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LEGENDARY EDUCATION GROUP LIMITED

傳承教育集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8195)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



On 21 February 2025 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement pursuant to which the Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 21,126,760 Placing Shares at the Placing Price of HK\$1.42 per Placing Share to not less than six Placees who and whose beneficial owners (if applicable) are Independent Third Parties. The Placing Shares will be allotted and issued under the General Mandate.

Assuming that there will be no change in the issued share capital of the Company from the date of this announcement up to the Completion Date, the maximum number of the Placing Shares under the Placing represents approximately (i) 4.8% of the existing issued share capital of the Company of 442,935,264 Shares as at the date of this announcement; and (ii) 4.6% of the issued share capital of the Company as enlarged by the allotment and issue of the maximum number of the Placing Shares. The aggregate nominal value of the maximum number of the Placing Shares under the Placing will be HK\$10,563.38 based on par value of HK\$0.0005 per Share.

The Placing Price of HK\$1.42 per Placing Share represents (i) a discount of approximately 15.48% to the closing price of HK\$1.68 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 15.38% to the average closing price of HK\$1.678 per Share for the last five trading days immediately prior to the date of the Placing Agreement based on the respective daily closing prices quoted on the Stock Exchange.

It is expected that the maximum gross proceeds and net proceeds from the Placing will be approximately HK\$30.0 million and approximately HK\$29.5 million, respectively. Assuming that all the Placing Shares are successfully placed, the net price per Placing Share will be approximately HK\$1.40.

The Shareholders and the potential investors of the Company should note that Completion is subject to the fulfillment of the condition under the Placing Agreement. As the Placing may or may not proceed, the Shareholders and the potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

The Board is pleased to announce that, on 21 February 2025 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement.

THE PLACING AGREEMENT

Date

21 February 2025 (after trading hours)

Issuer

The Company

Placing Agent

Theia Securities Limited

The Company has conditionally agreed to place through the Placing Agent, on a best effort basis, up to 21,126,760 Placing Shares to the Placees upon the terms and subject to the condition of the Placing Agreement.

To the best knowledge, information and belief of the Board, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placees

The Placing Agent will, on a best effort basis, place the Placing Shares either by itself or through its sub-placing agents to not less than six Placees, being individual(s), corporation(s) and/or institutional or professional investor(s) who and whose ultimate beneficial owner(s) (if applicable) are Independent Third Parties. The Placing Agent shall use its best endeavour to ensure that none of the Placees, together with their ultimate beneficial owner(s) (if applicable), will become a substantial Shareholder (as defined in the GEM Listing Rules) as a result of the Placing.

Number of Placing Shares

Assuming that there will be no change in the issued share capital of the Company from the date of this announcement up to the Completion Date, the maximum number of the Placing Shares under the Placing represents approximately (i) 4.8% of the existing issued share capital of the Company of 442,935,264 Shares as at the date of this announcement; and (ii) 4.6% of the issued share capital of the Company as enlarged by the allotment and issue of the maximum number of the Placing Shares. The aggregate nominal value of the maximum number of the Placing Shares under the Placing will be HK\$10,563.38 based on par value of HK\$0.0005 per Share.

Ranking of Placing Shares

The Placing Shares under the Placing will rank, upon issue, *pari passu* in all respects with the Shares in issue at the time of issue of the Placing Shares.

Placing Price

The Placing Price of HK\$1.42 per Placing Share represents (i) a discount of approximately 15.48% to the closing price of HK\$1.68 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 15.38% to the average closing price of HK\$1.678 per Share for the last five trading days immediately prior to the date of the Placing Agreement based on the respective daily closing prices quoted on the Stock Exchange.

The estimated expenses for the Placing amounted to approximately HK\$0.5 million, comprising placing commission and other related expenses and professional fees. Assuming that all the Placing Shares are successfully placed, the net price per Placing Share will be approximately HK\$1.40.

The Placing Price was determined with reference to the current market conditions, prevailing market prices and liquidity of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing, including the Placing Price, are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

Placing Commission

The placing commission to be received by the Placing Agent pursuant to the Placing Agreement is 1.2% of the amount equal to the Placing Price multiplied by the number of Placing Shares actually and successfully placed by the Placing Agent.

The placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market commission rate for similar transactions, the size of the Placing as well as the trading performance of the Shares. The Directors consider that the terms of the Placing, including the placing commission, are on normal commercial terms and are fair and reasonable based on the current market conditions and in the interests of the Company and the Shareholders as a whole.

General Mandate

The Placing Shares will be issued and allotted under the General Mandate under which the Directors are authorised to issue, allot and deal with up to 88,587,052 new Shares. Since the date of the AGM 2024 and up to and including the date of this announcement, no Share has been issued and allotted pursuant to the General Mandate.

The General Mandate is sufficient for the issue and allotment of the Placing Shares. Accordingly, the issue and allotment of the Placing Shares is not subject to the approval of the Shareholders.

Application for listing of Placing Shares

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the Placing Shares.

Condition of the Placing Agreement

Completion is conditional upon the GEM Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Placing Shares.

If the above condition is not fulfilled on or prior to the Long Stop Date (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement will terminate and none of the parties to the Placing Agreement will have any claim against the other for any costs or losses (save for any antecedent breaches of the Placing Agreement).

Termination of the Placing

Pursuant to the Placing Agreement, if at any time up to but no later than 10:00 a.m. on the Completion Date, in the reasonable opinion of the Placing Agent, the success of the Placing would or might be materially and adversely affected and making it impracticable to proceed with by:

- (i) any material breach of any of the representations, warranties and undertakings set out under the Placing Agreement; or
- (ii) any of the following events:
 - (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
 - (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date of the Placing Agreement and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
 - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
 - (d) a change or development involving a prospective change in taxation in Hong Kong, the Cayman Islands or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective Shareholders in their capacity as such; or
 - (e) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company provided that such notice is received prior to 10:00 a.m. on the Completion Date.

In the event that the Placing Agent terminates the Placing Agreement pursuant to the above termination clause, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any breach arising prior to such termination.

Completion of the Placing

Completion will take place on the Completion Date, subject to the fulfillment of the condition set out in the Placing Agreement. Please refer to the section headed “Condition of the Placing Agreement” in this announcement for details.

Lock-up undertaking

The Placing Agent has unconditionally and irrevocably undertaken to the Company to procure that, for the period of eighteen (18) months from the Completion Date, each of the Placees will not, directly or indirectly, sell, give, transfer, assign or dispose of or otherwise create any encumbrance on the Placing Shares in any manner.

REASONS FOR THE PLACING AND THE INTENDED USE OF NET PROCEEDS

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

As disclosed in the interim report of the Company for the six months ended 30 September 2024, it has been the intention of the Company to invest resources to the Financial Quotient and Investment Education Business for further expansion of the market share and the customer base. In addition, the Board noted a rise in demand for education services catering to the children of Hong Kong citizens studying in the PRC since the promulgation of the Outline Development Plan for the Guangdong-Hong Kong-Macao Greater Bay Area in 2019. Having considered (i) the increasing number of schools in the PRC offering Hong Kong education curriculum to meet this rising demand; and (ii) the growing recognition of the Hong Kong Diploma of Secondary Education Examination (the “**HKDSE**”) by tertiary institutions worldwide, the Company intends to extend its Private Supplementary Education Business across the PRC to capture this potential market opportunity.

The net proceeds from the Placing will enhance the financial position of the Group with additional funding for the business development initiatives as discussed in the interim report of the Company for the six months ended 30 September 2024. In addition, the Placing will broaden both the shareholder base and the capital base of the Company thereby increasing the liquidity of the Shares within a relatively shorter time frame and at a lower cost compared with other means of fund raising.

Having considered the terms of the Placing Agreement (including the Placing Price and the placing commission), which were determined after arm’s length negotiations between the Company and the Placing Agent, are on normal commercial terms and fair and reasonable, the Directors (including the independent non-executive Directors) consider that the entering into of the Placing Agreement is in the interests of the Company and the Shareholders as a whole.

Assuming that all the Placing Shares are fully placed, the estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing will amount to approximately HK\$30.0 million and approximately HK\$29.5 million, respectively. The Company intends to apply the entire sum of the net proceeds from the Placing towards the general working capital of the Group including but not limited to the funding for (i) the potential expansion of the Financial Quotient and Investment Education Business and the Private Supplementary Education Business, in particular the business development on the provision of tutoring services for the HKDSE in the PRC; and (ii) other general working capital and administration expenses, including payroll, of the Group. It is expected that the net proceeds will be fully utilised by 31 December 2025.

EQUITY FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any equity fund-raising activities in the past twelve (12) months immediately preceding the date of this announcement:

Date of initial announcement	Equity fund-raising activity	Net proceeds	Intended use of proceeds	Actual use of net proceeds as at the date of this announcement
19 March 2024 (completed on 23 April 2024)	Placing of new Shares under the General Mandate	Approximately HK\$29.5 million	Intended to be utilised as to approximately: (i) HK\$23.3 million for the potential expansion of the existing principal businesses of the Group including the Financial Quotient and Investment Education Business and the Private Supplementary Education Business; and (ii) HK\$6.2 million for working capital and general corporate purposes	Fully utilised as intended
24 April 2024 (completed on 11 June 2024)	Issue of convertible bonds (the “ Convertible Bonds ”) under specific mandate	Approximately HK\$14.8 million	Intended to be utilised for the potential expansion of the existing principal businesses of the Group, including the Financial Quotient and Investment Education Business and the Private Supplementary Education Business	Fully utilised as intended

EFFECTS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

As at the date of this announcement, the Company has 442,935,264 Shares in issue. Set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming that there will be no change in the issued share capital of the Company from the date of this announcement up to the Completion Date and all 21,126,760 Placing Shares have been successfully placed):

Shareholders	As at the date of this announcement		Immediately upon Completion	
	Number of Shares	Approximate % (Note 2)	Number of Shares	Approximate % (Note 2)
Substantial Shareholder				
Mr. Lui Yu Kin	55,696,000	12.6	55,696,000	12.0
Directors				
Mr. Chan Lap Jin Kevin	33,982,080	7.7	33,982,080	7.3
Mr. Yuen Yu Sum	6,904,480	1.6	6,904,480	1.5
Mr. Chung Chin Kwan and his associates (Note 1)	1,320,000	0.3	1,320,000	0.3
Mr. Law Wing Chung	211,200	0.0	211,200	0.0
Public Shareholders				
The Placees	–	–	21,126,760	4.6
Other public Shareholders	344,821,504	77.8	344,821,504	74.3
<i>Sub-total:</i>	344,821,504	77.8	365,948,264	78.9
Total	442,935,264	100.0	464,062,024	100.0

Notes:

- As at the date of this announcement, Mr. Chung Chin Kwan, an independent non-executive Director, is interested, or deemed to be interested, in an aggregate of 1,320,000 Shares, comprising (i) 1,135,200 Shares beneficially owned by him; and (ii) 184,800 Shares beneficially owned by his spouse, Ms. Lam Ka Yee.
- The percentage figures shown in the table above have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

POTENTIAL ADJUSTMENTS TO THE CONVERTIBLE BONDS

References are made to (i) the announcements of the Company dated 24 April 2024, 25 April 2024, 31 May 2024 and 11 June 2024; and (ii) the circular of the Company dated 13 May 2024 in relation to the issue of the Convertible Bonds by the Company under specific mandate.

As at the date of this announcement, the Company has outstanding Convertible Bonds in an aggregate principal amount of HK\$15,000,000 which are convertible into 10,135,134 conversion Shares at an initial conversion price of HK\$1.48 per conversion Share (subject to adjustments pursuant to the terms of the Convertible Bonds).

Under the relevant terms of the Convertible Bonds, the conversion price of the Convertible Bonds is subject to adjustment for, among others, the issue of Shares by the Company at a price per Share which is less than 95% of the then current market price per Share on the last trading day preceding the date of the announcement of the terms of such issue. Hence, the Placing is expected to trigger an adjustment to the conversion price of the Convertible Bonds which will, in turn, increase the number of the conversion Shares issuable upon conversion of the Convertible Bonds.

Application will be made by the Company to the GEM Listing Committee of the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the additional conversion Shares.

The Company will make further announcement on such adjustments as and when appropriate.

The Shareholders and the potential investors of the Company should note that Completion is subject to the fulfillment of the condition under the Placing Agreement. As the Placing may or may not proceed, the Shareholders and the potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

“AGM 2024”	the annual general meeting of the Company held on 27 September 2024
“associate(s)”	has the meaning ascribed to it in the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day(s) (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong, or “extreme conditions” are announced by the Hong Kong Government at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong
“Company”	Legendary Education Group Limited (傳承教育集團有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (Stock Code: 8195)
“Completion”	completion of the Placing pursuant to the terms and condition of the Placing Agreement
“Completion Date”	a day not later than the third Business Day following the satisfaction of the condition (or such other date as the Company and the Placing Agent may agree in writing) and on which Completion will take place
“Directors”	directors of the Company
“GEM”	GEM of 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 Mandate”	the general mandate which was granted to the Directors pursuant to an ordinary resolution passed at the AGM 2024 to issue and allot up to 88,587,052 Shares

“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
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected person(s) (as defined under the GEM Listing Rules)
“Long Stop Date”	14 March 2025, or such later date as the Company and the Placing Agent shall agree
“Placee(s)”	any individual(s), corporation(s) and/or institutional or professional investor(s), who and whose ultimate beneficial owner(s) (if applicable) is/are Independent Third Party(ies), procured by or on behalf of the Placing Agent or its agent(s) to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares by the Placing Agent pursuant to the Placing Agreement upon the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	Theia Securities Limited, the placing agent of the Company for the Placing and a licensed corporation to carry on Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement dated 21 February 2025 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	the placing price of HK\$1.42 per Placing Share
“Placing Shares”	up to a total of 21,126,760 new Shares to be placed pursuant to the Placing Agreement
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary share(s) with par value of HK\$0.0005 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 21 February 2025

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; three non-executive Directors, namely, Mr. Law Wing Chung, Dr. Tang Sing Hing Kenny and Ms. Mak Louisa Ming Sze; and three independent non-executive Directors, namely, Mr. Chung Chin Kwan, Mr. Chan Kim Fai Eddie and Mr. Chung Kwok Pan.

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.legendaryedu.com>.