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LEGENDARY GROUP LIMITED

創天傳承集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8195)

QUARTERLY UPDATE ON RESUMPTION PROGRESS

This announcement is made by Legendary Group Limited (the “**Company**”) pursuant to the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) and Rule 17.10 (2) and 17.26A of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

References are made to the announcement of the Company dated (i) 23 November 2021 in relation to, among other things, the guidance for the resumption of trading in the shares of the Company (the “**Shares**”) set out by the Stock Exchange; (ii) 18 January 2022 in relation to, among other things, the first quarterly update on resumption progress; (iii) 14 April 2022 in relation to, among other things, the second quarterly update on resumption progress (the “**Update Announcement**”); and (iv) 17 June 2022 in relation to, among other things, the additional resumption guidance set out by the Stock Exchange. Unless otherwise stated, capitalised terms used in this announcement shall have the same meaning as those defined in the Update Announcement.

QUARTERLY UPDATE

On 22 November 2021, the Company received a letter from the Stock Exchange setting out the following resumption guidance (the “**Initial Resumption Guidance**”) for the resumption of trading in the Shares:

- (i) have the winding-up petition (or order, if made) against the Company withdrawn or dismissed (the “**Resumption Guidance 1**”);

- (ii) demonstrate that there is no reasonable regulatory concern about management integrity and/or the integrity of any persons with substantial influence over the Company's management and operations, which will pose a risk to investors and damage market confidence (the "**Resumption Guidance 2**"); and
- (iii) announce all material information for the Company's shareholders and investors to appraise the Company's position (the "**Resumption Guidance 3**").

On 14 June 2022, the Company received a letter from the Stock Exchange setting out an additional resumption guidance that the Company to conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to comply with the Listing Rules (the "**Resumption Guidance 4**", together with the Initial Resumption Guidance, the "**Resumption Guidance**").

Resumption Guidance 1 – Dismissal of the Petition

The Honourable Ms. Justice Linda Chan has made an order to dismiss the Petition at the hearing on 13 December 2021. A sealed copy of the said order was received by the Company on 23 December 2021.

The Petition was dismissed by way of consent summons between the parties, upon the undertakings given by Wongs. Wongs undertake that, they will not, whether by themselves, servants, agents, nominee, corporate vehicles, or any of them or otherwise howsoever, (i) hold, own or acquire any Shares after a potential placing of Shares owned by them; (ii) enter into any agreement or dealing with the Company (save and except for the purpose(s) of the potential placing of Shares); and (iii) participate in the management of the Company or be involved in any decision-making process of the Company.

The Board was made aware that (i) Mr. Wong Kwan Mo ("**Mr. Wong**") and Ms. Lau Lan Ying ("**Ms. Lau**") have disposed of all Shares beneficially owned by them through an independent placing agent (the "**Placing Agent**"); and (ii) the Wongs' Placing was completed on 27 June 2022.

Mr. Wong and Ms. Lau have confirmed to the Company that they cease to have any direct or indirect equity interest in the Company upon completion of the Wongs' Placing. The Placing Agent have confirmed to the Company that the placees and their respective ultimate beneficial owners are third parties independent of Mr. Wong and Ms. Lau.

For illustrative purpose, the table below sets out the shareholding structure of the Company as at the date of this announcement:

	Number of Shares held	% of Shares in issue
Substantial Shareholder		
Lui Yu Kin	44,148,000	12.32%
Directors		
Chan Lap Jin Kevin	30,928,800	8.63%
Yuen Yu Sum	6,276,800	1.75%
Chung Chin Kwan	1,200,000	0.33%
Law Wing Chung	192,000	0.05%
Public Shareholders	275,710,459	76.92%
Total	358,456,059	100.00%

Based on the above, the Board is of the view that, as at the date of this announcement, (i) there are no outstanding winding-up petitions against the Company; and (ii) the undertakings given by Wongs have been fulfilled.

Resumption Guidance 2 – Management integrity

Submissions have been made to the Stock Exchange to demonstrate that (i) each of Wongs and the former Directors relevant to the allegations as raised in the Petition is not a member of the Board or senior management of the Group, and therefore has no influence over the Board or senior management of the Company; (ii) Wongs have ceased holding any equity interests in the Company upon completion of the Wongs' Placing; (iii) none of the members of the current Board was alleged to be involved in any act(s) in relation to the Petition and/or subject to any regulatory investigations; and (iv) the business and operations of the Group are under the directions of the current Board, which has no relation whatsoever with Wongs and the former Directors relevant to the allegations as raised in the Petition.

Having considered the above, the Board is of the view that there is no regulatory concern about the management integrity and/or integrity of any persons with substantial influence over the Company's management and operations which will impose a risk on investors and damage the market confidence.

Resumption Guidance 3 – Announcement of all material information

Since the suspension of trading in the Shares, the Company has been updating the Shareholders and potential investors of the Company on a regular basis by publishing all material information on a timely basis. The Company will continue to inform the market of all material information as and when appropriate. The Company has been working closely with its professional advisers and taking appropriate steps to fulfill the Resumption Guidance and will continue to update the shareholders and potential investors of the Company on, among others, the progress as and when appropriate.

Resumption Guidance 4 – Internal control

An independent consultant, BT Corporate Governance Limited (the “**Independent Consultant**”) was appointed to conduct an independent investigation (the “**Investigation**”) on the matters as raised in the Petition and the other relevant matters included in the judgment of HCCW 72 of 2019 handed down by the Honourable Mr. Justice Harris. In response to the major internal control deficiencies identified during the Investigation, the Independent Consultant has made certain recommendations (the “**Recommendations**”) to the Group in order to strengthen the Group’s internal control system.

On 24 June 2022, the Independent Consultant has completed the internal control follow-up review (the “**IC Review**”) and observed that the Company’s management has successfully implemented the Recommendations. The Independent Consultant concluded that there was no indication of any material deficiencies on the internal control systems and procedures of the Group that were the subject of their review.

Having considered the results of the IC Review, the audit committee and the compliance committee of the Board are of the view that the remedial measures implemented by the Company are sufficient and adequate to address all the key internal control weaknesses as identified during the Investigation. Both committees are satisfied that the Company has put in place adequate internal controls and procedures to comply with the GEM Listing Rules and to safeguard the interest of the Company and the Shareholders as a whole.

Additionally, as a measure enhancing the Group’s internal control system, the Company has established a compliance committee with effect from 20 June 2022 to oversee the regulatory compliance with all relevant rules and regulations applicable to the Company. With the aim to implement the Independent Consultant’s recommendation and strengthen the regulatory compliance function of the Group, the Company has engaged Kenneth Chong Law Office as the independent Hong Kong legal adviser to provide consultation on compliance with applicable laws to the Group for a period commencing from 1 July 2022 to 30 June 2023.

Having considered the above, the Board is of the view that the Company has put in place adequate internal controls and procedures to comply with the GEM Listing Rules.

BUSINESS OPERATIONS

The Group is principally engaged in (i) provision of financial quotient and investment education courses; (ii) provision of private supplementary education services; (iii) the manufacturing and sales of OEM garment products; (iv) money lending; (v) retailing of garment products under the Group's own brand and high-end fashion brand; and (vi) property investment.

Notwithstanding the suspension of trading in the Shares, the Company is carrying on its business operations as usual. The Group will continue to closely monitor its financial position and business operations and make further announcement(s) as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 19 October 2021.

On 30 June 2022, the Company has made a written submission to the Stock Exchange, whereby it demonstrated the fulfillment of the Resumption Guidance with relevant supporting evidences and applied for the resumption of trading of Shares. Since then, the Company has been providing the Stock Exchange with supplemental information in response to the enquiries raised by the Stock Exchange.

Pending approval of the Stock Exchange, trading in the Shares will remain suspended until further notice. The Company will make further announcement(s) as and when appropriate.

By order of the Board
Legendary Group Limited
Yuen Yu Sum
Chairman and executive Director

Hong Kong, 18 July 2022

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Yuen Yu Sum (Chairman) and Mr. Chan Lap Jin Kevin; one non-executive Director, namely, Mr. Law Wing Chung; and five independent non-executive Directors, namely, Mr. Chung Chin Kwan, Mr. Chan Kim Fai Eddie, Mr. Ng Chi Ho Dennis, Mr. Chung Kwok Pan and Mr. Leung Kai Cheong Kenneth.

This announcement, 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 announcement 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 announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange’s website at <http://www.hkexnews.hk> for at least 7 days from the date of its posting and on the website of the Company at <http://www.legendarygp.com>.