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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  
MEMORANDUM OF UNDERSTANDING  
IN RELATION TO THE  
POSSIBLE ACQUISITION**

This announcement is made by the Company on a voluntary basis to provide the Shareholders and potential investors of the Company with the latest update on the Group's business development. Reference is also made to the announcement of the Company dated 11 August 2022 regarding the Previous Discussion.

**INTRODUCTION**

The Board is pleased to announce that on 26 April 2023 (after trading hours), the Purchaser and the Vendor entered into the MOU in relation to the possible acquisition of the Sale Shares representing approximately 98.1% of the equity interest of the Target Company. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Vendor is an Independent Third Party.

The Target Company is an investment holding company, and its wholly-owned subsidiary is principally engaged in the business of adult education in Hong Kong. It currently operates a learning centre under the brand name of "Modern Continuing Education Centre (現代持續教育中心)" (the "**Target Business**"), offering certificate courses registered under the Continuing Education Fund. Curriculums offered by the Target Business focus on hospitality, business management and workplace English communication.

# **PRINCIPAL TERMS OF THE MOU**

## **Consideration**

Subject to completion of the due diligence review on the Target Company and its subsidiary, the Purchaser proposes to acquire the Sale Shares from the Vendor at an estimated consideration of HK\$80,000,000.

The final consideration, time of payment and payment manner shall be subject to further negotiation between the parties to the MOU and will be set out in the Formal Agreement.

## **Refundable deposit**

Pursuant to the MOU, the Purchaser shall pay the Refundable Deposit in the amount of HK\$5,000,000 in cash to the Vendor upon signing of the MOU.

If the Formal Agreement has been entered into between the Purchaser and the Vendor, the Deposit shall be applied as partial payment of the aggregate consideration for the Possible Acquisition in accordance with the terms of the Formal Agreement.

In the event that the Possible Acquisition is not completed for whatever reasons, the Vendor shall refund the Deposit in full to the Company within five (5) working days from the date of termination of the MOU or the date of lapse of the MOU (whichever is earlier).

## **Conditions precedent**

It is intended that the Possible Acquisition will be conditional upon the satisfaction of the following conditions precedent:

- (i) the Purchaser being satisfied with the results of the due diligence review to be conducted on the Target Company and its subsidiary;
- (ii) if necessary and/or required, the Shareholders passing at a general meeting of an ordinary resolution approving the Formal Agreement and the transactions contemplated thereunder;
- (iii) an appraisal report having been issued by a valuer to be appointed by Company with an appraisal value of not less than HK\$80,000,000 for the Sale Shares.

## **Due diligence**

After the execution of the MOU, the Purchaser is entitled to designate its appointed professional parties including, but not limited to, legal advisors, accountant's firm, valuer, financial advisor to audit, value and otherwise inspect and review, inter alia, the accounts, businesses, affairs, assets, liabilities of the Target Company and its subsidiary(ies). The Vendor shall use its best endeavours to assist in the due diligence review, including without limitation, to provide information and data and to arrange inspections reasonably required by the Purchaser and/or the Purchaser's advisors.

## **Exclusive negotiation right**

During the period commencing from the execution of this MOU until the Long Stop Date, the Purchaser is granted exclusive negotiation right regarding the Possible Acquisition (the "**Exclusive Negotiation Period**"), and the Vendor, either by himself or any of his agents, shall not negotiate with, or in any form, discuss with, any third party regarding the Possible Acquisition unless this MOU is terminated prior to the end of the Exclusive Negotiation Period.

In the event the Purchaser opts to proceed with the Possible Acquisition upon completion of the due diligence review, the Purchaser and the Vendor should endeavor to negotiate and agree in good faith in the terms of the Formal Agreement on or before the Long Stop Date.

The Vendor undertook to the Purchaser that, in the event the Purchaser opts to proceed with the Possible Acquisition at the consideration of not less than HK\$80 million, the Vendor shall have no rights to withhold, delay or not to proceed with the Possible Acquisition.

## **Legal effect**

The MOU does not create legally binding obligations on the parties in relation to the Possible Acquisition but is legally binding as to the Refundable Deposit, exclusive negotiation right, confidentiality, enforcement and termination.

The MOU shall remain in effect during the period commencing from the date of the MOU to the Long Stop Date unless, among others, the Purchaser gives written notice to the Vendor of its intention to abandon further negotiations, or until superseded by the execution of the Formal Agreement.

## ABOUT THE GROUP

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 Directors consider that it is beneficial for the Company to seek investment opportunities from time to time to develop its existing business portfolio and engage in a new line of business with growth potential and broaden its source of income. The Directors are of the view that the Possible Acquisition, if materialized, representing an opportunity for the Company to diversify the revenue stream of the Company and is in the interests of the Company and the Shareholders as a whole.

**The MOU is not legally binding with regard to the Possible Acquisition. The terms and consideration for the Possible Acquisition will be subject to further negotiation between the Purchaser and the Vendor, it may or may not proceed. The Possible Acquisition, if materialized, may constitute a notifiable transaction for the Purchaser under the GEM Listing Rules. The Company will make further announcement(s) as and when appropriate and comply with all other applicable requirements under the GEM Listing Rules. As the Possible Acquisition may or may not be materialized, Shareholders and investors are advised to exercise caution when dealing in the Shares.**

## DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“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, whose Shares are listed on GEM (Stock Code: 8195)
“Continued Education Fund”	a fund established by the Hong Kong Government subsidising adults for learning aspirations to pursue continuing education and training courses
“Director(s)”	director(s) of the Company
“Formal Agreement”	the formal agreement to be entered into between the Purchaser and the Vendor in relation to the Possible Acquisition on or before the Long Stop Date

“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
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) who is/are independent of, and not connected with, the Company and its connected persons (as defined in the GEM Listing Rules)
“Long Stop Date”	three (3) months after the date of the MOU (or such later date as the Vendor and the Company may agree in writing)
“MOU”	the memorandum of understanding dated 26 April 2023 entered into between the Purchaser and the Vendor in relation to the Possible Acquisition
“Possible Acquisition”	the possible acquisition of the Sale Shares by the Purchaser from the Vendor as contemplated under the MOU
“Previous Discussion”	the previous discussion on the possible acquisition of 65% equity interest in the Target Business by the Purchaser, with details as set out in the announcement of the Company dated 11 August 2022, which was not proceeded or completed before the previous long stop date
“Purchaser”	Able Glorious Limited, a company incorporated in the British Virgin Islands with limited liability, a direct wholly-owned subsidiary of the Company
“Refundable Deposit”	the refundable deposit in the amount of HK\$5,000,000 payable by the Company to the Vendor upon signing of the MOU
“Sale Shares”	equity shares of the Target Company, representing approximately 98.1% equity interest in the Target Company.
“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 Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	a company incorporated in British Virgin Islands with limited liability which is owned as to approximately 98.1% by the Vendor
“Vendor”	Mr. Poon Chun Yin, an individual who is an Independent Third Party

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

Hong Kong, 26 April 2023

*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; two non-executive Directors, namely, Mr. Law Wing Chung and Dr. Tang Sing Hing Kenny; 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 Listed 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>.*