

**PACIFIC LEGEND GROUP LTD:
WHERE IS THE NADIR OF THIS COMPANY'S SHARE PRICE ?**

Some people might like to learn how many of the investors, those who subscribed to purchase shares at the **Initial Public Offering (IPO)** of Pacific Legend Group Ltd (Code: 8547, The **G**rowth **E**nterprise **M**arket [the **GEM**], The Stock Exchange of Hongkong Ltd), are happy with their lot after scanning the financial results of the Company for the six months, ended June 30, 2018.

On Friday, August 10, 2018, Management of Pacific Legend Group Ltd unleashed its Interim Report with regard to the First Half of the Current Financial Year.

The Company reported that, on Revenues of \$HK119,139,000.00, the Net Loss Attributable to Shareholders came in at \$HK16,991,000.00.

That result was an increase of about \$HK14,553,000.00, or 596.92 percent, compared with the like period in respect of the 2017 Financial Year.

Revenues for the six months to June 30, 2018, were about \$HK272,000 higher (about 0.23 percent) than that of the comparable period in respect of the 2017 Financial Year.

Listing Expenses, charged to the Profit and Loss Account for this Financial Year, were about \$HK9,215,000.00 (2017 Financial Year: Listing Expenses, charged to the 2017-Year's Profit and Loss Account, were \$HK1,365,000.00).

Excluding the Listing Expenses from the 2018-Year's Profit and Loss Account with regard to the First Half of the Financial Year, the Bottom Line would have been a Net Loss Attributable to Shareholders of about \$HK7,776,000.00 – which is, still, a material increase of about 219 percent in the 2018-Year's First Half's Net Loss Attributable to Shareholders, compared with the 2017 Financial Year's Net Loss of \$HK2,438,000.00.

Turning to the Condensed Consolidated Statements of Financial Position, under the heading of Current Assets, it is shown that, as at June 30, 2018, the Company had cash and cash equivalents of about \$HK14,587,000.00 (2017: \$HK45,882,000.00).

Net Assets (Shareholders' Funds) had dropped from the 2017-Year's figure of \$HK102,817,000.00 to the figure for June 30, 2018, of \$HK69,781,000.00, a decrease of about 32 percent.

The negative news goes on, and on, and on, as one studies the Interim Report.

One can be forgiven for raising the question:

'When will Management stop the rot?'

Quite a number of entrepreneurs, the world over, might be interested to learn how a company, with a history of being in business for the past 39 years, with Annual Turnovers of more than \$HK250 million, has been able to compete, successfully, with that which must be its many competitors in the regions in which it

operates, on a Net Profit Margin Attributable to Shareholders of between one percent and two percent, per annum.

On scanning the Share Offer Prospectus of Pacific Legend Group Ltd, the following is that which prospective investors were asked to accept as the 'carrot' in order to seduce them to subscribe for the Company's Shares on Offer.

The Initial Public Offering (IPO) Of Pacific Legend Group Ltd

Pacific Legend Group Ltd published and disseminated its Share Offer Prospectus on June 29, 2018.

In this 470-Page document, one learned, among other things, that Management was Offering a total of 250 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 30 cents to a high of 40 cents.

Investors of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) were Offered 25 million Shares and International Investors were Offered of opportunity to subscribe to the remaining 225 million Shares, all of which would be made available to qualified investors via select Share Placements.

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