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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)

**VOLUNTARY ANNOUNCEMENT
ACQUISITION OF 75% EQUITY INTEREST OF
HONG KONG INSTITUTE OF PROFESSIONAL STUDIES LIMITED**

This announcement is made by Legendary Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis for the purpose of keeping the shareholders of the Company (the “**Shareholders**”) and potential investors informed of the latest development of the Group.

THE ACQUISITION

The board (the “**Board**”) of directors (the “**Directors**”) of the Company is pleased to announce that on 27 September 2022, a direct wholly-owned subsidiary of the Company (the “**Purchaser**”) entered into a sale and purchase agreement (the “**Agreement**”) with three vendors (each, “**Vendor A**”, “**Vendor B**” and “**Vendor C**”, collectively, the “**Vendors**”). Pursuant to the Agreement, the Purchaser has agreed to purchase and the Vendors have agreed to sell an aggregate of 7,500 ordinary shares (the “**Sale Shares**”) of Hong Kong Institute of Professional Studies Limited (the “**Target Company**”), representing 75% equity interest in the Target Company, at a consideration of HK\$2,000,000 (the “**Consideration**”).

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Vendors and their ultimate beneficial owners are third parties independent of the Company and its connected persons as defined under the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**GEM Listing Rules**”).

Consideration

The Consideration shall be satisfied by the Purchaser in cash according to the following schedule:

- (i) first instalment in the aggregate sum of HK\$1,000,000 shall be satisfied upon signing of the Agreement as to HK\$500,000, HK\$250,000 and HK\$250,000 to Vendor A, Vendor B and Vendor C, respectively; and
- (ii) second instalment in the aggregate sum of HK\$1,000,000 shall be satisfied within 14 business days upon successful renewal of the registration (the “**Registration**”) of the Certificate Courses (as defined below) on or before 31 May 2023 (or such date as the parties may agree in writing) as to HK\$500,000, HK\$250,000 and HK\$250,000 to Vendor A, Vendor B and Vendor C (or their respective nominee(s)), respectively.

The Consideration was arrived at based on normal commercial terms after arm’s length negotiation between the Purchaser and the Vendors. The Consideration is financed by the Group’s internal resources.

Completion

Completion (the “**Completion**”) of the acquisition of the Sale Shares (the “**Acquisition**”) has taken place simultaneously upon signing of the Agreement. Upon Completion, the Company holds 75% equity interest in the Target Company. Accordingly, the Target Company becomes an indirect non wholly-owned subsidiary of the Company and its financial results will be consolidated into the accounts of the Company.

Put Option

The Vendors have granted the put option (the “**Put Option**”) to the Purchaser pursuant to the Agreement which, when exercisable, entitles the Purchaser the right to require the Vendors to buy back the Sale Shares at the consideration of HK\$1,000,000. The Put Option will become exercisable in the event that the Target Company fails to renew the Registration by 31 March 2023 (the “**Deadline for Renewal**”) for reason(s) other than the followings:

- (i) the Target Company failing to fulfil the financial requirement as the course provider under the Continuing Education Fund;
- (ii) the Target Company having committed unfair sales acts or practices; and/or
- (iii) the Target Company having committed breach of any applicable laws including but not limited to the Education Ordinance, the Trade Description Ordinance, the Trade Descriptions (Unfair Trade Practices) (Amendment) Ordinance, the Anti-Money Laundering and Counter-Terrorist Financing Ordinance.

The Put Option is exercisable at the sole discretion of the Purchaser within 5 business days from 31 May 2023 (or such date as the parties may agree in writing), otherwise the Put Option should lapse automatically. For the avoidance of doubt, the Vendors shall be entitled an extra 61 calendar days extension for procuring the renewal of the Registration from the Deadline for Renewal. No premium is payable for the grant of the Put Option.

Board Composition

The board of directors of the members of the Target Company shall consist of not more than seven (7) directors, of which the Purchaser shall be entitled to nominate four (4) directors and the Vendors shall be entitled to nominate three (3) directors.

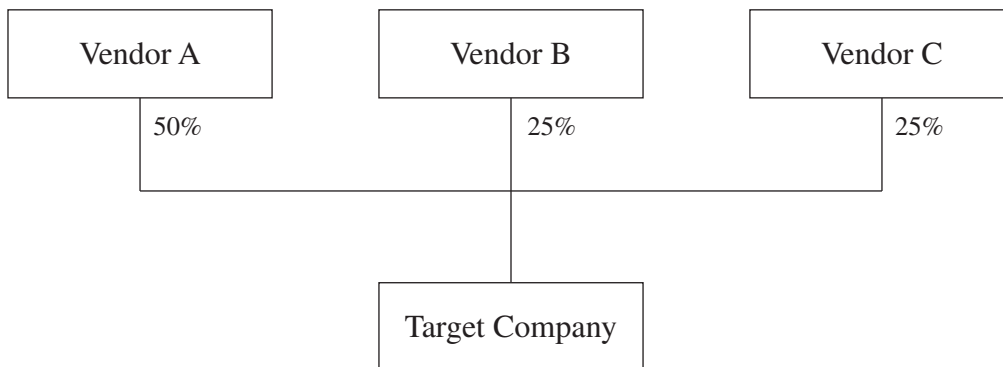
INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong with limited liability and principally engaged in the provision of certificate courses in financial analysis (the “**Certificate Courses**”), with topics covering financial analysis, equity investment analysis, financial derivatives analysis and bond value assessment.

The Certificate Courses are currently registered as reimbursable courses under the Continuing Education Fund, which is a fund established by the Government of Hong Kong Special Administrative Region subsidising adults for learning aspirations to pursue continuing education and training courses. The Certificate Courses are currently instructed by a professional team of experienced industry players, among others, Mr. Tang Sing Hing, Mr. Pong Po Lam, Mr. Kwok Sze Chi, Mr. Lam Ka Hang, Mr. Lun Sheung Nim, Mr. Cheung Yik Cho, Mr. Lin King Ham, Ms. Hung Lai Ping, Mr. Tsang Wing Kin, Mr. Pang Wai Sun, Mr. Wong Man Sek, Mr. Yiu Ho Yin and Mr. To Kwok Pun. As confirmed by the Vendors, since its incorporation in 2005, the Target Company has over 2,000 students enrolled in the Certificate Courses.

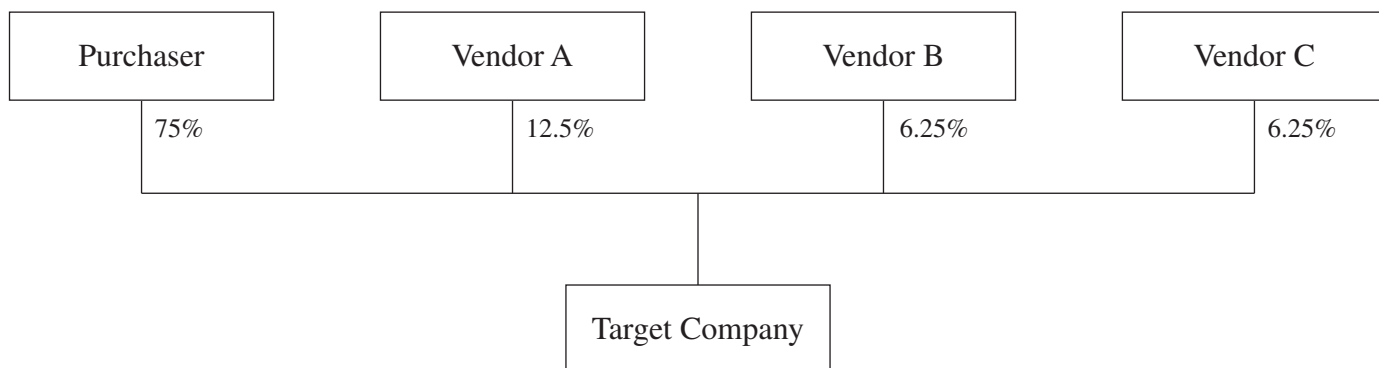
The following diagrams illustrate the shareholding structures of the Target Company (i) immediately before Completion; and (ii) immediately after Completion:

Immediately before Completion



Immediately before Completion, the Target Company was owned as to (i) 50% by Vendor A; (ii) 25% by Vendor B; and (iii) 25% by Vendor C, respectively.

Immediately after Completion



Immediately upon Completion, the Target Company is owned as to (i) 75% by the Purchaser; (ii) 12.5% by Vendor A; (iii) 6.25% by Vendor B; and (iv) 6.25% by Vendor C, respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company. The Group is principally engaged in (i) provision of financial quotient and investment education courses (the “**Investment Education Business**”); (ii) provision of private supplementary education services; (iii) manufacturing and sales of OEM garment products; (iv) money lending; (v) retailing and wholesaling of garment products under the Group’s own brand and high-end fashion brand; and (vi) property investment.

The Group commenced the Investment Education Business in the second quarter of 2019. It provides financial quotient and investment education courses to individual customers desiring for enhancing their knowledge in the areas of finance and investment. As disclosed in the annual report of the Company for the year ended 31 March 2022, the Investment Education Business has become the largest revenue and profit contributor amongst all business segments of the Group. In view of the fast-growing business performance of the Investment Education Business, it is the intention of the Group to invest more resources to broaden its market share and customer base in Hong Kong.

The Target Company is dedicated to delivering the Certificate Courses to equip its individual customers with financial analysis skill. With track record of over 15 years, the Target Company has established solid brand awareness and expertise in the financial education industry. Furthermore, the Certificate Courses provided by the Target Company are registered under the Continuing Education Fund, enabling students to apply for reimbursement of part of their course fees paid, which creates a stable student pipeline for the Certificate Courses.

The Directors consider that the Acquisition is beneficial to the Group for further expanding the business scope and revenue stream of the Investment Education Business segment and is in line with the business development strategy of the Group. Upon Completion, the financial results of the Target Company will be consolidated into the financial statements of the Company.

Based on the above, the Directors consider that the terms of the Acquisition are fair and reasonable, on normal commercial terms and the Acquisition is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the transactions contemplated under the Agreement do not exceed 5%, the entering into of the Agreement does not constitute a notifiable transaction for the Company under Chapter 19 of the GEM Listing Rules. If and when the Purchaser intends to exercise the Put Option, the Company will (where necessary) comply with all relevant requirements under the GEM Listing Rules.

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

Hong Kong, 27 September 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>.