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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2023

Reference is made to the annual report (the “**2023 Annual Report**”) of Legendary Education Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the year ended 31 March 2023 (“**FY2023**”).

In addition to the information provided in the 2023 Annual Report, the board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide additional information regarding the share award scheme (the “**Share Award Scheme**”) and the share option scheme (the “**Share Option Scheme**”) (collectively, the “**Schemes**”) of the Company.

Share Award Scheme

The Board adopted the Share Award Scheme on 25 November 2022 (the “**Adoption Date**”).

Scheme limit and total number of shares available for issue

The Board has been granted with a specific mandate (the “**Scheme Mandate**”) in relation to the Schemes at the extraordinary general meeting of the Company on the Adoption Date. The Scheme Mandate shall remain in effect during the period from the Adoption Date until its renewal, variation or revocation by an ordinary resolution of the shareholders of the Company (the “**Shareholders**”) in a general meeting. The Scheme Mandate has not been renewed, varied or revoked since the Adoption Date and up to 31 March 2023.

Pursuant to the Scheme Mandate, the Board shall not grant any award shares which will result in the aggregate number of the shares of the Company (the “**Shares**”) which may be issued in respect of all options and award shares granted under all of the Schemes exceeding 10% of the issued share capital of the Company as at the Adoption Date or 35,845,605 Shares (the “**Scheme Limit**”). The vesting period for any award shares, if so granted, under the Share Award Scheme shall not be less than 12 months.

The number of award shares available for grant under the Share Award Scheme (together with the number of share options that can be granted under the Share Option Scheme) amounted to 35,845,605 Shares as at 31 March 2023 (nil as at the beginning of FY2023), representing approximately 9.1% of the total issued share capital of the Company as at 31 March 2023. During FY2023, no award shares were granted, vested, cancelled or lapsed under the Share Award Scheme. There were no unvested award shares as at the beginning and the end of FY2023.

Eligible participants

Eligible participants under the Share Award Scheme include any person, being an employee, a director (including executive Directors, non-executive Directors and independent non-executive Directors), officer of any member of the Group (including nominees and/or trustees of any employee benefit trust established for them) whom the Board or its delegate considers, in their sole discretion, to have contributed or will contribute to the Group.

Maximum entitlement of each participant

Where any grant of awards to a selected participant would result in the Shares issued and to be issued in respect of all options and awards granted to such person (excluding any options and awards lapsed in accordance with the terms of the respective scheme(s)) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the relevant class of Shares in issue, such grant must be separately approved by the Shareholders in a general meeting with such selected participant and his/her close associates (or associates if the selected participant is a connected person) abstaining from voting.

Where any grant of awards to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the respective scheme(s)) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of Shares in issue, such further grant of awards must be approved by the Shareholders in a general meeting, at which the grantee, his/her associates and all core connected persons of the Company must abstain from voting.

Where any grant of awards to an independent non-executive Director or a substantial Shareholder, or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the respective scheme(s)) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of Shares in issue, such further grant of awards must be approved by the Shareholders in a general meeting, at which the grantee, his/her associates and all core connected persons of the Company must abstain from voting.

Vesting period and condition(s)

Unless otherwise determined by the Board at its discretion, the award shares held by the trustee upon the trust and which are referable to a selected participant shall vest in that selected participant in accordance with the conditions set out in the award notice as the Board may determine at its absolute discretion or is deemed to have vested pursuant to the scheme rules, provided that the selected participant remains at all times after the reference date (as defined under the Share Award Scheme) and on the relevant vesting dates (if applicable) an eligible person and the related vesting period shall not be less than 12 months.

Amount and period of payment

The award shares will be granted to the selected participant(s) at nil consideration. As such, the basis of determining the purchase price of award shares under the Share Award Scheme is not applicable herein.

Remaining life

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, and thereafter for so long as there are any non-vested award shares relating to awards granted prior to the expiration of the Share Award Scheme. As at 31 March 2023, the remaining life of the Share Award Scheme is less than 10 years.

Share Option Scheme

Movement of the share options during FY2023

Details of the share options granted and outstanding during FY2023 are as follows:

Grantees	Date of grant	Exercise price (HK\$)	Exercise period	Vesting period/ conditions	Number of share options						outstanding as at 31 March 2023
					outstanding as at 1 April 2022	granted during FY2023	exercised during FY2023	cancelled during FY2023	lapsed during FY2023	with the effect of adjustment as a result of bonus issue of the Company conducted during FY2023	
Directors											
Mr. Yuen Yu Sum	14 October 2022	1.104 (Note 1)	14 October 2022 to 13 October 2032	N/A	–	3,584,000	–	–	–	358,400	3,942,400
Mr. Chan Lap Jin Kevin	14 October 2022	1.104 (Note 1)	14 October 2022 to 13 October 2032	N/A	–	3,584,000	–	–	–	358,400	3,942,400
Mr. Law Wing Chung	14 October 2022	1.104 (Note 1)	14 October 2022 to 13 October 2032	N/A	–	728,000	–	–	–	72,800	800,800
Substantial Shareholder											
Mr. Lui Yu Kin	26 March 2021	1.650	26 March 2021 to 25 March 2031	N/A	3,067,200	–	–	–	–	306,720	3,373,920
	14 October 2022	1.104 (Note 1)	14 October 2022 to 13 October 2032	N/A	–	3,584,000	–	–	–	358,400	3,942,400
Eligible Employees											
	26 March 2021	1.650	26 March 2021 to 25 March 2031	N/A	22,531,200	–	–	–	–	2,253,120	24,784,320
	14 October 2022	1.104 (Note 1)	14 October 2022 to 13 October 2032	Note 2	–	21,906,000	–	–	–	2,190,600	24,096,600
Consultants											
	14 October 2022	1.104 (Note 1)	14 October 2022 to 13 October 2032	Note 3	–	2,458,000	–	–	–	245,800	2,703,800
					25,598,400	35,844,000	–	–	–	6,144,240	67,586,640

Notes:

- The closing price of the Shares immediately before the date of grant (being 13 October 2022) was HK\$1.1 per Share.
- Among the 21,906,000 share options (before the effect of bonus issue of the Company conducted during FY2023) granted to eligible employees on 14 October 2022, a total of 8,258,000 share options granted to three employees will only be vested if each of the net profit of the Group for the financial years ending 31 March 2023 and 2024 is equal to or exceeds the net profit of the Group for the financial year ended 31 March 2022.
- A total of 2,458,000 share options (before the effect of bonus issue of the Company conducted during FY2023) granted to consultants on 14 October 2022 will only be vested if each of the net profit of the Group for the financial years ending 31 March 2023 and 2024 is equal to or exceeds the net profit of the Group for the financial year ended 31 March 2022.

Maximum entitlement of each participant

In addition to the individual limit of 1% as disclosed in the 2023 Annual Report, where any grant of share options to an independent non-executive Director or a substantial Shareholder, or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the respective scheme(s)) to such person in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of Shares in issue, such further grant of share options must be approved by the Shareholders in a general meeting, at which the grantee, his/her associates and all core connected persons of the Company must abstain from voting.

Scheme limit and total number of share options available for issue

The number of share options available for grant under the Share Option Scheme amounted to 35,845,605 Shares as at the beginning of FY2023 (i.e. 1 April 2022). Upon the grant of the Scheme Mandate, the number of share options available for grant under the Share Option Scheme (together with the number of share awards that can be granted under the Share Award Scheme) amounted to 35,845,605 Shares as at 31 March 2023.

Total number of Shares available for issue under the Schemes

The maximum number of Shares that may be issued pursuant to the Scheme Limit granted on the Adoption Date was 35,845,605 Shares.

No share options or award shares had been granted from the Adoption Date and up to and including 31 March 2023. Accordingly, the Scheme Limit had not been utilised and there were a total of 35,845,605 Shares available for issue under the Schemes as at 31 March 2023, representing approximately 9.1% of the total issued share capital of the Company as at 31 March 2023.

The total number of 35,844,000 Shares that may be issued in respect of the share options and the award shares granted under the Schemes during FY2023 divided by the weighted average number of Shares in issue (i.e. 368,866,016 Shares) for FY2023 was approximately 9.7%.

The above additional information supplements, and should be read in conjunction with, the 2023 Annual Report which does not affect other information contained in the 2023 Annual Report. Save as disclosed above, information contained in the 2023 Annual Report remains unchanged.

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

Hong Kong, 17 November 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; 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>.