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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)**

## **DISCLOSEABLE TRANSACTIONS RELATING TO PROVISION OF LOANS**

### **PROVISION OF LOANS**

The Board announced that the Lender, an indirect wholly-owned subsidiary of the Company, entered into (i) the Loan Agreement A with Customer A on 26 August 2016; and (ii) the Loan Agreement B with Customer B on 14 August 2020. Pursuant to the Loan Agreement A, the Lender agreed to grant Loan A to Customer A for a term of two years. Pursuant to the Loan Agreement B, the Lender agreed to grant Loan B to Customer B for a term of one year.

### **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) for each of Loan A and Loan B are more than 5% but less than 25%, the provision of each of Loan A and Loan B constituted a discloseable transaction of the Company pursuant to Chapter 19 of the GEM Listing Rules and therefore is subject to the notification and announcement requirements pursuant to Chapter 19 of the GEM Listing Rules.

In addition, as the amount of Loan B exceeds 8% under the assets ratio as defined in Rule 19.07(1) of the GEM Listing Rules, the provision of Loan B is also subject to the general disclosure obligations under Rules 17.15 and 17.17 of the GEM Listing Rules.

The Company should have complied with the relevant notification and announcement requirements under the GEM Listing Rules in respect of the provision of the Loans, as and when such obligations arose. Regrettably, due to inadvertent miscalculation of the applicable percentage ratios, the provision of the Loans has not been notified and announced by the Company in a timely manner in accordance with the GEM Listing Rules.

To prevent similar non-compliance from occurring in the future, the Company will implement certain remedial measures.

## **PROVISION OF THE LOANS**

The Board announced that the Lender, an indirect wholly-owned subsidiary of the Company, entered into (i) the Loan Agreement A with Customer A on 26 August 2016; and (ii) the Loan Agreement B with Customer B on 14 August 2020. Pursuant to the Loan Agreement A, the Lender agreed to grant Loan A to Customer A for a term of two years. Pursuant to the Loan Agreement B, the Lender agreed to grant Loan B to Customer B for a term of one year.

The principal terms of each of the Loan Agreements are summarised as follows:

### **The Loan Agreement A**

Date	:	26 August 2016
Lender	:	L & A Solutions Limited
Borrower	:	Customer A
Principal amount	:	HK\$35,000,000
Term	:	commencing from 26 August 2016 to 25 August 2018
Interest	:	12% per annum, interest on Loan A shall accrue on a monthly basis
Security	:	Share charge over 6,460,000 issued shares of Season Pacific legally and beneficially owned by Customer A
Repayment	:	The principal amount of Loan A together with all interests accrued thereon shall be repaid in lump sum by Customer A to the Lender without deduction on the due date of Loan A

Loan A was funded by internal resources of the Group. The terms of the Loan Agreement A (including the interest rate) were arrived at by the parties to the Loan Agreement A after arm's length negotiations, with reference to the commercial practice and the amount of Loan A.

Loan A had already been repaid by Customer A.

## **The Loan Agreement B**

Date	:	14 August 2020
Lender	:	L & A Solutions Limited
Borrower	:	Customer B
Principal amount	:	HK\$10,940,416.70
Term:	:	commencing from 14 August 2020 to 13 August 2021
Interest	:	12% per annum
Security	:	House 9 and Carparks 17&18 on LG/G and The Terrace and/or Garden Conifer Lodge, No.10 Ma Lok Path, Shatin, New Territories, Hong Kong
Repayment	:	The principal amount of Loan B together with all interests accrued thereon shall be repaid in lump sum by Customer B to the Lender on 13 August 2021

Loan B was funded by internal resources of the Group. The terms of the Loan Agreement B (including the interest rate) were arrived at by the parties to the Loan Agreement B after arm's length negotiations, with reference to the commercial practice and the amount of Loan B.

Loan B had already been repaid by Customer B.

## **INFORMATION ON THE BORROWERS**

Each of Customer A and Customer B is an individual who, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, is a merchant and a third party independent from the Company and its connected person.

## **INFORMATION ON THE GROUP AND THE LENDER**

The Company is an investment holding company. 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.

The Lender is an indirect wholly-owned subsidiary of the Company and is licensed to conduct money lending business in Hong Kong through the provision of loans to customers under the Money Lenders Ordinance. The Lender obtained its money lender business licence in June 2016 and has commenced its money lending business since then.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENTS**

Taking into account the principal business activities of the Lender, the provision of the Loans is in the ordinary and usual course of business of the Group.

Prior to granting the Loans, the Lender had made background and bankruptcy search on each of Customer A and Customer B in accordance with its credit policy. The Directors, having taken into account that (i) the satisfactory financial background of each of Customer A and Customer B; (ii) the quality and estimated value of the security provided by each of Customer A and Customer B; (iii) no bankruptcy petition against each of Customer A and Customer B was found, considered the credit risk relating to the provision of the Loans is relatively low.

Taking into account a stable cash inflow and revenue to be generated from the expected interest income in connection with the Loans, the Company considered that the terms of the Loan Agreements were fair and reasonable and the entering into of the Loan Agreements was in the interests of the Company and its shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) for each of Loan A and Loan B are more than 5% but less than 25%, the provision of each of Loan A and Loan B constituted a discloseable transaction of the Company pursuant to Chapter 19 of the GEM Listing Rules and therefore is subject to the notification and announcement requirements pursuant to Chapter 19 of the GEM Listing Rules.

As the amount of Loan B exceeds 8% based on the assets ratio as defined in Rule 19.07(1) of the GEM Listing Rules, the provision of Loan B is also subject to the general disclosure obligations under Rules 17.15 and 17.17 of the GEM Listing Rules.

The Company should have complied with the relevant notification and announcement requirements under the GEM Listing Rules in respect of the provision of the Loans, as and when such obligations arose. Regrettably, due to inadvertent miscalculation of the applicable percentage ratios, the provision of the Loans has not been notified and announced by the Company in a timely manner in accordance with the GEM Listing Rules.

## **REMEDIAL ACTIONS**

The Company deeply regrets its non-compliance with the GEM Listing Rules but the Company would like to stress that the non-compliance was inadvertent. To prevent similar non-compliance from occurring in the future, the Company will implement the following remedial measures:

1. the Company will provide further guidance materials and training to responsible staff regarding proper calculation methodology of the percentage ratios relating to notifiable transactions under the GEM Listing Rules;

2. the Company will review, strengthen and continue to monitor the reporting procedure, to ensure any proposed transactions which may constitute notifiable transactions would be promptly reported to the company secretary. The company secretary of the Company shall further assess the proposed transactions and ensure the proposed transactions will be conducted in compliance with the applicable requirements under the GEM Listing Rules and the relevant rules and regulations; and
3. the Company will arrange external advisers to provide ongoing trainings on legal and regulatory requirements applicable to the business operations of the Group to the Directors, senior management and relevant employees of the Group.

## DEFINITIONS

In this announcement, unless the context specifies otherwise, the following defined expressions have the following meanings:

“Board”	the board of Directors
“Company”	Legendary Group Limited (創天傳承集團有限公司), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (Stock Code: 8195)
“Customer A”	Ms. Tsang Hoi Wah Ava, being the borrower of Loan A
“Customer B”	Ms. Liu Chung Yan, being the borrower of Loan B
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Lender”	L & A Solutions Limited, an indirect wholly-owned subsidiary of the Company, being the lender under the Loan Agreements
“Loans”	collectively, Loan A and Loan B
“Loan A”	a loan in the principal amount of HK\$35,000,000 granted by the Lender to Customer A pursuant to the Loan Agreement A
“Loan Agreements”	collectively the Loan Agreement A and the Loan Agreement B

“Loan Agreement A”	the loan agreement dated 26 August 2016 entered into between the Lender and Customer A in respect of Loan A
“Loan Agreement B”	the loan agreement dated 14 August 2020 entered into between the Lender and Customer B in respect of Loan B
“Loan B”	a loan in the principal amount of HK\$10,940,416.7 granted by the Lender to Customer B pursuant to the Loan Agreement B
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Season Pacific”	Season Pacific Holdings Limited (currently known as DL Holdings Group Limited), a company incorporated in the Cayman Islands with limited liability, the issued shares of which were listed on GEM (stock code: 8127; subsequently transferred to the main board of the Stock Exchange on 27 September 2017 with stock code: 1709)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 21 October 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>.*