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## **LEGENDARY EDUCATION GROUP LIMITED**

### **傳承教育集團有限公司**

*(formerly known as Legendary Group Limited 創天傳承集團有限公司)*

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8195)**

## **ANNOUNCEMENT OF FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2023**

### **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This announcement, for which the directors (the “Directors”) of Legendary Education Group Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (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.*

## FINANCIAL HIGHLIGHTS

- Revenue for the three months ended 30 June 2023 increased by approximately 37.6% to approximately HK\$68,933,000 (2022: approximately HK\$50,114,000).
- Profit attributable to the owners of the Company for the three months ended 30 June 2023 amounted to approximately HK\$15,824,000 (2022: Profit of approximately HK\$15,057,000).
- Total equity attributable to owners of the Company as at 30 June 2023 was approximately HK\$269,407,000 (2022: approximately HK\$228,395,000).
- The Board of directors do not recommend any payment of an interim dividend (2022: Nil) for the three months ended 30 June 2023.

# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2023

The board (the “Board”) of Directors is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the three months ended 30 June 2023 (the “First Quarterly Financial Statements”) together with the unaudited comparative figures for the corresponding period in 2022 as follows:

		<b>Three months ended</b>	
		<b>30 June</b>	
	<i>NOTES</i>	<b>2023</b>	2022
		<b>HK\$’000</b>	HK\$’000
		<b>(unaudited)</b>	(unaudited)
Revenue	3	<b>68,933</b>	50,114
Cost of sales		<b>(28,221)</b>	(14,875)
Other income		<b>605</b>	80
Other gains, net	4	–	151
Selling and distribution expenses		<b>(4,022)</b>	(1,269)
Administrative expenses		<b>(18,416)</b>	(17,474)
Finance Cost		<b>(77)</b>	(23)
		<hr/>	<hr/>
Profit before taxation		<b>18,802</b>	16,704
Income tax expenses	5	<b>(2,716)</b>	(2,002)
		<hr/>	<hr/>
Profit and total comprehensive income for the period	6	<b>16,086</b>	14,702
		<hr/>	<hr/>
Profit (loss) and total comprehensive income (expense) for the period attributable to:			
Owners of the Company		<b>15,824</b>	15,057
Non-controlling Interests		<b>262</b>	(335)
		<hr/>	<hr/>
		<b>16,086</b>	14,702
		<hr/> <hr/>	<hr/> <hr/>
		<i>HK cent</i>	<i>HK cent</i>
Earnings per share	8		
Basic		<b>4.01</b>	4.20
		<hr/> <hr/>	<hr/> <hr/>
Diluted		<b>3.43</b>	3.92
		<hr/> <hr/>	<hr/> <hr/>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2023

	Attributable to owners of the Company						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Share option reserve	Special reserve	Other reserve	Accumulated profit (loss)			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2022 (audited)	179	87,691	5,145	28,431	4,327	87,565	213,338	(1,221)	212,117
Profit (loss) and total comprehensive income (expense) for the period	-	-	-	-	-	15,057	15,057	(355)	14,702
At 30 June 2022 (unaudited)	179	87,691	5,145	28,431	4,327	102,622	228,395	(1,576)	226,819
At 1 April 2023 (audited)	197	87,673	10,792	28,431	4,237	121,470	252,890	(472)	252,418
Profit and total comprehensive income for the period	-	-	-	-	-	15,824	15,824	262	16,086
Recognition of equity-settled share options arrangement	-	-	292	-	-	-	292	-	292
Exercise of share options	-	478	(77)	-	-	-	401	-	401
At 30 June 2023 (unaudited)	197	88,151	11,007	28,431	4,327	137,294	269,407	(210)	269,197

## Notes:

- (i) Special reserve represented the difference between the nominal amount of the share capital and share premium issued by a former subsidiary of the Company and the nominal amount of the share capital issued by the Company pursuant to the group reorganisation.
- (ii) Other reserve arose from the waiver of loan from a controlling shareholder of the Company in previous periods.

# NOTES TO THE FIRST QUARTERLY FINANCIAL STATEMENTS

*For the three months ended 30 June 2023*

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on GEM of the Stock Exchange since 10 October 2014.

The addresses of the registered office and the principal place of business of the Company are P.O. Box 309, Umland House, Grand Cayman, KY1-1104 Cayman Islands and 5/F, World Interests Building, 8 Tsun Yip Lane, Kwun Tong, Hong Kong, respectively.

The Company is an investment holding company. The Group is principally engaged in the manufacturing and sales of OEM garment products; retailing and wholesaling of garment products under the Group's own brand and high-end fashion brand; provision of loan services; provision of financial quotient and investment education courses, property investment and provision of private supplementary education services.

## 2. BASIS OF PREPARATION

The First Quarterly Financial Statements have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules.

The First Quarterly Financial Statements have been prepared on the historical cost basis except for certain equity investments and securities and investment properties that are measured at fair values. The First Quarterly Financial Statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Group.

The First Quarterly Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual report for the year ended 31 March 2023 (the “2023 Annual Report”).

The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for both periods. At the date of authorisation of the First Quarterly Financial Statements, the Group has not early adopted the new/revised HKFRSs that have been issued but are not yet effective.

### 3. SEGMENT REPORTING AND REVENUE

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's executive Directors (the chief operating decision maker) ("CODM") for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

- (i) OEM Business: manufacturing and sales of OEM garment products;
- (ii) Retail Business: retailing and wholesaling of garment products under the Group's own brand and high-end fashion brand;
- (iii) Money Lending Business: provision of loan services;
- (iv) Financial Quotient and Investment Education Business: provision of financial quotient and investment education courses;
- (v) Property Investment Business: investing properties in Asia Pacific region to generate rental income and to gain from the appreciation in the properties' values in the long term; and
- (vi) Private Supplementary Education Business: provision of private supplementary education courses.

#### (a) Segment results

For the purposes of assessing segment performance and allocating resources between segments, the Group's executive Directors monitor the results attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Segment results represents pretax profit/loss incurred from each segment without allocation of other income, other gains and losses, certain corporate expenses and finance costs. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

The accounting policies of the operating segments are the same as the Group's accounting policies.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's executive Directors for the purposes of resources allocation and assessment of segment performance for the three months ended 30 June 2023 and 2022 is set out below:

	Three months ended 30 June 2023						Total HK\$'000 (Unaudited)
	OEM Business HK\$'000 (Unaudited)	Retail Business HK\$'000 (Unaudited)	Money Lending Business HK\$'000 (Unaudited)	Financial Quotient and Investment Education Business HK\$'000 (Unaudited)	Property Investment Business HK\$'000 (Unaudited)	Private Supplementary Education Business HK\$'000 (Unaudited)	
<b>Reportable segment revenue:</b>							
Disaggregated by timing of revenue recognition							
At a point in time	150	-	-	52,155	-	15,773	68,078
Revenue from other resources	-	-	855	-	-	-	855
Revenue from external customers	<u>150</u>	<u>-</u>	<u>856</u>	<u>52,155</u>	<u>-</u>	<u>15,733</u>	<u>68,933</u>
<b>Reportable segment profit</b>	<b>39</b>	<b>-</b>	<b>804</b>	<b>19,769</b>	<b>-</b>	<b>530</b>	<b>21,142</b>
Other income							605
Corporate administrative expenses							(2,868)
Finance costs							(77)
Profit before taxation							<u>18,802</u>

Three months ended 30 June 2022

	Financial						Total
	Quotient and		Private				
	OEM	Retail	Money	Investment	Property	Supplementary	
	Business	Business	Lending	Education	Investment	Education	
	Business	Business	Business	Business	Business	Business	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
<b>Reportable segment revenue:</b>							
Disaggregated by timing of revenue recognition							
At a point in time	-	660	-	40,347	-	8,262	49,269
Revenue from other resources	-	-	845	-	-	-	845
Revenue from external customers	<u>-</u>	<u>660</u>	<u>845</u>	<u>40,347</u>	<u>-</u>	<u>8,262</u>	<u>50,114</u>
<b>Reportable segment profit (loss)</b>	-	99	787	20,218	-	(2,682)	18,422
Other gains, net							151
Other income							80
Corporate administrative expenses							(1,926)
Finance costs							(23)
Profit before taxation							<u>16,704</u>

There was no inter-segment revenue for the three months ended 30 June 2023 and 2022.



(b) **Revenue from major products and services**

The following is an analysis of the Group's revenue from its major products and services:

	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Garment products	<b>150</b>	660
Interest income from loan receivables	<b>855</b>	845
Tuition fee from financial quotient and education courses	<b>52,155</b>	40,347
Tuition from private supplementary education services	<b>15,773</b>	8,262
	<b><u>68,933</u></b>	<b><u>50,114</u></b>

(c) **Geographical information**

The following is an analysis of geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

	<b>Three months ended</b>	
	<b>30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Hong Kong (place of domicile)	<b><u>68,933</u></b>	<b><u>50,114</u></b>

#### 4. OTHER GAINS, NET

	Three months ended	
	30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Gain on fair value change on financial assets through profit or loss	–	172
Loss on disposal of financial assets at fair value through profit or loss, net	–	(21)
	<u>–</u>	<u>(21)</u>
	<u>–</u>	<u>151</u>

#### 5. INCOME TAX EXPENSES

	Three months ended	
	30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax ( <i>Note</i> )		
– current period	<u>2,716</u>	<u>2,002</u>

#### *Notes:*

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK\$2 million of the assessable profits of the qualifying group entity will be taxed at 8.25% and the assessable profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

## 6. PROFIT FOR THE PERIOD

Three months ended	
30 June	
2023	2022
HK\$'000	HK\$'000
(Unaudited)	(Unaudited)

Profit for the period has been arrived at after charging:

Directors' remuneration:

– Fees	420	150
– Salaries and other benefits	–	–
– Retirement benefit scheme contributions	–	–
	<hr/>	<hr/>
	420	150
Other staff salaries and allowances	31,310	11,390
Retirement benefit scheme contributions, excluding those of Directors	241	154
	<hr/>	<hr/>
Total employee benefits expenses	31,971	11,694
Cost of inventories recognised as an expense	110	560
Depreciation of property, plant and equipment	739	731
	<hr/> <hr/>	<hr/> <hr/>

## 7. DIVIDEND

The Board of directors do not recommend any payment of an interim dividend for the three months ended 30 June 2023 (2022: Nil).

## 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Earnings</b>		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	<u>15,824</u>	<u>15,057</u>
	'000	'000
<b>Shares</b>		
Weighted average of number of ordinary shares in issue during the period used in the basic earnings per share calculation	394,592	358,456
Effect of dilution – weighted average number of ordinary shares Share options	<u>67,187</u>	<u>25,598</u>
	<u><b>461,779</b></u>	<u><b>384,054</b></u>

## 9. RELATED PARTY DISCLOSURES

### Compensation of Directors and key management personnel

	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Salaries and other allowances	5,661	4,823
Retirement benefit scheme and contributions	<u>–</u>	<u>–</u>
	<u><b>5,661</b></u>	<u><b>4,823</b></u>

The remuneration of Directors and key management personnel are determined having regard to the performance of the individuals.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Group principally derives its revenue from the following business arms: (i) OEM business segment, which entails product design and development, raw materials sourcing and procurement, manufacturing and product quality control management (the “OEM Business”); (ii) apparel retail business segment, which entails designing, procuring, manufacturing, marketing and retailing of pure cashmere apparel and other apparel products as well as accessories through the retail network in Hong Kong under the Group’s own brand and high-end fashion brand (the “Retail Business”); (iii) money lending business segment, which provides financing to customers for interest income (“Money Lending Business”); (iv) financial quotient and investment education business segment, which provides financial quotient and investment education courses for the customers in return of tuition fees from them (“Financial Quotient and Investment Education Business”); (v) property investment business (“Property Investment Business”); and (vi) private supplementary education business segment, which provides private supplementary education courses for the students in return of tuition fees from them (“Private Supplementary Education Business”).

### OEM Business

The garment sector of the consumer market has experienced a downturn in recent year. Meanwhile, the Company currently has no intention, arrangement, agreement, understanding, negotiation (concluded or otherwise) on disposal, termination and/or scaling-down of the Company’s OEM business. The Group will cautiously monitor the business environment, market sentiment and customers’ behaviors of the OEM business and will continue to devote effort to the development of the OEM business. Going forward, the Group will continue to focus on expanding the customer base by diversifying the service scope of the OEM business. Since the last financial year, the Group started business with a new customer based in Hong Kong which provides non-garment textile products to commercial offices, restaurants, healthcare and retail premises.

### Retail Business

While the economic slowdown in the People’s Republic of China (the “PRC”) eroded consumer confidence, the shifting of pattern to online shopping further negatively impacted the Retail Business.

Under such an unfavorable ambience, the Group has adopted a prudent approach in restructuring its sales network aiming at minimising the operating costs amid meeting the shift of consumers’ preference towards shopping online.

## **Money Lending Business**

The Group obtained the money lender licence and commenced Money Lending Business from June 2016. During the three months ended 30 June 2023, the Money Lending Business had generated interest income of approximately HK\$0.8 million, which is similar to the same period in 2022.

## **Financial Quotient and Investment Education Business**

During the year ended 31 March 2021, the Group established the Financial Quotient and Investment Education Business. The Group provides financial quotient and investment education courses for the customers, aiming at enhancing their knowledge in the areas of finance and investment. The Group in return earns tuition fee income from the provision of courses. During the three months ended 30 June 2023, certain courses were completed with inspiring achievements and revenue of approximately HK\$52.1 million, representing an increase of approximately 29.3% as compared to that of approximately HK\$40.3 million for the last financial year.

## **Property Investment Business**

The Group also established the Property Investment Business during the year ended 31 March 2020. The Group will keep seeking for opportunities of asset appreciation and cash flow return in the property market within Hong Kong and in the Asian-Pacific region.

## **Private Supplementary Education Business**

In August 2021, the Group resolved to develop the business of provision of private supplementary education services as a new business of the Group. Private supplementary education services play a supplemental role to regular schools, helping students deepen their understanding of what they have learnt in classes, improve their school grades and better prepare themselves for public examinations. Private supplementary education services, especially those for local secondary school students, have been in high demand in Hong Kong.

As at 30 June 2023, each of the education centers located in Causeway Bay, Kowloon Bay, Prince Edward and Tsuen Wan has obtained the “Certificate of Provisional Registration of A School” granted by the Education Bureau of Hong Kong.

During the three months ended 30 June 2023, the Private Supplemental Education Business had generated revenue of approximately HK\$15.8 million.

## **PROSPECTS**

For the OEM Business, the management of the Group (the “Management”) is committed to strengthening the customer base. The Group will continue to find new orders and customers. Also, as mentioned above, the Group started to have business with a new customer based in Hong Kong which provides non-garment textile products to commercial offices, restaurants, healthcare and retail premises.

For the Retail Business, the Management will closely monitor the consumers’ behaviour and will continue the promotion campaigns. Meanwhile, the Management will actively keep monitoring the performance of the Group, and will implement appropriate strategy in a timely manner. The Management still remains positive towards the Retail Business in the long run.

For Money Lending Business, the Group will continue to expand in a prudent and balanced risk management approach.

For the Financial Quotient and Investment Education Business, the Group will (i) invest resources to expand the market share, and (ii) strive to broaden its customer base. The Group is also seeking for opportunities of asset appreciation and cash flow return in the property market within Hong Kong and in the Asian-Pacific region. Whilst the Group remains focused on developing its existing businesses, in particular the Investment Education Business, it has been the business strategy of the Group to proactively seek potential investment opportunities in order to enhance value of the Shareholders.

The Group resolved to commence the business of provision of private supplementary education services in August 2021. The Board is optimistic on the prospects of the demand for the private tutorial classes and considers that the new business of the private supplementary education services will further enhance the Company’s financial performance as well as the value of the Shareholders.

## **FINANCIAL REVIEW**

### **Revenue**

The Group’s revenue increased from approximately HK\$50.1 million for the three months ended 30 June 2022 to approximately HK\$68.9 million for the three months ended 30 June 2023, representing an increase of approximately 37.6%, which was mainly driven by the strong performance of the “Financial Quotient and Investment Education Business” and the “Private Supplementary Education Business”.

For the Financial Quotient and Investment Education Business, certain courses were completed with inspiring achievements and revenue of approximately HK\$52.2 million, representing an increase of approximately 29.3% as compared to that of approximately HK\$40.3 million for the last financial year.

For the new business of private supplementary education services, it had achieved encouraging result with tuition income of approximately HK\$15.8 million for the three months ended 30 June 2023. It represented a significant increase of approximately 90.9% as compared to the same period in 2022.

For the OEM Business and Money Lending Business, it had generated income of approximately HK\$0.2 million and HK\$0.9 million for the three months ended 30 June 2023 respectively.

The following table sets forth the breakdowns of the revenue of the Group by segment for each of the three months ended 30 June 2022 and 30 June 2023.

	<b>Three months ended 30 June</b>			
	<b>2023</b>		<b>2022</b>	
	<i>HK\$'000</i>	%	<i>HK\$'000</i>	%
OEM Business	<b>150</b>	<b>0.2</b>	–	0.0
Retail Business	–	<b>0.0</b>	660	1.3
Money Lending Business	<b>855</b>	<b>1.2</b>	845	1.7
Financial Quotient and Investment				
Education Business	<b>52,155</b>	<b>75.7</b>	40,347	80.5
Property Investment Business	–	<b>0.0</b>	–	0.0
Private Supplementary Education				
Business	<b>15,773</b>	<b>22.9</b>	8,262	16.5
	<b>68,933</b>	<b>100.0</b>	50,114	100.0

### **Cost of sales**

The Group's cost of sales increased by 89.7% to approximately HK\$28.2 million for the three months ended 30 June 2023 as compared to the three months ended 30 June 2022. The increase was mainly attributable to the increase in the cost of sales of the Financial Quotient and Investment Education Business and Private Supplementary Education Business during the three months ended 30 June 2023.

### **Expenses**

Selling and administrative expenses for the three months ended 30 June 2023 were approximately HK\$22.4 million (three months ended 30 June 2022: approximately HK\$18.7 million), representing an increase of approximately HK\$3.7 million.

### **Profit for the period**

Profit for the three months ended 30 June 2023 was approximately HK\$16.1 million, whereas profit for the three months ended 30 June 2022 was approximately HK\$14.7 million, representing an increase of approximately HK\$1.4 million.



## **OTHER INFORMATION**

### **Change of company name**

On 2 June 2023, the Company changed its English name from “Legendary Group Limited” to “Legendary Education Group Limited” and adopted the Chinese name “傳承教育集團有限公司” as its dual foreign name to replace its former Chinese name “創天傳承集團有限公司” (the “Change of Company Name”). Further details of the Change of Company Name were set out in the announcement of the Company dated 7 March 2023 and 2 June 2023, and the circular of the Company dated 7 March 2023. The Change of Company Name was registered with the Registrar of Companies in Hong Kong on 5 May 2023. Following the Change of Company Name becoming effective, the stock short name of the Company has been changed from “LEGENDARY GROUP” in English and “創天傳承” in Chinese to “LEGENDARY EDU” in English and “傳承教育集團” in Chinese with effect from 9:00 a.m. on 7 June 2023. The Company also adopted a new company logo with effect from 2 June 2023.

### **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

Save as disclosed elsewhere in this announcement, there were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the three months ended 30 June 2023.

Save as disclosed elsewhere in this announcement, there was no plan for material investments or capital assets as at 30 June 2023.

### **DIRECTORS’ AND CHIEF EXECUTIVES’ INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS**

As at 30 June 2023, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), which are required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

## Long positions in Shares and underlying shares of the Company:

Name of Directors	Capacity	Number of Shares held	Number of Options held	Total	Percentage of the Company's issue share as at 30 June 2023 (%)
Chan Lap Jin Kevin	Beneficial owner	33,982,080	3,584,000	37,566,080	9.52
Yuen Yu Sum	Beneficial owner	6,904,480	3,584,000	10,488,480	2.66
Chung Chin Kwan	Beneficial owner	1,135,200	–	1,135,200	0.29
	Interest of spouse	184,800 (Note 1)	–	184,400	0.05
Law Wing Chung	Beneficial owner	211,200	728,000	939,200	0.24

*Note:*

(1) 184,000 shares are owned by Ms. Lam Ka Yee, who is the spouse of Mr. Chung Chin Kwan.

Saved as disclosed above, as at 30 June 2023, none of the Directors and chief executives of the Company had any interests or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) as required to be recorded in the register required to be kept by the Company pursuant to Sections 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules.

## **DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES**

Save as disclosed under the section headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION", as at 30 June 2023, neither the company, holding company nor any of its subsidiaries was a party to any arrangements to enable the directors and chief executive of the company to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the company or any other body corporate, and none of the directors and chief executive of the company or their spouses or children under the age of 18, had any right to subscribe for the securities of the company, or had exercised any such rights.

## SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 25 September 2014 for the primary purpose of providing incentives or rewards to eligible participants, and will expire on 10 October 2024, after which no further options will be granted. Under the Scheme, the Board of Directors of the Company may grant options to:

- a) any employee or proposed employee (whether fulltime or part-time and including any executive director), consultants or advisers of or to the Company, any of the subsidiaries or any entity (the "Invested Entity") in which the Company holds an equity interest;
- b) any non-executive Directors (including independent non-executive directors) of the Company, any of the subsidiaries or any Invested Entity;
- c) any supplier of goods or services to the Company or any of its subsidiaries or any Invested Entity;
- d) any customer of the Group or any Invested Entity;
- e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and
- f) any shareholders or any shareholder of any of its subsidiaries or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK\$1 as consideration. Options may be exercised at any time from the date of grant of the share options. The exercise price is determined by the Directors, and will not be less than the highest of (i) the average closing price of the ordinary shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant of the option (which must be a business day); (ii) the closing price of the ordinary shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a business day); and (iii) nominal value of the Company's share.

On 26 March 2021, a total of 127,992,000 share options were granted to certain grantees. Details were set out in the Company's announcement dated 26 March 2021 and 7 April 2021.

On 14 October 2022, a total of 35,844,000 share options were granted to certain grantees. Details were set out in the Company's announcement dated 14 October 2022.

## **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY**

So far as the Directors are aware, as at 30 June 2023, other than the Directors or chief executives of the Company whose interests or short positions are disclosed under the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares or Debentures of the Company and Its Associated Corporations” above, the following parties have interest or short position in the shares or underlying shares of the Company which have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who were expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company are listed as follows:

### **Long positions in shares and underlying shares of the Company**

<b>Name of shareholder</b>	<b>Capacity/ Nature of interests</b>	<b>Number of ordinary shares</b>	<b>Percentage of the Company’s issue share capital as at 30 June 2023</b>
Lui Yu Kin	Beneficial owner	55,669,300	14.10%
Poon Chi Ming	Beneficial owner	38,385,184	9.73%

Saved as disclosed above, as at 30 June 2023, the Directors were not aware of any other person (other than the Directors or chief executives as disclosed in the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares or Debentures of the Company and Its Associated Corporations” above) who had, or deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

## **COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company.

To the best of the Board's knowledge, information and belief, the Directors have fully complied with the required standard of dealings and there was no event of non-compliance during the three months ended 30 June 2023 and up to the date of this announcement.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the three months ended 30 June 2023.

## **COMPETING INTERESTS**

The Directors confirm that none of the controlling shareholders or Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business during the three months ended 30 June 2023 or as at 30 June 2023.

### **Compliance Committee**

The Company established a compliance committee (the "Compliance Committee") with effect from 20 June 2022. The Compliance Committee is responsible for overseeing the regulatory compliance with all relevant rules and regulations applicable to the Company, including but not limited to, the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "GEM Listing Rules"), the Securities and Futures Ordinance, and the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) (together, "Applicable Laws").

The members of the Compliance Committee consist of two independent non-executive Directors and one executive Director. The Board has appointed Mr. Chung Chin Kwan, Mr. Chan Kim Fai Eddie, both being independent non-executive Directors and Mr. Yuen Yu Sum, being the chairman of the Board and an executive Director, as members of the Compliance Committee. Mr. Chung Chin Kwan has been appointed as the chairman of the Compliance Committee.

The terms of reference of the Compliance Committee will be made available on the Company's website at <http://www.legendaryedu.com> and the Stock Exchange's website at <http://www.hkexnews.hk>.

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, an independent Hong Kong legal adviser, to provide consultation on Applicable Laws compliance to the Group for a period commencing from 1 July 2022 to 30 June 2023.

## AUDIT COMMITTEE

The Company has established an audit committee (“Audit Committee”) with terms in compliance with the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The duties of the Audit Committee are to primary review financial statements of the Company and oversee internal control procedures of the Company.

As at 30 June 2023, the Audit Committee consists of three independent non-executive Directors, namely Mr. Chan Kim Fai Eddie (Chairman), Mr. Chung Kwok Pan and Mr. Chung Chin Kwan.

The Audit Committee has reviewed the First Quarterly Financial Statements and is of the opinion that the preparation of such statements complied with the applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 14 August 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.*