 24 April 2025, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete the incomplete PAL at a later stage.

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If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:00 p.m. on Monday, 14 April 2025 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong after 9:00 a.m. on the second Business Day following the surrender of the original PAL. This process is commonly referred to as “splitting” of nil-paid Rights Shares. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights. The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier’s orders accompanying completed PALs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier’s order will constitute a warranty by such person that the cheque or the cashier’s order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier’s order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

No receipt will be given in respect of any application monies received.

If any of the conditions of the Rights Issue as set out in the paragraph headed “**Conditions of the Rights Issue**” below are not fulfilled by the Latest Time for Acceptance, the remittance received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in the nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on Tuesday, 13 May 2025.

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THE PLACING AGREEMENT

On 19 March 2025 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed to procure independent placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Details of the Placing are as follows:

- Date : 19 March 2025 (after trading hours)
- Parties : The Company, as issuer; and
The Placing Agent, as placing agent
- Placing Agent : Constance Capital Limited, appointed as placing agent to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares on a best effort basis.
- To the best knowledge, information and belief of the Directors, after making reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are independent of and not connected with the Company and its connected persons within the meaning of the GEM Listing Rules.
- Placing fee and expenses : The commission payable to the Placing Agent shall be 1.25% of the actual gross proceeds from the subscription of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares successfully placed by or on behalf of the Placing Agent.
- The Company will pay all out-of-pocket expenses properly and reasonably incurred by the Placing Agent in connection with the Placing.
- Placing price of the Unsubscribed Rights Shares and/or the NQS Unsold Rights Shares (as the case may be) : The placing price of each of the Unsubscribed Rights Share and/or the NQS Unsold Rights Share (as the case maybe) shall be not less than the Subscription Price but the final price will be determined based on the demand for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and market conditions.

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Placees : The Placing Agent undertakes to use its best endeavours to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to placees, who shall be professional, institutional and other investors who and whose ultimate beneficial owner(s) shall be third party(ies) independent of, and not connected with or acting in concert with the Company, its connected persons and their respective associates.

The Placing will not trigger an obligation on the part of the relevant placees to make a general offer under the Takeovers Code as a result of the Placing.

Ranking of Unsubscribed Rights Shares and the NQS Unsold Rights Shares : The Unsubscribed Rights Shares and the NQS Unsold Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the existing Shares then in issue.

Termination : If at any time prior to the Latest Time for Termination:

- (i) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a material adverse development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions; or
- (ii) the imposition of any moratorium, suspension (for more than ten (10) consecutive trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (iii) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group; or

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- (iv) any material litigation or claim being instigated against any member of the Group; or
- (v) any material change in the business or in the financial or trading position or prospect of the Group as a whole; or
- (vi) a change or development occurs involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong; or
- (vii) any material change in the market conditions in Hong Kong; or
- (viii) any breach of any of the representations and warranties comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the completion date which if had occurred or arisen before the date of Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of Placing Agreement; or
- (ix) the Unsubscribed Rights Shares and the NQS Unsold Rights Shares are not approved by the relevant regulatory bodies and/or regulatory authorities to be placed to any places as contemplated in the Placing Agreement and such matter in the absolute opinion of the Placing Agent to be material in the context of the Placing then the Placing Agent may by giving notice in writing to the Company terminate the Placing Agent's obligation under the Placing Agreement and the Placing Agreement shall be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach thereunder prior to such termination.

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Further, if all the Rights Shares have been taken up by the Qualifying Shareholders and/or the holders of the nil-paid rights on or before the Latest Time for Acceptance, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach thereunder prior to such termination.

- Conditions precedent : The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:
- (i) the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares;
 - (ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before the completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and
 - (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof.

The terms of the Placing Agreement, including the commission rate of 1.25%, were determined after arm's length negotiation between the Placing Agent and the Company with reference to (i) the size of the Rights Issue and (ii) the current and expected market conditions.

The Directors consider the fee charged by the Placing Agent is no less favourable to the Company than the commission in recent placing transactions of the Company, with reference to (i) the placing of Shares conducted by the Company in the previous 15 months prior to the date of the Announcement, the commission charged by the previous placing agents ranged between 1.5% to 2%, with an average of approximately 1.83% and a median of 2%; and (ii) 5 placing of shares conducted by other companies listed on the Stock Exchange during the two business days immediately prior to the date of the Announcement (namely Prosperity Group International Limited (stock code: 1421), Acme International Holdings Limited (stock code: 1870), Guan Chao Holdings Limited (stock code: 1872), Platt Nera International Limited (stock code: 1949) and International Business Digital Technology Limited (stock code: 1782)), the commission charged by such placing agents generally ranged between 1.0% to 7.0%, with an average of approximately 2.6% and a median of 2%. Given the commission rate of 1.25%

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charged by the Placing Agent falls below the commission rate with reference to the above previous placing transactions of the Company (i.e. 1.5% to 2%) and falls within the commission rate with reference to the above placing of shares conducted by other companies listed on the Stock Exchange (i.e. 1.0% to 7.0%), therefore the Directors consider the terms of the Placing Arrangement for the Unsubscribed Rights Shares and the NQS Unsold Rights Shares are on normal commercial terms. The Directors believe the expenses as typical and ordinary in the marketing of securities.

Based on the above, the Directors consider that the terms of the Placing Agreement, including the commission rate of 1.25%, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transactions contemplated under the Placing Agreement.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to the Company; (ii) an additional channel of participation in the Rights Issue for independent investors through subscriptions under the Placing; and (iii) a compensatory mechanism for the No Action Shareholders and the Non-Qualifying Shareholders, the Company considers that the Compensatory Arrangements are better alternative comparing to excess application arrangements and are fair and reasonable and would provide adequate safeguard to protect the interests of the Company's minority Shareholders.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue will be conditional upon:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Directors (and all other documents required to be attached thereto) and otherwise in compliance with the GEM Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance not later than the Posting Date;
- (b) the Prospectus Documents be made available and/or sent (as the case may be) to the Qualifying Shareholders on the Posting Date (and, where applicable, the Prospectus to be made available and/or sent (as the case may be) to the Non-Qualifying Shareholder(s), if any, for information purpose only);
- (c) the GEM Listing Committee granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Shares as well as the Rights Shares in nil-paid and fully-paid forms by no later than the first day of their dealings;
- (d) the Placing Agreement not being terminated pursuant to the terms thereof and remain in full force and effect; and

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- (e) compliance with and performance of all undertakings and obligations of Century Great under the Irrevocable Undertaking in all material respects.

The conditions are incapable of being waived. If any of the above conditions is not satisfied at or prior to the respective time stipulated therein, the Rights Issue will not proceed. As at the Latest Practicable Date, none of the above conditions had been fulfilled.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save for equity fund raising activities mentioned below, the Company has not conducted any equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date.

Date of announcement	Event	Net proceeds raised	Intended use of proceeds	Utilised/allocated proceeds as at the Latest Practicable Date	Actual/allocated use of proceeds as at the Latest Practicable Date
4 March 2024 and 20 March 2024	Placing of 15,516,000 new shares under general mandate	Approximately HK\$3,180,000	General working capital for operations	Fully utilised	Administrative and operations of HK\$3,180,000
8 August 2024, 12 August 2024 and 28 August 2024	Placing of 42,700,000 new shares under general mandate	Approximately HK\$6,880,000	General working capital for operations	Fully utilised	Administrative and operations of HK\$6,880,000

RISK FACTORS

In compliance with the GEM Listing Rules, the Company sets out below the risk factors of the Group for the Shareholders' attention. The Directors believe that there are certain risks involved in the operations of the Group, which includes but are not limited to, the following:

- (i) The Group is principally engaged in (i) the sale of home furniture and accessories; (ii) rental of home furniture and accessories; and (iii) project and hospitality services. The demand for the Group's products is subject to various factors including the tastes and preferences of customers for furniture, which can be affected by market trends, overall economic environment and marketing and advertising campaigns. Further, the business is susceptible to adverse changes in customers' spending patterns, which could materially and adversely affect the demand for the products. In the event the Group is unable to anticipate the changes in market demand and/or fails to react to the changes in consumers' tastes and preferences in a timely manner, the business and financial results of the Group could be adversely affected.

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- (ii) As at the Latest Practicable Date, it is anticipated that the Group will continue to derive a significant portion of its revenue from Hong Kong in the near future. Any adverse economic, political or regulatory changes in Hong Kong may lead to an adverse impact on the Group's business and the operation and prospects of its business could be adversely affected. If the demand for the products provided by the Group declines as a result of changes in economic conditions or does not grow at the pace it anticipates, its business, financial condition and results of operations could be adversely affected.
- (iii) The Group's continued success, growth and ability to expand its operations depend significantly upon the continued efforts, contribution and expertise of its directors and management team who possess in-depth knowledge of the home furniture and accessories industry and have made significant contributions to the Group's business development. Any failure to retain or attract such skilled personnel may affect the business operations, financial performance and future prospects of the Group.

There are no risks in relation to any reliance on particular products or services and continued sources of funding.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Group is principally involved in (i) the sale of home furniture and accessories (which includes retail, corporate sales, online shops, wholesale and franchise); (ii) rental of home furniture and accessories; and (iii) project and hospitality services (which typically involve designing, styling, decorating and furnishing commercial or residential properties such as hotels, serviced apartments and showflats).

Assuming that there is no change in the number of issued Shares on or before the Record Date, the gross proceeds from the Rights Issue will be approximately HK\$13.7 million and the net proceeds from the Rights Issue after deducting the estimated expenses in relation to the Rights Issue are estimated to be approximately HK\$13.3 million. The net price per Rights Share (i.e. Subscription Price less the estimated cost and expenses to be incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$0.0972 per Rights Share.

The Company intends to use the net proceeds from the Rights Issue as general working capital of the Group as follows: (i) approximately 17% or HK\$2.3 million for payment of salary and remuneration expenses; (ii) approximately 23% or HK\$3.0 million for payment of rental expenses; and (iii) approximately 60% or HK\$8.0 million for trade related expenses including payments to suppliers, warehouse and logistics teams. The proceeds from the Rights Issue are expected to be fully utilised by the Group by 31 December 2025.

The Company is seeking to conduct the Rights Issue to provide general working capital to the Company so as to avoid extra finance costs of the Group and improve the Group's profitability and cash flow. By using the net proceeds to cover operational expenses (such as salary and remuneration expenses, rental expenses, and trade related expenses), the Group reduces its need for short-term debt or overdrafts, which carry high-interest rates and would

LETTER FROM THE BOARD

have had an impact on the Group's net profit. Furthermore, timely payments to suppliers and warehouse and logistics teams would ensure smooth supply chain operations and at the same time prevent late fees or penalties, further reducing unnecessary expenses.

While the Group had cash and cash equivalents of approximately HK\$4.85 million as at 28 February 2025, approximately HK\$2.23 million of which is allocated for projects and operations expenses in Dubai, leaving free cash of approximately HK\$2.62 million which is insufficient to meet the capital needs for the daily business operation of the Group and as a result the Company is proceeding with the Rights Issue.

In view of the above, the Directors are of the view that the Group has a genuine need for general working capital and the Rights Issue will provide the Company a flexibility to raise further equity capital to meet its capital needs for its ordinary and usual course of business.

As the Rights Issue will proceed on a non-underwritten basis, the actual amount of the net proceeds from the Rights Issue cannot be ascertained as at the Latest Practicable Date. In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilized in proportion to the above uses.

The Board has considered other fundraising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. Debt financing will result in additional interest burden, higher gearing ratio of the Company and subject the Company to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner as collateral may be required. Debt financing may be subject to lengthy due diligence and negotiations and impose interest burden (especially under the recent upward trend of interest rates) on the Group. In addition, the Board had attempted to obtain loan financing from banks, and was advised that the bank borrowings generally require security of property. The Directors consider that, currently, the Group does not have material assets suitable and available for pledging to secure substantial amount of bank borrowings. Therefore, the Directors are of the view that debt financing is time-consuming and not beneficial to the Company. As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market. On the other hand, the Board considers that the Rights Issue, being preemptive in nature, would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement.

The Directors consider that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders (if any) should note that their shareholdings in the Company will be diluted.

LETTER FROM THE BOARD

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders; (iii) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Century Great who has provided the Irrevocable Undertaking and none of any of Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent; and (iv) immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Century Great who has provided the Irrevocable Undertaking and all Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent, and there is no change to the total issued share capital of the Company from the Latest Practicable Date up to and including the date of completion of the Rights Issue (other than the issue of Rights Shares):

	As at the Latest Practicable Date		Immediately upon completion of the Rights Issue assuming full acceptance of the Rights Shares by the existing Shareholders		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Century Great who has provided the Irrevocable Undertaking and none of any of Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent		Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Century Great who has provided the Irrevocable Undertaking and all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Century Great (Note 1)	47,617,000	17.40	71,425,500	17.40	71,425,500	24.01	71,425,500	17.40
Wong Kwai Shan (Note 2)	30,300,000	11.07	45,450,000	11.07	30,300,000	10.18	30,300,000	7.38
Double Lions Limited (Notes 3, 4, 5, 6 and 7)	29,440,000	10.76	44,160,000	10.76	29,440,000	9.90	29,440,000	7.17
Public Shareholders:								
Gold Winner Investment Limited (Note 8)	18,580,000	6.79	27,870,000	6.79	18,580,000	6.25	18,580,000	4.53
Gainever Corporation Limited (Note 9)	14,270,000	5.21	21,405,000	5.21	14,270,000	4.80	14,270,000	3.48
Independent Placees	—	—	—	—	—	—	113,039,500	27.53
Other Public Shareholders	<u>133,489,000</u>	<u>48.77</u>	<u>200,233,500</u>	<u>48.77</u>	<u>133,489,000</u>	<u>44.87</u>	<u>133,489,000</u>	<u>32.52</u>
Total	<u>273,696,000</u>	<u>100</u>	<u>410,544,000</u>	<u>100</u>	<u>297,504,500</u>	<u>100</u>	<u>410,544,000</u>	<u>100</u>

* Figures may not add up due to rounding

Notes:

(1) Century Great is 100% owned by Ms. Wong, an executive Director.

LETTER FROM THE BOARD

- (2) Immediately upon completion of the Rights Issue assuming nil acceptance of the Rights Shares by the Qualifying Shareholders other than Century Great who has provided the Irrevocable Undertaking and all the Unsubscribed Rights Shares and the NQS Unsold Rights Shares have been placed by the Placing Agent, the shareholding interest of Wong Kwai Shan in the Company will become 7.38% and will become a public Shareholder.
- (3) Double Lions Limited is owned as to 40.48% by Mr. John Warren McLennan, 20.00% by Ms. Tracy-Ann Fitzpatrick, 14.88% by Ms. Alison Siobhan Bailey, 14.88% by Mr. John Martin Rinderknecht and 9.76% by Mr. James Seymour Dickson Leach (collectively, with Double Lions Limited, the “**Double Lions Shareholders**”). Each of the Double Lions Shareholders executed the deed of acting in concert dated 12 February 2018 confirming the existence of their acting in concert and are deemed to be interested in all the Shares owned by Double Lions Limited.
- (4) As at the date of the Announcement, Double Lions Limited is owned as to 40.48% by Mr. John Warren McLennan, a director of a subsidiary of the Company. Double Lions Limited is therefore a close associate of Mr. John Warren McLennan and thus the shares held by it are not regarded as being in public hands.
- (5) Mrs. Jennifer Carver McLennan is the spouse of Mr. John Warren McLennan and is deemed to be interested in the Shares held by Mr. John Warren McLennan by virtue of the SFO.
- (6) Mr. David Frances Bulbeck is the spouse of Ms. Tracy-Ann Fitzpatrick and is deemed to be interested in the Shares held by Ms. Tracy-Ann Fitzpatrick by virtue of the SFO.
- (7) Ms. Alison Siobhan Bailey and Mr. James Seymour Dickson Leach are married to each other and each of them is deemed to be interested in the Shares held by her/his spouse via Double Lions Limited by virtue of the SFO.
- (8) Gold Winner Investment Limited is 100% owned by Easyknit International Holdings Limited (a company listed on the Main Board of the Stock Exchange (stock code: 1218)).
- (9) Gainever Corporation Limited is 100% owned by Best Ability Limited which is wholly-owned by Eminence Enterprise Limited (a company listed on the Main Board of the Stock Exchange (stock code: 616)).
- (10) The public float requirements under the GEM Listing Rules shall be fulfilled by the Company at all times. The Company will take all appropriate steps to ensure that sufficient public float be maintained at all times in compliance with Rule 11.23 of the GEM Listing Rules.

IMPLICATIONS UNDER THE GEM LISTING RULES

As (i) the Company has not conducted any rights issue or open offer within the twelve month period immediately prior to the Announcement, (ii) the Rights Issue will not increase the number of issued Shares or the market capitalisation of the Company by more than 50%, and (iii) the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective associates), the Rights Issue is not subject to Shareholders’ approval under the GEM Listing Rules.

The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own. As such the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

LETTER FROM THE BOARD

WARNING OF THE RISK OF DEALINGS IN THE SHARES AND RIGHTS SHARES

Shareholders and potential investors should note that the Rights Issue is conditional upon the conditions set out in the paragraph headed “Conditions of the Rights Issue” in this Prospectus including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Accordingly, the Rights Issue may or may not proceed.

Shareholders should note that the Shares have been dealt in on an ex-rights basis from Thursday, 27 March 2025. Dealings in the Rights Shares in the nil-paid form will take place from Thursday, 10 April 2025 to Thursday, 17 April 2025 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

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

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December 2021, 2022 and 2023 and 12M2024 are disclosed in the following documents which have been published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.pacificlegendgroup.com):

- (i) the audited financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 30 March 2022 (pages 77 to 148) (<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0330/2022033000527.pdf>)
- (ii) the audited financial information of the Group for the year ended 31 December 2022 is disclosed in the annual report of the Company for the year ended 31 December 2022 published on 30 March 2023 (pages 78 to 154) (<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0330/2023033001435.pdf>)
- (iii) the audited financial information of the Group for the year ended 31 December 2023 is disclosed in the annual report of the Company for the year ended 31 December 2023 published on 31 May 2024 (pages 86 to 192) (<https://www1.hkexnews.hk/listedco/listconews/gem/2024/0531/2024053102450.pdf>)
- (iv) the unaudited financial information of the Group for 12M2024 is disclosed in the second interim report of the Company for 12M2024 published on 26 February 2025 (pages 4 to 28) (<https://www1.hkexnews.hk/listedco/listconews/gem/2025/0226/2025022601055.pdf>)

2. STATEMENT OF INDEBTEDNESS

At the close of business on 28 February 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had the following indebtedness:

	<i>HK\$'000</i>
Bank borrowings (<i>Note 1</i>)	4,514
Other borrowings (<i>Note 2</i>)	<u>4,700</u>
	<u>9,214</u>
Lease liabilities	8,831

Notes:

1. The amount was secured by a personal guarantee executed by a director of the Group's subsidiary.

2. The amount of other borrowings was made by Independent Third Parties and was secured by a corporate guarantee executed by a subsidiary of the Group and a personal guarantee executed by Ms. Wong, being an executive Director, and her spouse.

As at 28 February 2025, the Group did not have any contingent liabilities.

Save as disclosed above, the Group did not have any outstanding bank overdrafts or loans, or other similar indebtedness, mortgages, charges, or guarantees, debt securities, term loans, hire purchase commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits, other borrowings or indebtedness in the nature of borrowings or contingent liabilities as at the close of business on 28 February 2025.

3. SUFFICIENCY OF WORKING CAPITAL

The Directors, after due and careful enquiries, are of the opinion that, after taking into account the financial resources presently available to the Group including internally generated funds, the currently available banking facilities and other borrowings and the estimated net proceeds from the Rights Issue and the placing of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares, the Group will have sufficient working capital to satisfy its present requirements for at least the next twelve months from the date of the publication of this Prospectus.

The Company has obtained the relevant confirmation from the Financial Adviser concerning the above working capital sufficiency statement as required under the GEM Listing Rules.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. BUSINESS TREND AND FINANCIAL AND TRADING PROSPECT

The Group is principally involved in (i) the sale of home furniture and accessories (“**Furniture Sales**”, which includes retail, corporate sales, online shops, wholesale 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).

During 12M2024, the Group have completed several corporate projects under the segment of Projects, which contributed significantly to the revenue for the period. On the other hand, the second-hand property market in Hong Kong was still weak in 2024 due to the decline in the price of the first-hand property by the property developers and the uncertain economic development in last few years. Moreover, the outflux of locals' money abroad due to the reopening of borders and depreciation of Renminbi brought an adverse impact on the Group's retail sales in Hong Kong. Furthermore, Dubai's furniture retail sector is intensely competitive, with the growing presence and escalating rivalry between established local players and expanding international brands vying for market leadership. Due to the fierce market competition in Dubai, the UAE, the Group's retail sales in UAE were also adversely affected. In light of these challenging market dynamics and the Group's relatively modest footprint in Dubai, the Group mainly focused on Projects business and Furniture Sales in Hong Kong for 12M2024.

As disclosed in the second interim report of the Company for 12M2024, for 12M2024, the Group's revenue was approximately HK\$327.1 million, representing an increase of approximately HK\$76.6 million or 30.6% as compared with that of 12M2023 of approximately HK\$250.6 million. Such increase was mainly due to the completion of certain large-scale corporate projects under the segment of Projects. For 12M2024, the total assets and liabilities of the Group amounted to approximately HK\$132.9 million and HK\$71.8 million, respectively.

The Group's revenue derived from the Furniture Sales business decreased by approximately 1.6% from approximately HK\$130.9 million in 12M2023 to approximately HK\$128.8 million in 12M2024. The decrease was mainly attributable to the decline in Hong Kong retail sales revenue. In Hong Kong, the Group's retail sales revenue decreased significantly by approximately 25.6% in 12M2024 as compared to the 12M2023. The post-COVID era since early 2024 does not seem to benefit the Hong Kong retail since the opening of the borders together with the weak Renminbi against United States Dollars resulted in the outflux of locals travelling out of Hong Kong to overseas and mainland China. The weak second-hand property market in 2024 also had an adverse impact on the furniture retail market. On the other hand, the Group's retail sales from Dubai decreased by approximately 17.2% in 12M2024 as compared to the 12M2023, primarily due to the fierce market competition in Dubai.

The Group's gross profit varied principally as a result of the composition of the revenues of the Group's Furniture Sales, Furniture Rental and Projects businesses, changing market conditions and their effects on product pricing, product mix and our cost of sales. The gross profit of the Group increased by approximately HK\$9.9 million or 7.9% from approximately HK\$127.1 million in 12M2023 to approximately HK\$137.0 million in 12M2024. The Group saw a decrease in overall gross profit margin (from approximately 50.7% in 12M2023 to approximately 41.9% in 12M2024) due to offering competitive pricing on our projects to the customers, which resulted in a lower gross profit margin in 12M2024, as compared to 12M2023.

The Group's profit attributable to owners of the Company for 12M2024 amounted to approximately HK\$9.4 million (12M2023: a loss attributable to owners of the Company of approximately HK\$33.5 million) which was mainly due to (i) the gain on disposal of approximately HK\$7.6 million of the Group's then subsidiaries including Deep Blue Living Limited, Indigo Overseas Projects Company Limited and Mega Ocean Limited for the 12M2024; (ii) the completion of certain large-scale corporate projects under the segment of Projects, which mainly involved designing, styling, decorating and furnishing residential properties; (iii) the Group's selling and distribution costs decreased by approximately 10.4% from approximately HK\$50.9 million in 12M2023 to approximately HK\$45.6 million in 12M2024; and (iv) the decrease in administration and other operating expenses which decreased by approximately 4.8% from approximately HK\$93.1 million in 12M2023 to approximately HK\$88.6 million in 12M2024, which was mainly attributable to the decrease in staff costs as a result of the decrease of our retail stores and decrease in warehouse expenses as a result of outsourcing the functions of the warehouses to other third party in order to reduce our fixed operating costs.

For the 12M2024, the Group mainly focused on Projects business and Furniture Sales in Hong Kong. As disclosed above, the Group's revenue derived from the Furniture Sales business decreased from approximately HK\$130.9 million in 12M2023 to approximately HK\$128.6 million in 12M2024 which was mainly attributable to the decline in Hong Kong retail sales revenue. The Group's revenue derived from the Projects business increased from approximately HK\$94.4 million in 12M2023 to approximately HK\$174.3 million in 12M2024 which was mainly due to the completion of certain large-scale corporate projects, which mainly involved designing, styling, decorating and furnishing residential properties. The Group's revenue derived from the Furniture Rental business remained steady with a slight decrease from approximately HK\$25.3 million in 12M2023 to approximately HK\$24.2 million in 12M2024. Moving forward, the Group will focus on the following strategies and initiatives to drive sustainable growth across all its business segments:

Digital Innovation Strategy: The Group will focus on investing in innovative solutions and technologies to revolutionize the customer experience and enhance efficiency. The Directors believe the digital transformation initiative will deliver seamless, hyper-personalized shopping journeys in order to enhance customers' shopping experiences. This includes leveraging artificial intelligence, virtual reality, and augmented reality to offer personalized recommendations and immersive shopping environments. By integrating these advanced technologies across all customer interactions, the Group will establish new standards for convenience, customization and engagement in furniture retail. This tech-forward approach will not only enhance satisfaction but will also drive operational efficiency throughout the shopping journey.

Sustainability and Social Responsibility: At the core of the Group's business strategy lies a steadfast commitment to sustainability and social responsibility. The Group will intensify its eco-friendly initiatives, including sustainable material sourcing, while actively pursuing renewable energy solutions. Beyond environmental stewardship, the Group is dedicated to meaningful community engagement that drives positive societal change. This holistic approach to sustainability serves dual purposes: it aligns with its ethical values while strengthening their

competitive position in a market where environmental consciousness is paramount. By embedding these principles throughout its operations, the Group will build deeper connections with eco-aware consumers, ensuring long-term brand relevance and commercial success.

Customer-Centric Approach: The Group will continue to prioritize customer satisfaction by delivering exceptional experiences across all touchpoints. The Group will continue deepening its understanding of evolving customer needs which will guide its development, marketing strategies, and service offerings, aligning with market demand.

Expansion and Market Penetration: The Group will explore new markets and continue identifying emerging trends and adapting its business model accordingly with the aim to capture a larger market share and increase brand visibility. The Group will explore strategic partnerships with local distributors, real estate developers, and hospitality providers which will facilitate market penetration and enhance brand credibility.

Despite the market remains challenging, the Group will continue to focus on the needs of its customers in different regions and market segments in which the Group operates and develops its products and services which serve their needs. The Group will continue to keep alert and exercise caution on the global economic trend and market situations to capture potential opportunities in order to achieve growth and better operating results.

**(A) INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE
COMPILATION OF THE UNAUDITED PRO FORMA FINANCIAL
INFORMATION**

The following is the text of the independent reporting accountant’s assurance report received from SFAI (HK) CPA Limited, Certified Public Accountants, the Hong Kong reporting accountants of the Company, in respect of the Group’s unaudited pro forma financial information prepared for the purpose of inclusion in this prospectus.

**INDEPENDENT REPORTING ACCOUNTANTS’ ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

To the directors of Pacific Legend Group Limited

We have completed our assurance engagement to report on the compilation of the unaudited pro forma financial information of Pacific Legend Group Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2024 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out in Appendix II to the prospectus dated 8 April 2025 issued by the Company (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Section (B) of Appendix II to the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue on the basis of one (1) Rights Share for every two (2) existing shares of the Company at the close of business on the Record Date (as defined in the Prospectus) (the “**Rights Issue**”) on the Group’s financial position as at 31 December 2024 as if the Rights Issues had taken place at 31 December 2024. As part of this process, information about the Group’s financial position has been extracted by the Directors from the unaudited condensed consolidated interim financial information of the Company for the six months ended 31 December 2024 set out in the interim report published by the Company, on which no audit or review report has been published.

Directors’ Responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and with reference to Accounting Guideline 7 “**Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars**” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the “**Code of Ethics for Professional Accountants**” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 “**Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements**” issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “**Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus**” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 7.31(7) of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of unaudited pro forma financial information included in an investment circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors

in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the entity, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Yours faithfully,

SFAI (HK) CPA Limited
Certified Public Accountants

Fok Tat Choi
Practicing Certificate Number: P06895
Hong Kong, 8 April 2025

(B) UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The following unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to owners of the Company has been prepared by the Directors (the “**Unaudited Pro Forma Financial Information**”) in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited and with reference to Accounting Guideline 7 “**Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars**” issued by Hong Kong Institute of Certified Public Accountants to illustrate the effect of the Rights Issue on the Group’s unaudited consolidated net tangible assets attributable to the owners of the Company as at 31 December 2024, as if the Rights Issue had been completed on 31 December 2024.

The Unaudited Pro Forma Financial Information has been prepared by the Directors for illustrative purpose only, based on the judgments, estimates and assumptions of the Directors, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to owners of the Company had the Rights Issue been completed as at 31 December 2024 or any further dates following the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated statement of financial position of the Group as at 31 December 2024, as extracted from published interim report of the Company for the six months ended 31 December 2024, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 <i>HK\$’000</i> <i>(note 1)</i>	Unaudited estimated net proceeds from the Rights Issue <i>HK\$’000</i> <i>(note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue <i>HK\$’000</i>	Unaudited consolidated net tangible assets of the Group per share attributable to owners of the Company as at 31 December 2024 <i>HK\$</i> <i>(note 3)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group per share attributable to owners of the Company immediately after completion of the Rights Issue <i>HK\$</i> <i>(note 4)</i>
Based on 136,848,000 Rights Shares to be issued at Subscription Price of HK\$0.10 per Rights Share				
59,482	13,285	72,767	0.22	0.18

Notes:

1. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2024 of approximately HK\$59,482,000 is extracted from the unaudited condensed consolidated statement of financial position of the Group as at 31 December 2024 set out in the published interim report of the Company, which is based on the unaudited consolidated net assets of the Group attributable to the owners of the Company as at 31 December 2024.
2. The estimated net proceeds from the Rights Issue of approximately HK\$13,285,000 is calculated based on 136,848,000 Rights Shares to be issued (in the proportion of one (1) Rights Share for every two (2) existing shares held as at the Rights Issue record date) at the subscription price of HK\$0.10 per Rights Shares, after deduction of the estimated related expenses of approximately HK\$400,000, assuming that the Rights Issue had been completed on 31 December 2024.
3. The consolidated net tangible assets attributable to owners of the Company per share as at 31 December 2024 is approximately HK\$0.22, which is calculated based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2024 of approximately HK\$59,482,000 divided by 273,696,000 shares in issue as at 31 December 2024.
4. The unaudited pro forma adjusted consolidated net tangible assets attributable to owners of the Company per share immediately after completion of the Rights Issue is approximately HK\$0.18, which is calculated based on the unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company immediately after completion of the Rights Issue of approximately HK\$72,767,000 divided by 410,544,000 shares, which represents 273,696,000 shares of the Company in issue as at 31 December 2024 and 136,848,000 Rights Shares to be issued, pursuant to the Rights Issue (in the proportion of one (1) Rights Share for every two (2) existing shares held as at the Rights Issue record date), assuming that the Rights Issue had been completed on 31 December 2024.
5. No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2024.

1. RESPONSIBILITY STATEMENT

This Prospectus for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose 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 the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue (assuming (i) no further issue or repurchase of Shares on or before the completion of the Rights Issue and (ii) all Shareholders have taken up the Rights Shares or all Unsubscribed Rights Shares and the NQS Unsold Rights Shares are fully placed to the placees under the Compensatory Arrangements) will be as follows:

(a) As at the Latest Practicable Date

<i>Authorised share capital</i>	<i>HK\$</i>
<u>1,000,000,000</u> Shares of HK\$0.1 each	<u>100,000,000</u>
<i>Issued and fully paid:</i>	<i>HK\$</i>
<u>273,696,000</u> Shares of HK\$0.1 each	<u>27,369,600</u>

(b) Immediately following the completion of the Rights Issue (assuming (i) no other change in the number of Shares in issue up to completion of the Rights Issue save for the issue of the Rights Shares and (ii) all Shareholders have taken up the Rights Shares or all Unsubscribed Rights Shares and the NQS Unsold Rights Shares are fully placed to the placees under the Compensatory Arrangements)

<i>Authorised share capital</i>	<i>HK\$</i>
<u>1,000,000,000</u> Shares of HK\$0.1 each	<u>100,000,000</u>
<i>Issued and fully paid:</i>	<i>HK\$</i>
273,696,000 Shares as at the Latest Practicable Date	27,369,600
136,848,000 Rights Shares to be issued pursuant to the Rights Issue	13,684,800
<u>410,544,000</u> Shares in issue immediately upon completion of the Rights Issue	<u>41,054,400</u>

As at the Latest Practicable Date, the number of issued Shares was 273,696,000 Shares of par value of HK\$0.1 each which have been fully paid, with no treasury Shares.

All Shares *rank pari passu* with each other in all respects including the rights as to dividends, voting and return of capital. The Rights Shares, when allotted, issued and fully paid, will *rank pari passu* with each other and the Shares in issue on the date of allotment and issue of the Rights Shares in all respects including rights to dividends, voting and return of capital. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of issue of the fully-paid Rights Shares.

The Company has applied to the GEM Listing Committee for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. No part of the share capital or any other equity or debt securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other equity or debt securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, the Company had no outstanding warrants, options or convertible securities in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, no capital of any member of the Group was under option or agreed conditionally or unconditionally to be put under option.

3. DISCLOSURE OF INTERESTS

(A) Directors' and chief executive's interests and short positions in Shares, underlying Shares and debentures of the Company or any associated corporation

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

Long Positions in Shares

(a) Interest in the Shares

Name of Directors or chief executives	Capacity/Nature of Interest	Number of Shares	Approximate percentage of the issued shares
Ms. Wong Wing Man ("Ms. Wong") (Note 1)	Interest in a controlled corporation	47,617,000	17.40%

Note:

- Century Great is 100% owned by Ms. Wong and is deemed to be interested in all the Shares owned by Century Great.

(b) Interest in the shares of an associated corporation

Director	Name of associated corporation	Capacity/Nature of Interest	Number of shares	Approximate percentage of the issued shares
Ms. Wong Wing Man (Note 1)	Century Great	Interest in a controlled corporation	47,617,000	17.40%

Note:

- Century Great is 100% owned by Ms. Wong and is deemed to be interested in all the Shares owned by Century Great.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company were interested in or were deemed to have interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have such provisions of the SFO); or (ii) were required, pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

(B) Interests of substantial Shareholders

As at the Latest Practicable Date, so far as was known to the Directors and chief executive of the Company, the following persons, other than a Director or chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

Long Positions in the Shares and underlying Shares

Name of Shareholders	Capacity/ Nature of Interest	Number of Shares (Note 1)	Approximate percentage of the issued shares
Century Great (Note 2)	Beneficial interest	47,617,000 (L)	17.40%
Wong Kwai Shan	Beneficial interest	30,300,000 (L)	11.07%
Double Lions Limited (Note 3)	Beneficial interest	29,440,000 (L)	10.76%
Mr. John Warren McLennan	Interest in a controlled corporation, interest held jointly with other persons (Note 3) and interest of spouse (Note 4)	29,440,000 (L)	10.76%
Ms. Jennifer Carver McLennan	Interest of spouse (Note 4)	29,440,000 (L)	10.76%

Name of Shareholders	Capacity/ Nature of Interest	Number of Shares (Note 1)	Approximate percentage of the issued shares
Ms. Tracy-Ann Fitzpatrick	Interest in a controlled corporation, interest held jointly with other persons (Note 3) and interest of spouse (Note 5)	29,440,000 (L)	10.76%
Mr. David Frances Bulbeck	Interest of spouse (Note 5)	29,440,000 (L)	10.76%
Ms. Alison Siobhan Bailey	Interest in a controlled corporation, interest held jointly with other persons (Note 3) and interest of spouse (Note 6)	29,440,000 (L)	10.76%
Mr. James Seymour Dickson Leach	Interest in a controlled corporation, interest held jointly with other persons (Note 3) and interest of spouse (Note 6)	29,440,000 (L)	10.76%
Mr. John Martin Rinderknecht	Interest in a controlled corporation and interest held jointly with other persons (Note 3)	29,440,000 (L)	10.76%
Gold Winner Investment Limited (Note 7)	Beneficial interest	18,580,000 (L)	6.79%
Easyknit International Holdings Limited (Note 7)	Interest in a controlled corporation	18,580,000 (L)	6.79%
Gainever Corporation Limited (Note 8)	Beneficial interest	14,270,000 (L)	5.21%
Best Ability Limited (Note 8)	Interest in a controlled corporation	14,270,000 (L)	5.21%

Name of Shareholders	Capacity/ Nature of Interest	Number of Shares (Note 1)	Approximate percentage of the issued shares
Eminence Enterprise Limited (Note 8)	Interest in a controlled corporation	14,270,000 (L)	5.21%

Notes:

1. The letter "L" denotes the person/corporation's long position in the Shares.
2. Century Great is 100% owned by Ms. Wong, an executive Director.
3. Double Lions Limited is owned as to 40.48% by Mr. John Warren McLennan, 20.00% by Ms. Tracy-Ann Fitzpatrick, 14.88% by Ms. Alison Siobhan Bailey, 14.88% by Mr. John Martin Rinderknecht and 9.76% by Mr. James Seymour Dickson Leach. Each of the Double Lions Shareholders executed the deed of acting in concert dated 12 February 2018 confirming the existence of their acting in concert and are deemed to be interested in all the Shares owned by Double Lions Limited.
4. Mrs. Jennifer Carver McLennan is the spouse of Mr. John Warren McLennan and is deemed to be interested in the Shares held by Mr. John Warren McLennan by virtue of the SFO.
5. Mr. David Frances Bulbeck is the spouse of Ms. Tracy-Ann Fitzpatrick and is deemed to be interested in the Shares held by Ms. Tracy-Ann Fitzpatrick by virtue of the SFO.
6. Ms. Alison Siobhan Bailey and Mr. James Seymour Dickson Leach are married to each other and each of them is deemed to be interested in the Shares held by her/his spouse via Double Lions Limited by virtue of the SFO.
7. Gold Winner Investment Limited is 100% owned by Easyknit International Holdings Limited (a company listed on the Main Board of the Stock Exchange (stock code: 1218)).
8. Gainever Corporation Limited is 100% owned by Best Ability Limited which is wholly-owned by Eminence Enterprise Limited (a company listed on the Main Board of the Stock Exchange (stock code: 616)).

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, no persons (other than a Director or chief executive of the Company) had, or were taken or deemed to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group.

4. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, no Director had any service contracts with the Group other than those which were expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or controlling shareholders or their respective associates was interested in any business apart from the business of the Group which competes or is likely to compete, either directly or indirectly, with the business of the Group or have or may have any other conflict of interest with the Group pursuant to the GEM Listing Rules.

6. DIRECTORS' INTEREST IN ASSETS, CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any interest, directly or indirectly, in any asset which, since 31 December 2023, being the date to which the latest published audited financial statements of the Company were made up, had been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, save for the Irrevocable Undertaking, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

7. MATERIAL CONTRACTS

The following material contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Group) were entered into by members of the Group within two years immediately preceding the date of this Prospectus and up to and including the Latest Practicable Date:

- a) the placing agreement dated 9 June 2023 entered into between the Company as issuer and KGI Asia Limited as placing agent in relation to the placing of up to 316,800,000 placing shares on a best effort basis to not less than six places at the placing price of HK\$0.078 per placing share;
- b) the placing agreement dated 30 August 2023 entered into between the Company as issuer and KGI Asia Limited as placing agent in relation to the placing of up to 8,610,000 placing shares on a best effort basis to not less than six places at the placing price of HK\$0.20 per placing share;
- c) the subscription agreement dated 9 October 2023 entered into between a subsidiary of the Company and MPJS Group Limited in relation to the shares of MPJS Group Limited, at the aggregate subscription price of HK\$4.0 million;

- d) the sale and purchase agreement dated 10 November 2023 entered into between Ms. Yan Kam Ying as vendor and JF (Greater Bay) Group Company Limited as purchaser, pursuant to which the purchaser has conditionally agreed to acquire, and the vendor has agreed to sell, 40% shareholding interest in Hong Kong Taichen Ecology Agricultural Development Company Limited at the consideration of HK\$5.2 million;
- e) the placing agreement dated 17 January 2024 entered into between the Company as issuer and KGI Asia Limited as placing agent in relation to the placing of up to 38,016,000 placing shares on a best effort basis to not less than six places at the placing price of HK\$0.21 per placing share;
- f) the placing agreement dated 4 March 2024 entered into between the Company as issuer and KGI Asia Limited as placing agent in relation to the placing of up to 15,516,000 placing shares on a best effort basis to not less than six places at the placing price of HK\$0.21 per placing share;
- g) the sale and purchase agreement dated 13 March 2024 entered into between Raeford Holdings Limited, a wholly-owned subsidiary of the Company, as vendor and Mr. Tsang, Ka Wing Hiram as purchaser, pursuant to which the vendor agreed to sell and the purchaser agreed to purchase, the entire issued share capital of Deep Blue Living Limited at the consideration of HK\$10,000;
- h) the placing agreement dated 8 August 2024 entered into between the Company as issuer and Constance Capital Limited as placing agent in relation to the placing of up to 42,700,000 placing shares on a best effort basis to not less than six places at the placing price of HK\$0.165 per placing share;
- i) the sale and purchase agreement dated 23 September 2024 entered into between Ms. Yan Kam Ying as vendor and JF (Greater Bay) Group Company Limited as purchaser, pursuant to which the purchaser has conditionally agreed to acquire, and the vendor has agreed to sell, 40% shareholding interest in Hong Kong Taichen Ecology Agricultural Development Company Limited at the consideration of HK\$4.5 million;
- j) the instruments of transfer dated 21 January 2025 entered into between Miracle Ace International Limited, a wholly-owned subsidiary of the Company, as vendor and Mr. Cheung Chi Keung as purchaser, pursuant to which the vendor agreed to sell and the purchaser agreed to purchase, the entire issued share capital of each of Shine Key Inc Limited and Mega Champion Inc Limited at the consideration of HK\$2.0 million; and
- k) the Placing Agreement.

8. LITIGATION

On 14 February 2025, the High Court of Hong Kong rendered a final judgment against the Company and its subsidiary, regarding the outstanding rental payments and related charges and interest in the aggregate amount of approximately HK\$900,000 to be paid to the landlord in relation to the lease of the property located at Shop No. 312, Level 3, The Arcade, Cyberport 2, No. 100 Cyberport Road, Pokfulam, Hong Kong. As at the Latest Practicable Date, the parties were in negotiations in view of reaching a settlement agreement regarding the amount.

On 24 February 2025, the High Court of Hong Kong rendered a final judgment against the subsidiary of the Company, regarding the outstanding rental payments and related charges and interest in the aggregate amount of approximately HK\$900,000 to be paid to the landlord in relation to the lease of the property located at Units 1202–1204, Level 12, Cyberport 2, 100 Cyberport Road, Pokfulam, Hong Kong. As at the Latest Practicable Date, the parties were in negotiations in view of reaching a settlement agreement regarding the amount.

Save as disclosed above, as at the Latest Practicable Date, no member of the Group was involved in any litigation, claims or arbitration of material importance and no litigation, claims or arbitration of material importance were known to the Directors to be pending or threatened against any member of the Group.

9. EXPERTS AND CONSENTS

The following is the qualifications of the experts who have been named in this Prospectus or have given opinion, letter or advice contained in this Prospectus:

Name	Qualification
SFAI (HK) CPA Limited	Certified public accountants
Rainbow Capital (HK) Limited	A licensed corporation under the SFO to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities

As at the Latest Practicable Date, each of the above experts has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letter or report and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, each of the above experts did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, each of the above experts did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

10. EXPENSES

The expenses payable by the Company in connection with the Rights Issue and the Placing Agreement, including printing, registration, translation, legal, financial advisory, accounting and other professional fees, are estimated to be up to approximately HK\$400,000.

11. PARTICULARS OF DIRECTORS

Biographies of the existing Directors are set out below:

Executive Directors

Ms. WONG Wing Man (“Ms. Wong”), aged 47, was appointed as an executive Director with effect from 15 March 2023. She is also a member of the Remuneration Committee and Nomination Committee. She is currently a director and sole owner of Century Great Investments Limited, an investment holding company and also a substantial shareholder of the Company. Ms. Wong has more than 13 years of experience in customer relationship management, marketing, human resources management and administration. Ms. Wong holds a Master of business administration degree from Hong Kong Baptist University, a Postgraduate Diploma in Professional Accounting from Hong Kong Baptist University, and a Bachelor of Business Administrative Management from University of South Australia.

Mr. WONG Sui Chi (“Mr. Wong”), aged 57, has been an independent non-executive Director since 18 September 2023 and was redesignated as executive Directors since 3 June 2024. Mr. Wong was appointed as a company secretary with effect from 20 November 2024. Mr. Wong has over 20 years of extensive experience in finance and accounting, including but not limited to, financial management, corporate management and auditing. He has been serving in international accounting firms, manufacturing and retailing companies, listed property development company, securities and futures brokerage company. He is serving as an independent non-executive director of Wan Cheng Metal Packaging Company Limited (a company listed on the Stock Exchange (stock code: 8291)) since February 2017. He was serving as an independent non-executive director of New Amante Group Limited (formerly known as BCI Group Holdings Limited) (a company listed on the Stock Exchange (stock code: 8412)) from March 2017 to February 2021. Mr. Wong was an independent non-executive director of Net-A-Go Technology Company Limited (a company listed on the Stock Exchange (stock code: 1483)) from November 2013 to October 2016. He was also an independent non-executive director of Legend Strategy International Holdings Group Company Limited (a company listed on the Stock Exchange (stock code: 1355)) from December 2012 to July 2015. Mr. Wong received a bachelor degree in accountancy from the City Polytechnic of Hong Kong (currently known as City University of Hong Kong) in November 1991, a master degree of science in financial management from the University of London in December 2003 and a certificate in taxation and accounting in PRC from The Hong Kong Polytechnic University China Business Centre in August 2004. Mr. Wong is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Institute of Chartered Accountants in England and Wales.

Mr. LAW Sai Kit (“Mr. Law”), aged 52, was appointed as an executive Director with effect from 3 June 2024. He has over 30 years of experience in the transportation and logistics industry. From 1992 to present, he worked as a transport logistics manager at an international logistics company where he is mainly responsible for coordinating and managing the company’s transportation department and to develop and implement shipping strategies. Since May 2024, he has been appointed director of Indigo Living Limited, a subsidiary of the Company. Mr. Law is the brother-in-law of Ms. Wong Wing Man, an executive Director and substantial shareholder of the Company.

Mr. LAM Chun Hin (“Mr. Lam”), aged 28, was appointed as an executive Director with effect from 3 June 2024. He received a bachelor degree in economics and business administration from the Northeastern University, Boston, United States of America in August 2019 and a master degree in finance from King’s College London, United Kingdom in December 2022. He is currently a sole director and sole owner of Prime Provisions Limited, a trading company incorporated in Hong Kong. Since June 2024, he joined the Group as finance manager of the subsidiary of the Company.

Independent non-executive Directors

Mr. SO Alan Wai Shing (“Mr. So”), aged 57, has been an independent non-executive Director since 23 February 2021. He is also the chairman of the audit committee and a member of each of the remuneration committee and the nomination committee of the Company. He is currently the sole proprietor of Alan So & Co., Certified Public Accountants. He has more than 26 years of experience in audit and accounting field and is currently a registered practicing member of the Hong Kong Institute of Certified Public Accountants. From May 2012 to February 2014, he was the chief financial officer and company secretary of Huazhang Technology Holding Limited (a company then listed on the GEM of the Stock Exchange with stock code 8276, now listed on the Main Board of the Stock Exchange with stock code 1673). From August 2016 to October 2019, he was the chief financial officer of Royale Furniture Holdings Limited (a company listed on the Main Board of the Stock Exchange with stock code 1198). Mr. So holds a bachelor’s degree in business majoring in accounting from Edith Cowan University and a master’s degree in business administration from The Open University of Hong Kong.

Mr. LEE Kwong Ming (“Mr. Lee”), aged 53, has been an independent non-executive Director since 22 April 2021. He is a fellow member and a practising certificate holder of Hong Kong Institute of Certified Public Accountants. He is also a fellow member of the Association of International Accountants. He was serving as an independent non-executive director of Flydoo Technology Holding Limited (formerly known as WWPKG Holdings Company Limited) (Stock Code: 08069, a company listed on GEM of the Stock Exchange of Hong Kong Limited) from 4 July 2022 to 20 March 2024. Mr. Lee is currently full-time practising on his own name and has more than 27 years of experience in audit, tax and company secretarial services.

Mr. CHAN Kin Sun (“Mr. Chan”), aged 54, has been an independent non-executive Director since 1 December 2023. Mr. Chan obtained his Master of Science in Manufacturing Systems Engineering from the University of Warwick, United Kingdom, in 2001. He was awarded the Executive Diploma in Six Sigma Black Belt in 2009. He has been working as the Honorary Advisor in Global Institute of Management since 2012 which is a non-profit making organization promoting academic and professional knowledge of management personnel and contributing to the tertiary education, research and professional training in Hong Kong and PRC. Mr. Chan has over 20 years of experience in manufacturing engineering, quality control, research and development and procurement in consumer electronics products sector.

Business address of the Directors and authorised representatives

The business address of the Directors and authorised representatives is the same as the Company’s head office and principal place of business in Hong Kong located at Units 1202–1204, Level 12, Cyberport 2, 100 Cyberport Road, Hong Kong.

12. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised three independent non-executive Directors, namely, Mr. SO Alan Wai Shing, Mr. LEE Kwong Ming and Mr. CHAN Kin Sun. The Audit Committee is chaired by Mr. SO Alan Wai Shing. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed “**11. Particulars of Directors**” in this appendix. 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.

13. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Registered office	Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands
Head office and principal place of business in Hong Kong	Units 1202–1204 Level 12, Cyberport 2 100 Cyberport Road, Hong Kong
Principal share registrar and transfer office in the Cayman Islands	Conyers Trust Company (Cayman) Limited Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands

Hong Kong branch share registrar and transfer office	Union Registrars Limited Suites 3301–04, 33/F. Two Chinachem Exchange Square 338 King’s Road North Point Hong Kong
Company secretary	Mr. WONG Sui Chi Units 1202–1204 Level 12, Cyberport 2 100 Cyberport Road, Hong Kong
Authorised representatives	Ms. WONG Wing Man and Mr. WONG Sui Chi Units 1202–1204 Level 12, Cyberport 2 100 Cyberport Road, Hong Kong
Principal banker	The Hongkong and Shanghai Banking Corporation Limited Level 3 & BL 1, HSBC Main Building 1 Queen’s Road Central Central, Hong Kong Fubon Bank (Hong Kong) Limited Fubon Bank Building 38 Des Voeux Road Central, Hong Kong
Auditors	Jon Gepsom CPA Limited <i>Certified public accountants</i> Room 03–05, 10/F., Siu On Centre 188 Lockhart Road Wan Chai Hong Kong
Financial Adviser	Rainbow Capital (HK) Limited Office No. 710, 7/F Wing On House 71 Des Voeux Road Central Central Hong Kong
Legal adviser to the Company as to Hong Kong laws	TC & Co. Units 501–502 5/F, Tai Tung Building 8 Fleming Road Wanchai Hong Kong

Placing Agent

Constance Capital Limited
Unit B11 27/F NCB Innovation Centre
No. 888 Lai Chi Kok Road
Cheung Sha Wan, Kowloon
Hong Kong

14. GENERAL

- (i) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (ii) As at the Latest Practicable Date, the Group mainly operates in Hong Kong and UAE with the majority of its transactions denominated in HKD and AED, which is the functional currency of the Group's operating subsidiaries. Therefore, the foreign exchange risk of the Group was considered minimal. Currently, the Group does not have a foreign currency hedging policy. However, the Group will continue to monitor its foreign exchange exposure and will consider hedging significant foreign currency risk should the need arise.
- (iii) As the Latest Practicable Date, there was no contracts for the hire or hire purchase of plant to or by any member of the Group for a period of over one year which are substantial in relation to the Group's business.
- (iv) In the event of inconsistency, the English text of this Prospectus shall prevail over the Chinese text.

15. BINDING EFFECT

The Prospectus Documents and all acceptance of any offer or application contained in such documents are governed by and shall be construed in accordance with the Laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), so far as applicable.

16. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consents referred to in the paragraph headed "**9. Experts and consents**" in this appendix have been delivered to the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong).

17. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.pacificlegendgroup.com) for the period of 14 days from the date of this Prospectus:

- (a) the material contracts referred to in the paragraph headed “**7. Material contracts**” in this appendix;
- (b) the report issued by the reporting accountants regarding the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (c) the written consents referred to in the paragraph headed “**9. Experts and Consents**” in this appendix;
- (d) the letter issued by the Financial Adviser to the Company in relation to the working capital sufficiency statement; and
- (e) the Prospectus Documents.