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## **PACIFIC LEGEND GROUP LIMITED**

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

**(Stock Code: 8547)**

### **PROPOSED SHARE CONSOLIDATION**

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The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares be consolidated into one (1) Consolidated Share.

The Share Consolidation is conditional upon, among other things, the approval by the Shareholders at the EGM. To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, no Shareholder is required to abstain from voting on the resolution(s) proposed to consider and approve the Share Consolidation at the EGM.

#### **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation.

A circular containing, among other things, details of the Share Consolidation, together with a notice of the EGM, is expected to be despatched to the Shareholders on or before Monday, 10 July 2023.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon the satisfaction of the conditions set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.**

## **PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every ten (10) issued and unissued Existing Shares be consolidated into one (1) Consolidated Share.

### **Conditions of the Share Consolidation**

The Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders to approve the Share Consolidation at the EGM;
- (ii) the GEM Listing Committee granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the GEM Listing Rules to effect the Share Consolidation.

Subject to the fulfillment of all the above conditions, the Share Consolidation is expected to become effective on Friday, 28 July 2023.

### **Effects of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Existing Shares with par value of HK\$0.01 each, of which 1,584,000,000 Existing Shares have been allotted and issued as fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective and on the basis that no other further Existing Shares will be allotted, issued or repurchased prior thereto, the authorised share capital of the Company will become HK\$100,000,000 divided into 1,000,000,000 ordinary Shares of HK\$0.10 each, of which 158,400,000 Consolidated Shares will be in issue, which are fully paid or credited as fully paid.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other in accordance with the Company's articles of association.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the shareholdings, proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which the Shareholders may be entitled.

### **Listing application**

An application will be made by the Company to the GEM Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares to be issued upon the Share Consolidation becoming effective.

Subject to the granting of approval for the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon the Share Consolidation becoming effective, the Consolidated 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 Consolidated Shares on the Stock Exchange or such other date 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

None of the Existing Shares are listed or dealt in on any other stock exchanges other than the Stock Exchange, and at the time when the Share Consolidation becomes effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

### **Board lot size**

As at the date of this announcement, the Existing Shares were traded on the Stock Exchange in the board lot size of 10,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will continue to be 10,000 Consolidated Shares.

Based on the closing price of HK\$0.058 per Existing Share (equivalent to the theoretical closing price of HK\$0.58 per Consolidated Share) as quoted on the Stock Exchange as at the date of this announcement, the value of each existing board lot of the Existing Shares is HK\$580 and the estimated theoretical value of each board lot of the Consolidated Shares would be HK\$5,800 assuming that the Share Consolidation becomes effective.

### **Fractional entitlement to Consolidated Shares**

Fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of existing share certificates held by such holder. Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

## **Arrangement on odd lot trading**

In order to facilitate the trading of odd lots of the Consolidated Shares (if any) arising from the Share Consolidation, the Company will appoint a designated broker to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lots arrangement will be set out in the circular of the Company to be despatched to the Shareholders.

Shareholders holding odd lots of the Consolidated Shares (if any) should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

## **Exchange of share certificates**

Subject to the Share Consolidation becoming effective, the Shareholders may during the period from Friday, 28 July 2023 to Monday, 4 September 2023 (both days inclusive) submit existing share certificates in the colour of blue for the Existing Shares to the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, for exchange for new share certificates in the colour of light yellow for the Consolidated Shares at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever is higher.

After 4:30 p.m. on Monday, 4 September 2023, existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for share certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

## **REASONS FOR THE SHARE CONSOLIDATION**

Under Rule 17.76 of the GEM Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. The “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 and updated on 1 October 2020 has further stated that (i) market price of the shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 17.76 of the GEM Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected board lot value should be greater than HK\$2,000.

The Existing Shares have been trading below HK\$0.10 and the board lot value of the Existing Shares has been traded below HK\$2,000. As at the date of this announcement, the closing price of the Existing Shares was HK\$0.058, with a board lot size of 10,000, and the existing board lot value was only HK\$580, which was less than HK\$2,000. Upon the Share Consolidation becoming effective, based on the closing price of HK\$0.058 per Existing Share, the share price of the Company would be adjusted to HK\$0.58 per Consolidated Share. With a board lot size of 10,000, the estimated theoretical value of each new board lot would be HK\$5,800. The Share Consolidation would thus enable the Company to comply with the trading requirements under the GEM Listing Rules.

The Board considers that the Share Consolidation will increase the nominal value of the Shares and reduce the total number of Shares currently in issue. It is expected that the Share Consolidation will bring about a corresponding increase in the trading price of the Consolidated Shares on the Stock Exchange.

The Company has been considering various fund-raising alternatives available to the Group, including share issue, rights issue and debt financing. On 9 June 2023, the Company has entered into the Placing Agreement and issued the Placing Announcement relating to the Placing. As at the date of this announcement, save as disclosed in the Placing Announcement and this announcement, the Company has no intention to carry out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation. However, the Board will not rule out the possibility that the Company will conduct debt and/or equity fund raising exercises and/or other corporate actions when suitable fund raising opportunities arise for future development of the Group. The Company will make further announcement in this regard in accordance with the GEM Listing Rules as and when appropriate.

In light of the above reasons, the Board is of the view that the Share Consolidation is beneficial to and in the interests of the Company and the Shareholders as a whole.

#### **ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY**

As at the date of this announcement, the Company has no outstanding derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares.

## EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation is set out below:

**2023**

Expected date of despatch of the circular with notice of the EGM.....	Monday, 10 July
Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM.....	4:30 pm on Thursday, 20 July
Closure of register of members for determining the entitlement to attend and vote at the EGM (both days inclusive) .....	Friday, 21 July to Wednesday, 26 July
Latest date and time for lodging forms of proxy for the EGM.....	11:00 am on Monday, 24 July
Expected date and time of the EGM.....	11:00 am on Wednesday, 26 July
Announcement of voting results of the EGM.....	Wednesday, 26 July
Effective date of the Share Consolidation .....	Friday, 28 July
First day for free exchange of existing share certificates for new share certificates of the Consolidated Shares .....	Friday, 28 July
Dealings in the Consolidated Shares commence.....	9:00 am on Friday, 28 July
Original counter for trading in the Existing Shares in board lots of 10,000 Existing Shares (in the form of existing share certificates) temporarily closes .....	9:00 am on Friday, 28 July
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens.....	9:00 am on Friday, 28 July
Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens.....	9:00 am on Friday, 11 August
Parallel trading in the Consolidated Shares (in the form of new share certificates and existing share certificates) commences .....	9:00 am on Friday, 11 August
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares .....	9:00 am on Friday, 11 August

Designated broker ceases to stand in the market to provide matching services for sale and purchase of odd lots of the Consolidated Shares ..... 4:00 pm on Thursday, 31 August

Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) closes ..... 4:10 pm on Thursday, 31 August

Parallel trading in Consolidated Shares (in the form of new share certificates and existing share certificates) ends..... 4:10 pm on Thursday, 31 August

Latest time for free exchange of existing share certificates for the new share certificates of the Consolidated Shares ..... 4:30 pm on Monday, 4 September

The expected timetable set out above is indicative only and may be subject to change. All times and dates in this announcement refer to Hong Kong local times and dates. Any changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

## **GENERAL**

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve the Share Consolidation.

A circular containing, among other things, details of the Share Consolidation, together with the notice of the EGM, is expected to be despatched to the Shareholders on or before Monday, 10 July 2023. To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, no Shareholder is required to abstain from voting on the resolution(s) proposed to consider and approve the Share Consolidation at the EGM.

**Shareholders and potential investors should note that the Share Consolidation is conditional upon satisfaction of the conditions set out in the paragraph headed “Conditions of the Share Consolidation” in this announcement. Accordingly, the Share Consolidation may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares. If they are in any doubt, they should consult their professional advisers.**



## DEFINITIONS

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

“Board”	the board of Directors
“business day(s)”	any day (other than a Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
“Company”	Pacific Legend Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM
“Consolidated Share(s)”	ordinary share(s) of par value of HK\$0.10 each in the share capital of the Company after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and, if thought fit, approve the Share Consolidation
“Existing Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company prior to the Share Consolidation becoming effective
“GEM”	GEM operated by the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it in the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures
“Group”	the Company and its subsidiaries



“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Placing”	the placing, on a best effort basis, of up to 316,800,000 new Existing Shares pursuant to the terms of the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and KGI Asia Limited dated 9 June 2023 in relation to the Placing
“Placing Announcement”	the announcement of Company dated 9 June 2023 in relation to the Placing
“Registrar”	the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Share(s)”	Existing Share(s) and/or Consolidated Share(s), as the case may be
“Share Consolidation”	the proposed consolidation of every ten (10) issued and unissued Existing Shares into one (1) Consolidated Share
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 16 June 2023

*As at the date of this announcement, the Board comprises Mr. John Warren McLennan, Ms. Shawlain Ahmin and Ms. Wong Wing Man as executive Directors; and Mr. So Alan Wai Shing, Mr. Lee Kwong Ming and Mr. Lee Fung Lun, as independent non-executive Directors.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purposes of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; (ii) there are no other matters the omission of which would make any statement herein or this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the day of its posting. This announcement will also be published on the Company’s website at [www.pacificlegendgroup.com](http://www.pacificlegendgroup.com).*