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傳承教育
LEGENDARY EDUCATION
Stock Code: 8195

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)

MAJOR AND CONNECTED TRANSACTION, CONTINUING CONNECTED TRANSACTIONS, AND CONNECTED TRANSACTION RELATING TO A DEEMED DISPOSAL OF EQUITY INTEREST IN A SUBSIDIARY

THE 2028 YY LAM SERVICE AGREEMENT

Reference is made to the announcement of the Company dated 23 September 2026 in relation to, among others, the provision of teaching services by Service Company and Mr. YY Lam pursuant to the 2026 YY Lam Service Agreement. The 2026 YY Lam Service Agreement will expire on 31 August 2028.

On 11 November 2026 (after trading hours), in anticipation of the expiry of the 2026 YY Lam Service Agreement, the Company and Maxi Chain (a non-wholly owned subsidiary of the Company) entered into the 2028 YY Lam Service Agreement with Service Company and Mr. YY Lam. Pursuant to the 2028 YY Lam Service Agreement, Service Company conditionally agreed to provide the Services to Maxi Chain during the Term. Subject to the fulfilment of the condition precedent to the 2028 YY Lam Service Agreement, the principal consideration payable by Maxi Chain and/or the Company under the 2028 YY Lam Service Agreement includes: (i) the Sign-on Bonus, being an amount of HK$150,000,000, payable in 14 instalments; (ii) the Service Fees, being an amount equivalent to 45% of the tuition fees actually received by Maxi Chain in respect of the Courses provided by Service Company; (iii) the Salary Contribution, being an amount of HK$600,000 per month; and (iv) the CEO Fee, being an amount of not less than HK$300,000 per calendar month payable to Mr. YY Lam in his capacity as the chief executive officer of Maxi Chain.

Reference is made to the announcement of the Company dated 7 September 2021 in relation to, among others, the Shareholders' Agreement with Defining Limited in respect of Maxi Chain. Under the 2028 YY Lam Service Agreement, Defining Limited (a company wholly owned by Mr. YY Lam) will, subject to the fulfilment of the condition precedent to the 2028 YY Lam Service Agreement, have the right to subscribe for such number of new Maxi Chain Shares representing 10% of the issued share capital of Maxi Chain as at 1 April 2031 and Completion shall take place on or before 1 April 2031. Accordingly, to give effect to the foregoing, the Supplemental Shareholders' Agreement is proposed to be entered into by the Company, Expert Skill, Defining Limited, Maxi Chain and Levana Education Limited, upon the 2028 YY Lam Service Agreement becoming unconditional. Upon Completion, Defining Limited's shareholding in Maxi Chain will increase from 18% to 28%, while the Group's interest in Maxi Chain will decrease from 80% to 70%.

The implementation of the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder, including the continuing connected transactions and the Proposed Annual Caps, are conditional upon approval by the Independent Shareholders at the EGM.

GEM LISTING RULES IMPLICATIONS

Major and connected transaction and continuing connected transactions

As at the date of this announcement, (i) Maxi Chain is a non-wholly owned subsidiary of the Company and is held as to 80% by a wholly-owned subsidiary of the Company, 18% by Defining Limited (a company wholly owned by Mr. YY Lam, who is also a director, the chairman of the board of directors and the chief executive officer of Maxi Chain) and 2% by Levana Education Limited (which is an Independent Third Party); and (ii) Service Company is owned as to 50% by Mr. YY Lam and as to 50% by his father, Mr. Lam Chak Leung. As Service Company is a 30%-controlled company of Mr. YY Lam, it is an associate of Mr. YY Lam. Accordingly, each of Mr. YY Lam and Service Company is a connected person of the Company at the subsidiary level. The transactions contemplated under the 2028 YY Lam Service Agreement therefore constitute a connected transaction and continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

Pursuant to Rules 19.22 and 20.79 of the GEM Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they are all completed within a 12-month period or are otherwise related. The counterparties to the 2026 YY Lam Service Agreement and the 2028 YY Lam Service Agreement are the same. As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the transaction contemplated under the 2028 YY Lam Service Agreement, when aggregated with the transaction contemplated under the 2026 YY Lam Service Agreement, is more than 25% but less than 100%, the entering into of the 2028 YY Lam Service Agreement and the transactions contemplated thereunder constitutes a major and connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapters 19 and 20 of the GEM Listing Rules.

Pursuant to Rule 20.50 of the GEM Listing Rules, as the term of the 2028 YY Lam Service Agreement exceeds three years, the Company has appointed the Independent Financial Adviser to opine on why a term longer than three years is required and whether it is a normal business practice for agreements of this type to be of such duration. The opinion of the Independent Financial Adviser will be included in the circular.

Connected transaction relating to a deemed disposal of equity interest in a subsidiary

Upon Completion, the Group's interest in Maxi Chain will reduce from 80% to 70%. Accordingly, the Subscription contemplated under the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement constitutes a deemed disposal of the Group's equity interest in Maxi Chain under the GEM Listing Rules. As at the date of this announcement, (i) Maxi Chain is a non-wholly owned subsidiary of the Company and is held as to 80% by Expert Skill (a wholly-owned subsidiary of the Company), 18% by Defining Limited (a company wholly owned by Mr. YY Lam) and 2% by Levana Education Limited (which is an Independent Third Party); and (ii) Defining Limited is a company wholly owned by Mr. YY Lam, who is also a director, the chairman of the board of directors and the chief executive officer of Maxi Chain. Defining Limited is a connected person of the Company at the subsidiary level. The Subscription contemplated under the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement therefore constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in Chapter 19 of the GEM Listing Rules) in respect of the deemed disposal is 5% or more but less than 25%, the deemed disposal, when considered on a standalone basis, constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements thereunder. As the Subscription forms an integral part of the transactions contemplated under the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement, such agreements and the transactions contemplated thereunder, including the Subscription and the deemed disposal arising therefrom, are subject to the approval of the Independent Shareholders at the EGM.

GENERAL

The EGM will be convened to consider and, if thought fit, to approve, among others, the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder by way of poll.

There are no Directors who have any material interest in the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement and no Directors need to abstain from voting on the Board resolutions of the Company for approving the 2028 YY Lam Service Agreement (including the Proposed Annual Caps) and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder. Mr. YY Lam and his associates, who have a material interest in the transactions, are required to abstain from voting at the EGM on the resolution(s) in relation to the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder. As at the date of this announcement, Mr. YY Lam and his associates are interested in 1,194,000 Shares, representing approximately 0.26% of the total number of issued Shares excluding treasury Shares. Mr. Tam Jeffrey Chun Yip, by virtue of his 50% interest in Levana Education Limited, has a material interest in the transactions. Accordingly, Mr. Tam Jeffrey Chun Yip and his associates are required to abstain from voting at the EGM on the resolution(s) in relation to the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder. As at the date of this announcement, the spouse of Mr. Tam Jeffrey Chun Yip, being his associate, is interested in 802,136 Shares, representing approximately 0.17% of the total number of issued Shares excluding treasury Shares.

As at the date of this announcement, the Company holds 156,000 treasury Shares. The Company will not exercise any voting rights attached to such treasury Shares at the EGM, and such treasury Shares will be excluded from the total number of Shares entitling the Shareholders to attend and vote on the resolutions to be proposed at the EGM. In addition, pursuant to Rule 23.05A of the GEM Listing Rules, the trustee holding 2,679,600 unvested Shares under the share award scheme adopted by the Company on 25 November 2022 is required to abstain from voting on such resolutions. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder is required under the GEM Listing Rules to abstain from voting on the resolutions to be proposed at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the terms of the 2028 YY Lam Service Agreement (including the Proposed Annual Caps) and the Supplemental Shareholders' Agreement and transactions contemplated thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other matters, (i) further details of the transactions contemplated under the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement and the Proposed Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of EGM will be despatched to the Shareholders in accordance with the GEM Listing Rules. The circular is expected to be despatched by the Company to the Shareholders on or before 30 November 2026.

THE 2028 YY LAM SERVICE AGREEMENT AND THE SUPPLEMENTAL SHAREHOLDERS' AGREEMENT

Reference is made to the announcement of the Company dated 23 September 2026 in relation to, among others, the provision of teaching services by Service Company and Mr. YY Lam pursuant to the 2026 YY Lam Service Agreement. The 2026 YY Lam Service Agreement will expire on 31 August 2028.

On 11 November 2026 (after trading hours), in anticipation of the expiry of the 2026 YY Lam Service Agreement, the Company and Maxi Chain (a non-wholly owned subsidiary of the Company) entered into the 2028 YY Lam Service Agreement with Service Company and Mr. YY Lam. Pursuant to the 2028 YY Lam Service Agreement, Service Company conditionally agreed to provide the Services to Maxi Chain during the Term. Subject to the fulfilment of the condition precedent to the 2028 YY Lam Service Agreement, the principal consideration payable by Maxi Chain and/or the Company under the 2028 YY Lam Service Agreement includes: (i) the Sign-on Bonus, being an amount of HK$150,000,000, payable in 14 instalments; (ii) the Service Fees, being an amount equivalent to 45% of the tuition fees actually received by Maxi Chain in respect of the Courses provided by Service Company; (iii) the Salary Contribution, being an amount of HK$600,000 per month; and (iv) the CEO Fee, being an amount of not less than HK$300,000 per calendar month payable to Mr. YY Lam in his capacity as the chief executive officer of Maxi Chain.

Reference is made to the announcement of the Company dated 7 September 2021 in relation to, among others, the Shareholders' Agreement with Defining Limited in respect of Maxi Chain. Under the 2028 YY Lam Service Agreement, Defining Limited (a company wholly owned by Mr. YY Lam) will, subject to the fulfilment of the condition precedent to the 2028 YY Lam Service Agreement, have the right to subscribe for such number of new Maxi Chain Shares representing 10% of the issued share capital of Maxi Chain as at 1 April 2031 and Completion shall take place on or before 1 April 2031. Accordingly, to give effect to the foregoing, the Supplemental Shareholders' Agreement is proposed to be entered into by the Company, Expert Skill, Defining Limited, Maxi Chain and Levana Education Limited, upon the 2028 YY Lam Service Agreement becoming unconditional. Upon Completion, Defining Limited's shareholding in Maxi Chain will increase from 18% to 28%, while the Group's interest in Maxi Chain will decrease from 80% to 70%.

The implementation of the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder, including the continuing connected transactions and the Proposed Annual Caps, are conditional upon approval by the Independent Shareholders at the EGM.

Principal terms of the 2028 YY Lam Service Agreement

Principal terms of the 2028 YY Lam Service Agreement are summarised below:

Date	:	11 November 2026
Parties	:	(1) The Company; (2) Maxi Chain; (3) Service Company; and (4) Mr. YY Lam.
Condition precedent	:	The Company obtaining shareholders' approval at a general meeting.
Term	:	13 years commencing on 1 September 2028 and expiring on 31 August 2041.
Scope of Services	:	The Services include: (i) teaching and instructing students of the Schools who are enrolled in the Courses; (ii) setting, marking, correcting and assessing assignments, tests and examination papers; (iii) providing live and video classes; and (iv) preparing and/or assisting in the preparation of notes and other instructional materials. Service Company shall engage Mr. YY Lam as the key designated tutor to teach Courses targeted at HKDSE students in Hong Kong, the PRC and Southeast Asia, whether online or offline.
Service Fee	:	Maxi Chain shall pay Service Company service fees equivalent to 45% of the total tuition fees actually received by Maxi Chain in respect of the Courses provided by Service Company (the "**Service Fees**").
Salary Contribution	:	Maxi Chain shall bear the costs and expenses incurred by Service Company in engaging assistants to assist Mr. YY Lam in the provision of the Services at the rate of HK$600,000 per month (the "**Salary Contribution**").
CEO Fee	:	Mr. YY Lam shall continue to act as a director, the chairman of the board of directors and the chief executive officer of Maxi Chain unless he resigns of his own accord. Maxi Chain shall pay Mr. YY Lam, in his capacity as the chief executive officer, remuneration of not less than HK$300,000 per month (the "**CEO Fee**").

Sign-on Bonus : Maxi Chain shall pay Service Company a sign-on bonus (the "**Sign-on Bonus**") of HK$150,000,000 in 14 instalments as follows:

(i) the 1st instalment of HK$30,000,000 shall be paid within two business days after the finalisation of Maxi Chain's audited financial statements for the year ending 31 March 2027 and, in any event, on or before 31 July 2027;

(ii) the 2nd instalment of HK$30,000,000 shall be paid within two business days after the finalisation of Maxi Chain's audited financial statements for the year ending 31 March 2028 and, in any event, on or before 31 July 2028;

(iii) each of the 3rd to 14th instalments, in the amount of HK$7,500,000, shall be paid within two business days after the finalisation of Maxi Chain's audited financial statements for each of the financial years ending 31 March 2029 to 31 March 2040, respectively, and, in any event, on or before 31 July of the relevant year;

(iv) the amount payable for each of the 1st to 14th instalments shall be the lesser of the scheduled instalment amount and Maxi Chain's adjusted consolidated profit after tax for the financial year immediately preceding the relevant payment date. If such adjusted amount is negative, no amount shall be payable for that instalment; and

(v) provided that no event of default entitling Service Company and/or Mr. YY Lam to terminate the 2028 YY Lam Service Agreement with immediate effect has previously occurred, any shortfall between the scheduled instalment amount and the amount actually payable shall be deemed to be waived on the relevant payment date and shall not be carried forward, accumulated or added to any subsequent instalment.

For this purpose, Maxi Chain's adjusted consolidated profit after tax is the consolidated profit after tax for the relevant financial year as set out in its audited consolidated financial statements, after adding back any Sign-on Bonus paid during that financial year.

Subscription Shares	:	In consideration of Service Company and Mr. YY Lam agreeing to enter into the 2028 YY Lam Service Agreement, Defining Limited (a company wholly owned by Mr. YY Lam and holding 18% of the issued share capital of Maxi Chain as at the date of this announcement) shall be granted the right to subscribe for such number of new Maxi Chain Shares representing 10% of the issued share capital of Maxi Chain as at 1 April 2031 (the "**Subscription Shares**") at a total subscription price of HK$100, which would increase the shareholding of Defining Limited in Maxi Chain from 18% to 28% of the then issued share capital of Maxi Chain upon Completion, which shall take place on or before 1 April 2031.
Advertising	:	Service Company shall reimburse Maxi Chain for 50% of all advertising and marketing expenses in respect of the Courses and/or Mr. YY Lam incurred by Maxi Chain during each academic year of the Term, provided that the relevant advertisements and expenses have been pre-approved by Service Company and/or Mr. YY Lam. If such approved advertising and marketing expenses exceed HK$2,000,000 in any academic year, Service Company shall reimburse Maxi Chain for the amount exceeding HK$1,000,000.
Restrictive covenants and other undertakings	:	Maxi Chain has undertaken with Service Company and Mr. YY Lam, among other things, to: (i) procure that each School shall be duly registered under the Education Ordinance; (ii) procure that at least seven Schools, each with a capacity of not less than 70 students, shall be open throughout the Term; (iii) pay all rent, management fees and repair costs in respect of the School premises; (iv) consult Mr. YY Lam and comply with his reasonable instructions regarding the Schools and the Courses; (v) not engage any other person to teach Chinese Language courses at the Schools or engage any other provider of services similar to the Services, without the prior written approval of Service Company and Mr. YY Lam; and (vi) not establish any new School, or close, relocate, conduct any major renovation or refurbishment to any School, without the prior written consent of Service Company and Mr. YY Lam. Service Company has undertaken with Maxi Chain to procure that (i) the Services comply with applicable laws and regulations insofar as such compliance is the responsibility of Service Company and/or Mr. YY Lam; and (ii) Mr. YY Lam remains qualified as a "permitted teacher" under the Education Ordinance throughout the Term.

Unless otherwise agreed by Maxi Chain in writing, Mr. YY Lam shall not, during the Term: (i) teach any private supplementary Chinese Language course targeted at HKDSE students other than the Courses operated at or through the Schools; or (ii) where the Schools offer private supplementary courses in other subjects or for other student levels, manage or teach any competing courses in Hong Kong in those subjects or for those student levels.

Guarantee : The Company has guaranteed to Service Company and Mr. YY Lam the due and punctual performance and observance of the obligations of Maxi Chain under the 2028 YY Lam Service Agreement.

Termination rights : Service Company and/or Mr. YY Lam has the right to terminate the 2028 YY Lam Service Agreement with immediate effect by written notice if: (a) the number of Schools operated by Maxi Chain falls below seven or the capacity of any School falls below 70 students without the prior written consent of Service Company and Mr. YY Lam, provided that such is not caused by the wilful act of Mr. YY Lam as chief executive officer of Maxi Chain; (b) Maxi Chain and/or the Company fails to comply with its/their payment obligations or otherwise commits a material breach or non-performance of its/their obligations under such agreement, provided that, in the case of Maxi Chain, such breach or non-performance is not caused by the wilful act of Mr. YY Lam as chief executive officer of Maxi Chain; (c) Expert Skill and/or the Company commits a material breach of its/their obligations under the Shareholders' Agreement; (d) certain insolvency events occur in respect of Maxi Chain, Expert Skill and/or the Company, except for the purposes of a bona fide reconstruction or amalgamation with the consent of the Service Company and Mr. YY Lam and, in the case of Maxi Chain, save for any such event caused by the prior breach of the Shareholders' Agreement by Defining Limited or the wilful act of Mr. YY Lam as chief executive officer of Maxi Chain; (e) there is a direct or indirect change of control of Maxi Chain (save for any change resulting from the wilful act of Defining Limited and/or Mr. YY Lam), Expert Skill and/or the Company; (f) Maxi Chain, the Company and/or any of their respective affiliates takes any action rendering the operation of the Courses by Service Company and/or Mr. YY Lam impossible or unreasonably difficult, save for any action of Maxi Chain resulting from any wilful act of Service Company and/or Mr. YY Lam as chief executive officer of Maxi Chain; or (g) an event of default under the 2026 YY Lam Service Agreement entitling Service Company and/or Mr. YY Lam to terminate such agreement occurs. Upon the occurrence of any of the above events, Maxi Chain shall pay Service Company, as liquidated damages: (i) the estimated Service Fees and monthly Salary Contribution for the remainder of the Term; (ii) the outstanding amount of the Sign-on Bonus; and (iii) if the number of enrolled students at the time of the occurrence of such event is 500 or more, HK$15 million for loss of goodwill.

Maxi Chain has the right to terminate the 2028 YY Lam Service Agreement with immediate effect by written notice if: (a) Service Company and/or Mr. YY Lam commits a material breach of such agreement which is not remedied within 30 days after written notice from Maxi Chain; (b) Mr. YY Lam is guilty of any act of fraud, dishonesty or other misconduct, gross neglect of duty or any act or omission causing significant loss or damage to Maxi Chain and/or the Schools; (c) Mr. YY Lam loses any requisite qualification or registration required to enable him lawfully to provide the Services due to misconduct; (d) Mr. YY Lam is prosecuted and remanded and/or convicted of any criminal offence involving fraud, dishonesty and/or sexual offences; (e) certain insolvency events occur in respect of Service Company or Mr. YY Lam; or (f) an event of default under the 2026 YY Lam Service Agreement entitling Maxi Chain to terminate such agreement occurs (and, in such event, Maxi Chain is entitled to recover any actual loss and damages suffered by Maxi Chain resulting from the breach of the 2028 YY Lam Service Agreement on the part of the Service Company and/or Mr. Lam).

Principal terms of the Supplemental Shareholders' Agreement

Principal terms of the Supplemental Shareholders' Agreement, which is expected to be entered into upon the 2028 YY Lam Service Agreement becoming unconditional, are summarised below:

Parties : (1) The Company; (2) Expert Skill; (3) Defining Limited; (4) Maxi Chain; and (5) Levana Education Limited.

Subscription : Defining Limited (a company wholly owned by Mr. YY Lam and holding 18% of the issued share capital of Maxi Chain as at the date of this announcement) shall subscribe for such number of new Maxi Chain Shares at a total subscription price of HK$100 and Completion shall take place on 1 April 2031. Upon Completion, Expert Skill and Levana Education Limited shall also respectively subscribe for such number of additional Maxi Chain Shares at a nominal subscription price such that, immediately following Completion, the shareholdings of Expert Skill, Defining Limited and Levana Education Limited in Maxi Chain shall be 70%, 28% and 2%, respectively, of the then issued share capital of Maxi Chain. The shareholding of Defining Limited in Maxi Chain shall increase from 18% to 28% of the then issued share capital of Maxi Chain upon Completion.

The subscription price for the Maxi Chain Shares was determined based on arm's length negotiation among the parties to the Supplemental Shareholders' Agreement having regard to, among other things, (i) the historical financial performance and growth of the Group's private supplementary education business (the "**Private Supplementary Education Business**"); (ii) Mr. YY Lam's contribution to the development and growth of Maxi Chain and the Private Supplementary Education Business; (iii) the purpose of the Subscription as recognition of Mr. YY Lam's contribution to, and as a long-term incentive for his continued participation in, the development of the Private Supplementary Education Business; and (iv) the terms of the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement considered as a whole. The Subscription Price was not determined solely by reference to the net asset value of Maxi Chain, as the Subscription was agreed as part of the overall long-term incentive arrangements for Mr. YY Lam and was not negotiated as a standalone investment in Maxi Chain.

Since the Shareholders' Agreement was entered into in 2021, the segment revenue attributable to the Private Supplementary Education Business amounted to approximately HK$14.0 million, HK$70.4 million, HK$97.3 million, HK$122.1 million and HK$183.1 million for the years ended 31 March 2022, 2023 ("**FY2023**"), 2024 ("**FY2024**"), 2025 ("**FY2025**") and 2026 ("**FY2026**"), respectively, representing increases of approximately 402.9%, 38.2%, 25.5% and 50.0% for FY2023, FY2024, FY2025 and FY2026, respectively. In view of the notable growth of the Private Supplementary Education Business since the entry into the Shareholders' Agreement, the parties agreed that the Subscription would serve as recognition of Mr. YY Lam's contribution to such growth and as an incentive for him, through Defining Limited, to continue contributing to the long-term development and performance of Maxi Chain and the Private Supplementary Education Business. Having regard to the foregoing, the Board considers that the subscription price and the resulting dilution of the Group's interest in Maxi Chain from 80% to 70% are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders as to, among other things, whether the terms of the Supplemental Shareholders' Agreement, including the subscription price for the Subscription and the resulting dilution of the Group's interest in Maxi Chain from 80% to 70%, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. The detailed opinion of the Independent Financial Adviser, together with the principal factors and reasons taken into consideration in arriving at its opinion and recommendation, will be set out in the circular.

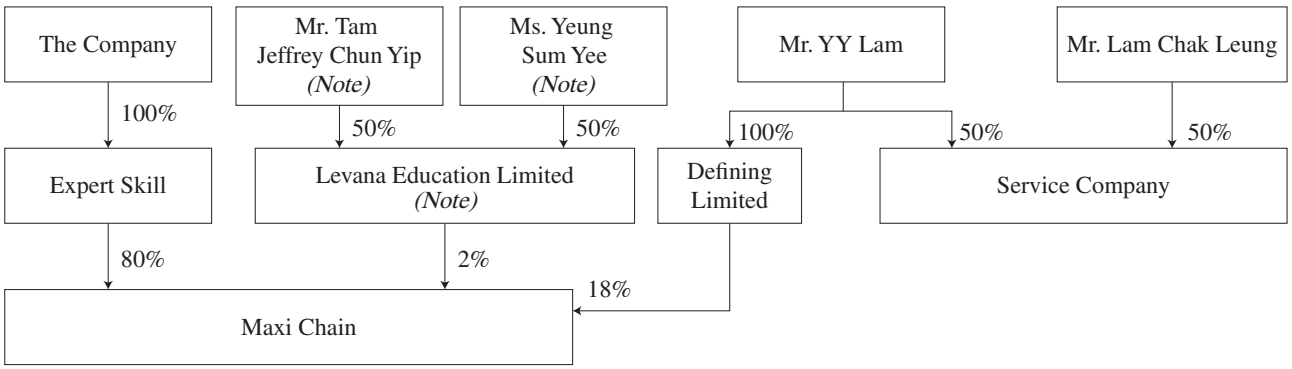
Termination rights : Defining Limited shall have the right to terminate the Shareholders' Agreement if Maxi Chain fails to allot to Defining Limited the Subscription Shares at Completion provided that such failure is not due to the act or omission of Defining Limited and/or its nominated director(s) of Maxi Chain.

Upon Completion, Maxi Chain will remain a non-wholly owned subsidiary of the Company, and its financial results will continue to be consolidated into the consolidated financial statements of the Group.

Changes in the shareholding structure of Maxi Chain

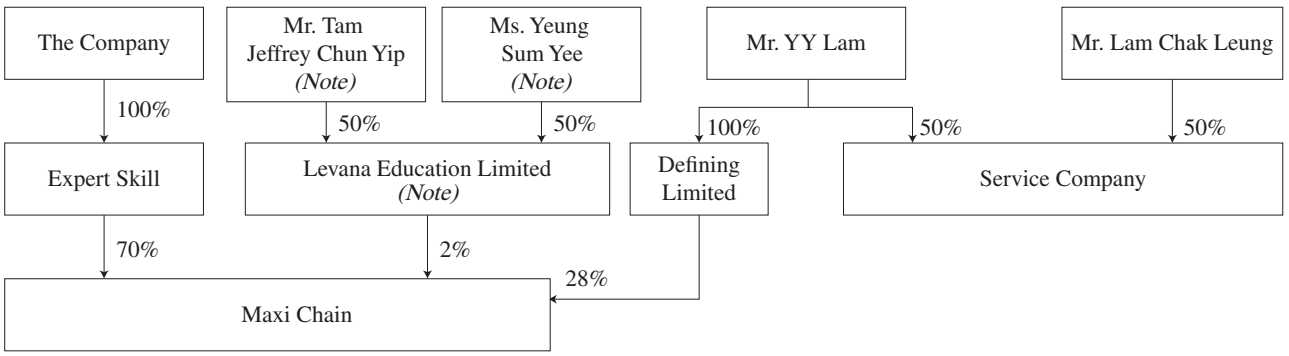
The following diagrams illustrate the shareholding structure of Maxi Chain (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming that there will be no change in shareholding of Maxi Chain between the date of this announcement and the date of Completion save for the effect of the Subscription).

(1) As at the date of this announcement



Note: To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Levana Education Limited and its ultimate beneficial owners, namely Mr. Tam Jeffrey Chun Yip and Ms. Yeung Sum Yee, are Independent Third Parties.

(2) Immediately upon Completion (assuming that there will be no change in shareholding of Maxi Chain between the date of this announcement and the date of Completion, other than the issue and allotment of the Subscription Shares and the additional Maxi Chain Shares to be subscribed for by Expert Skill and Levana Education Limited upon Completion)



Note: To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Levana Education Limited and its ultimate beneficial owners, namely Mr. Tam Jeffrey Chun Yip and Ms. Yeung Sum Yee, are Independent Third Parties.

Condition precedent

The implementation of the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder, including the continuing connected transactions and the Proposed Annual Caps, are conditional upon approval by the Independent Shareholders at the EGM.

If the above condition is not fulfilled before the Long Stop Date, the 2028 YY Lam Service Agreement shall be terminated and the Supplemental Shareholders' Agreement will not be entered into. Upon termination of the 2028 YY Lam Service Agreement, all parties thereto shall be released and discharged from their respective future obligations thereunder.

Proposed Annual Caps for the continuing connected transactions under the 2028 YY Lam Service Agreement

In accordance with Rule 20.51 of the GEM Listing Rules, the Company is required to set annual caps on the aggregate amounts payable by the Group to Service Company under the 2028 YY Lam Service Agreement.

The historical transaction amounts paid by the Group to Service Company under the 2021 YY Lam Service Agreement for the four months ended 31 March 2022, FY2023, FY2024, FY2025, FY2026, and the five months ended 31 August 2026, respectively, are set out below:

For the year ended 31 March	**Service Fee** *(HK$'000)*	**Salary Contribution** *(HK$'000)*	**CEO Fee** *(HK$'000)*	**Total historical transaction amounts** *(HK$'000)*
2022 (1 December 2021 to 31 March 2022)	2,567	2,400	–	4,967
2023	16,018	7,200	–	23,218
2024	21,688	7,200	–	28,888
2025	21,735	7,200	–	28,935
2026	23,961	7,200	1,200	32,361
2027 (from 1 April 2026 to 31 August 2026)	7,948	3,000	750	11,698

As disclosed in the announcement of the Company dated 23 September 2026 in relation to the 2026 YY Lam Service Agreement, the adopted annual caps in respect of the amounts payable by the Group under the 2026 YY Lam Service Agreement for the seven months ending 31 March 2027, the financial year ending 31 March 2028, and the five months ending 31 August 2028 are set out below:

For the year ending 31 March	**Service Fee** *(HK$'000)*	**Salary Contribution** *(HK$'000)*	**CEO Fee** *(HK$'000)*	**Total annual caps** *(HK$'000)*
2027 (from 1 September 2026 to 31 March 2027)	24,052	4,200	2,100	30,352
2028	35,000	7,200	3,600	45,800
2029 (from 1 April 2028 to 31 August 2028)	12,000	3,000	1,500	16,500

The Proposed Annual Caps in respect of the continuing connected transactions, comprising the Service Fees, Salary Contribution and CEO Fee, under the 2028 YY Lam Service Agreement for the seven months ending 31 March 2029, each of the financial years ending 31 March 2030 to 31 March 2041, and the five months ending 31 August 2041 are set out below:

For the year ending 31 March	**Service Fee** *(HK$'000)*	**Salary Contribution** *(HK$'000)*	**CEO Fee** *(HK$'000)*	**Total Proposed Annual Caps** *(HK$'000)*
2029 (from 1 September 2028 to 31 March 2029)	29,000	4,200	2,100	35,300
2030	42,000	7,200	3,600	52,800
2031	43,000	7,200	3,600	53,800
2032	45,000	7,200	3,600	55,800
2033	46,000	7,200	3,600	56,800
2034	47,000	7,200	3,600	57,800
2035	49,000	7,200	3,600	59,800
2036	50,000	7,200	3,600	60,800
2037	52,000	7,200	3,600	62,800
2038	53,000	7,200	3,600	63,800
2039	55,000	7,200	3,600	65,800
2040	57,000	7,200	3,600	67,800
2041	58,000	7,200	3,600	68,800
2042 (from 1 April 2041 to 31 August 2041)	17,000	3,000	1,500	21,500

Basis of determination of consideration

The Service Fees, Salary Contribution, CEO Fee and Sign-on Bonus were determined after arm's length negotiations among the Company, Maxi Chain, Service Company and Mr. YY Lam with reference to: (i) Mr. YY Lam's experience and reputation in the private supplementary education industry; (ii) the historical operating and enrolment records of the Courses and Schools since December 2021; (iii) the historical service fees and other amounts paid under the 2021 YY Lam Service Agreement and the 2026 YY Lam Service Agreement; (iv) the revenue-sharing arrangements commonly adopted in the private supplementary education industry; (v) the expected revenue and profitability of the Courses during the Term; (vi) the costs of retaining Mr. YY Lam and his teaching team during the Term and securing the continued and exclusive provision of the Services; and (vii) the reasons and benefits described in the section headed "Reasons for and benefits of entering into the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement".

INFORMATION OF THE PARTIES TO THE 2028 YY LAM SERVICE AGREEMENT AND THE SUPPLEMENTAL SHAREHOLDERS' AGREEMENT

Information of the Company and Expert Skill

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

As at the date of this announcement, Expert Skill is an investment holding company incorporated in the British Virgin Islands with limited liability, and a wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

Information of Maxi Chain

As at the date of this announcement, Maxi Chain is a non-wholly owned subsidiary of the Company and is held as to 80% by Expert Skill (a wholly owned subsidiary of the Company), 18% by Defining Limited (a company wholly owned by Mr. YY Lam) and 2% by Levana Education Limited (which is an Independent Third Party). Mr. YY Lam is a director, the chairman of the board of directors and the chief executive officer of Maxi Chain. Maxi Chain and its subsidiaries operate educational institutions in Hong Kong under the brand name "DEFINING EDUCATION (凝皓教育)" and has established nine Schools in Hong Kong in accordance with the requirements of the Education Ordinance and other applicable laws, rules and regulations.

Set out below is a summary of the key financial data of Maxi Chain for the two financial years ended 31 March 2025 and 2026:

	For the year ended	
	31 March 2026	**31 March 2025**
	(HK$'000) (unaudited)	*(HK$'000)* (unaudited)
Revenue	183,099	122,051
Net profit before taxation	41,924	16,792
Net profit after taxation	33,913	14,122

As at 31 March 2026, the unaudited consolidated net asset value of Maxi Chain was approximately HK$44,944,000.

Information of Mr. YY Lam

Mr. Lam Yat Yan (林溢欣先生) is a prominent Chinese language private tutor in Hong Kong. Mr. YY Lam obtained 3 A-grades in The Hong Kong Advanced Level Examinations and was admitted to the Department of Chinese Language and Literature of The Chinese University of Hong Kong in the same year. He graduated with first-class honors in 2009 (only six out of over a hundred students received first-class degrees in the same year). After two years, he received his Master of Philosophy degree in Chinese Language and Literature with distinction. He then entered the private education industry and engaged in front-line teaching. Over the past fifteen years, he has taught more than 250,000 students, and has cultivated numerous top scholars and 5** students. Mr. YY Lam is one of the most outstanding tutors in the industry.

Mr. YY Lam is also a well-known author and writer in Hong Kong and has published books as well as articles in newspapers, international academic journals and magazines, including the Journal of Chinese Studies (《中國文化研究所學報》), The World of Chinese Language and Literature (《國文天地》),《九州學林》and Journal of Ancient Books Collation and Studies (《古籍整理研究學刊》), etc., and covered topics such as ancient Chinese documents, Chinese literature, Chinese culture and commentary on news and current affairs. In 2014, Mr. YY Lam founded the cultural magazine《藝文青》to promote Chinese language and culture. In 2021, Mr. YY Lam was engaged by The Chinese University of Hong Kong to teach Chinese Language courses on a part-time basis.

As at the date of this announcement, Maxi Chain is a non-wholly owned subsidiary of the Company and is held as to 80% by Expert Skill (a wholly-owned subsidiary of the Company), 18% by Defining Limited (a company wholly owned by Mr. YY Lam, who is also a director, the chairman of the board of directors and the chief executive officer of Maxi Chain) and 2% by Levana Education Limited (which is an Independent Third Party). Accordingly, Mr. YY Lam is a connected person of the Company at the subsidiary level.

Information of Service Company

Service Company is a company incorporated in Hong Kong with limited liability and is principally engaged in provision of private supplementary secondary education services in Hong Kong. As at the date of this announcement, Service Company is owned as to 50% by Mr. YY Lam and as to 50% by his father, Mr. Lam Chak Leung.

Information of Defining Limited

As at the date of this announcement, Defining Limited is an investment holding company incorporated in Hong Kong with limited liability and wholly owned by Mr. YY Lam. It holds 18% of the issued share capital of Maxi Chain as at the date of this announcement.

Information of Levana Education Limited

As at the date of this announcement, Levana Education Limited is a company incorporated in Hong Kong with limited liability and is owned as to 50% by Mr. Tam Jeffrey Chun Yip and as to 50% by Ms. Yeung Sum Yee. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Levana Education Limited and its ultimate beneficial owners, namely Mr. Tam Jeffrey Chun Yip and Ms. Yeung Sum Yee, are Independent Third Parties.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2028 YY LAM SERVICE AGREEMENT AND THE SUPPLEMENTAL SHAREHOLDERS' AGREEMENT

The Group is principally engaged in, among other things, the provision of private supplementary education services in Hong Kong. Service Company has provided the Services to Maxi Chain since December 2021. Mr. YY Lam is recognised by the Group as a "Star Tutor" and has extensive experience in teaching Chinese Language courses to secondary school students, including students preparing for the HKDSE examinations. Mr. YY Lam and his teaching team have also developed their own teaching methods, course contents, instructional materials and learning tools over the years.

The Private Supplementary Education Business has recorded notable revenue growth in recent financial years. The segment revenue attributable to the Private Supplementary Education Business amounted to approximately HK$97.3 million, HK$122.1 million and HK$183.1 million for FY2024, FY2025 and FY2026, respectively, representing year-on-year increases of approximately 25.5% for FY2025 and 50.0% for FY2026. The segment revenue for FY2026 was approximately 88.2% higher than that for FY2024. The Board considers that such growth demonstrates the growth potential of the Private Supplementary Education Business. While the growth was attributable to a combination of factors and cannot be attributed solely to Service Company or Mr. YY Lam, the Board believes that the Services, Mr. YY Lam's reputation and student base, and the teaching materials and support provided by his teaching team have contributed to the development of the Private Supplementary Education Business.

In anticipation of the expiry of the 2026 YY Lam Service Agreement on 31 August 2028, the Board considers that entering into the 2028 YY Lam Service Agreement will enable the Group to maintain its established cooperation with Service Company and Mr. YY Lam and support the continued operation and development of the Courses and the Private Supplementary Education Business over the long term.

In particular, the Board considers that the commercial arrangements under the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement are beneficial to the Group for the following reasons:

(i) the Service Fees are calculated as 45% of the tuition fees actually received by Maxi Chain in respect of the Courses provided by Service Company. Accordingly, a substantial part of Service Company's remuneration is directly linked to the tuition-fee revenue generated by the Courses. The Board considers that this revenue-sharing arrangement aligns the commercial interests of Service Company and Mr. YY Lam with those of Maxi Chain and thereby incentivises them to optimise course marketability, drive student enrolment and maintain teaching quality;

(ii) the continued involvement of Mr. YY Lam and his teaching team is important to the continued operation of the Courses. The Salary Contribution is intended to support the retention of the assistants engaged by Service Company to assist Mr. YY Lam in providing the Services, thereby maintaining the continuity, capacity and quality of the teaching services provided to students;

(iii) subject to the terms of the 2028 YY Lam Service Agreement, Mr. YY Lam has agreed not to teach competing private supplementary Chinese Language courses targeted at HKDSE students during the Term. The relevant restrictive covenants are intended to secure the continued and exclusive provision of the Services by Mr. YY Lam through Service Company and to protect the business, student base and market position developed by Maxi Chain in connection with the Courses;

(iv) following the expiry of the 2026 YY Lam Service Agreement on 31 August 2028, the 13-year Term provides for the continued provision of the Services from 1 September 2028 to 31 August 2041. The Board considers that the 2028 YY Lam Service Agreement preserves operational continuity and demonstrates the parties' good-faith commitment to maintaining their established cooperation over the long term. The long-term arrangement will also provide greater certainty and stability for the Group in planning and developing the Courses and the Private Supplementary Education Business;

(v) as at the date of this announcement, Mr. YY Lam is a director, the chairman of the board of directors and the chief executive officer of Maxi Chain. Mr. YY Lam plays a key operational management role in the Private Supplementary Education Business, directly guiding its teaching quality, commercial growth and administrative operations. His continued participation in the operational management of Maxi Chain, together with his deep engagement with the students, teaching team and operational staff, is expected to continuously enhance student enrolment and deliver sustainable business performance for the Private Supplementary Education Business;

(vi) the Sign-on Bonus represents consideration for Service Company agreeing to enter into the 2028 YY Lam Service Agreement and committing to the continued provision of the Services following the expiry of the 2026 YY Lam Service Agreement throughout the Term. The Board considers that securing such continued services is important to maintaining the continuity of the Courses and reducing the potential loss of students, teaching staff and goodwill that may arise from an interruption to the Courses, particularly in the private supplementary education sector where it is common market practice to offer competitive remuneration packages to retain star tutors who possess strong personal brand equity, established student followings, and specialised curriculum development expertise that are difficult to replicate or replace. The payment of the Sign-on Bonus in instalments over an extended period will also support the long-term retention of Service Company and align the parties' interests with the long-term development of the Private Supplementary Education Business;

(vii) although the Sign-on Bonus amounts to HK$150 million in aggregate, it is payable by instalments over the Term, and each instalment is capped at the lower of the relevant scheduled instalment amount and Maxi Chain's adjusted consolidated profit after tax for the relevant financial year. If such adjusted amount is negative, no instalment will be payable for that financial year and, subject to the terms of the 2028 YY Lam Service Agreement, any shortfall will be waived and will not be carried forward or added to any subsequent instalment. The payment mechanism therefore aligns the amount and timing of each instalment with the financial performance of Maxi Chain. Having regard to the above, the Board considers that the payment mechanism offers effective downside protection and that the Sign-on Bonus is not expected to have a material adverse impact on the cash flow position of the Group;

(viii) having regard to the increase in segment revenue of the Private Supplementary Education Business from approximately HK$97.3 million for FY2024 to approximately HK$183.1 million for FY2026, the Board considers that the Private Supplementary Education Business has demonstrated growth potential. The arrangements with Service Company under the 2028 YY Lam Service Agreement will enable the Group to continue to leverage Mr. YY Lam's management leadership, operational guidance, teaching experience, market recognition, course materials and student base and is expected to support the Group in maintaining and developing this business; and

(ix) the Subscription and the corresponding increase in Defining Limited's shareholding in Maxi Chain from 18% to 28% upon Completion are intended to provide a long-term incentive to Mr. YY Lam, through Defining Limited, and further align his interests with those of Maxi Chain and the Group. The Board considers that the Subscription will incentivise Mr. YY Lam to continue contributing to the long-term development, growth and performance of Maxi Chain and the Private Supplementary Education Business. Following Completion, the Group will continue to hold a 70% interest in Maxi Chain, which will remain a non-wholly owned subsidiary of the Company, and its financial results will continue to be consolidated into the consolidated financial statements of the Group. The Supplemental Shareholders' Agreement is proposed to be entered into to give effect to the Subscription and the consequential changes in the shareholding structure of Maxi Chain.

While securing the continued provision of the Services to maintain the stability of its core Chinese Language course offerings, the Directors have been actively formulating and driving strategic business diversification initiatives to broaden its revenue base, diversify its service offerings and strengthen its overall operational resilience. In particular, the Group is exploring new revenue streams within the education sector, including: (i) expanding into formal day-school operations and related curriculum management services; (ii) establishing strategic partnerships and collaborations with professional bodies, educational institutions and corporate partners to co-develop and deliver specialised training programmes, vocational courses and/or institutional educational solutions; and (iii) actively recruiting and expanding its teaching team and course offerings across a wider range of academic and non-academic subjects. The Board considers that securing the long-term stability of the Courses under the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement will provide the Group with a solid operational and financial foundation from which to execute these diversification strategies and achieve a more balanced and sustainable revenue portfolio over the long term.

Based on the above, the Directors, excluding the independent non-executive Directors, whose views will be set out in the circular after taking into account the advice of the Independent Financial Adviser, consider that the terms of the 2028 YY Lam Service Agreement (including the Proposed Annual Caps) and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF ENTERING INTO THE 2028 YY LAM SERVICE AGREEMENT AND THE SUPPLEMENTAL SHAREHOLDERS' AGREEMENT

Immediately upon Completion, the Group's interest in Maxi Chain will decrease from 80% to 70%. As Maxi Chain will remain as a subsidiary of the Company, the deemed disposal of 10% equity interest in Maxi Chain will not give rise to any gain or loss to the Group's consolidated statement of comprehensive income. The financial results of Maxi Chain will continue to be consolidated into the consolidated financial statements of the Group upon Completion.

INTERNAL CONTROL PROCEDURES FOR THE GROUP

Pursuant to the requirements of Chapter 20 of the GEM Listing Rules, the Company will disclose in annual report the review by the Board (including independent non-executive Directors) of the continuing connected transactions entered into every year and confirm that the transactions have been entered into in the ordinary and usual course of business of the Group, in accordance with the relevant agreements governing such transactions on terms (which are on normal commercial terms or better to the Group) that are fair and reasonable, and in the interests of the Shareholders as a whole. Independent auditors of the Company will review the continuing connected transactions entered into and issue a letter to the Board every year. The conclusion of such review by the auditors will be disclosed in the annual report of the Company.

In addition, as part of the Group's internal control systems to ensure that the continuing connected transactions under the 2028 YY Lam Service Agreement are conducted in accordance with its terms and do not exceed the relevant annual caps, the Group has implemented the following internal control procedures:

(a) the finance department of the Group will verify the calculation of the Service Fees, Salary Contribution, CEO Fee and other relevant amounts against the terms of the 2028 YY Lam Service Agreement and the relevant supporting records and documents;

(b) payments to Service Company and/or Mr. YY Lam will be reviewed and approved in accordance with the Group's internal approval procedures; and

(c) the management of the Company will regularly monitor the transaction amounts against the relevant annual caps. If any annual cap is expected to be exceeded or any material change to the terms of the 2028 YY Lam Service Agreement is proposed, the Company will take the necessary steps in advance to comply with the applicable requirements of the GEM Listing Rules.

The Directors, excluding the independent non-executive Directors, whose views will be set out in the circular after taking into account the advice of the Independent Financial Adviser, are of the view that the above methods and procedures can ensure that the continuing connected transactions under the 2028 YY Lam Service Agreement are conducted in the ordinary and usual course of business of the Group, on normal commercial terms, on terms that are fair and reasonable and in the interests of the Group and the Shareholders as a whole, and in compliance with Chapter 20 of the GEM Listing Rules.

GEM LISTING RULES IMPLICATIONS

Major and connected transaction and the continuing connected transactions

As at the date of this announcement, (i) Maxi Chain is a non-wholly owned subsidiary of the Company and is held as to 80% by Expert Skill (a wholly-owned subsidiary of the Company), 18% by Defining Limited (a company wholly owned by Mr. YY Lam, who is also a director, the chairman of the board of directors and the chief executive officer of Maxi Chain) and 2% by Levana Education Limited (which is an Independent Third Party); and (ii) Service Company is owned as to 50% by Mr. YY Lam and as to 50% by his father, Mr. Lam Chak Leung. As Service Company is a 30%-controlled company of Mr. YY Lam, it is an associate of Mr. YY Lam. Accordingly, each of Mr. YY Lam and Service Company is a connected person of the Company at the subsidiary level. The transactions contemplated under the 2028 YY Lam Service Agreement therefore constitute a connected transaction and continuing connected transactions of the Company under Chapter 20 of the GEM Listing Rules.

Pursuant to Rules 19.22 and 20.79 of the GEM Listing Rules, a series of connected transactions will be aggregated and treated as if they were one transaction if they are all completed within a 12-month period or are otherwise related. The counterparties to the 2026 YY Lam Service Agreement and the 2028 YY Lam Service Agreement are the same. As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the transaction contemplated under the 2028 YY Lam Service Agreement, when aggregated with the transaction contemplated under the 2026 YY Lam Service Agreement, is more than 25% but less than 100%, the entering into of the 2028 YY Lam Service Agreement and the transactions contemplated thereunder constitutes a major and connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapters 19 and 20 of the GEM Listing Rules.

Pursuant to Rule 20.50 of the GEM Listing Rules, as the term of the 2028 YY Lam Service Agreement exceeds three years, the Company has appointed the Independent Financial Adviser to opine on why a term longer than three years is required and whether it is a normal business practice for agreements of this type to be of such duration. The opinion of the Independent Financial Adviser will be included in the circular.

Connected transaction relating to a deemed disposal of equity interest in a subsidiary

Upon Completion, the Group's interest in Maxi Chain will reduce from 80% to 70%. Accordingly, the Subscription contemplated under the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement constitutes a deemed disposal of the Group's equity interest in Maxi Chain under the GEM Listing Rules. As at the date of this announcement, (i) Maxi Chain is a non-wholly owned subsidiary of the Company and is held as to 80% by Expert Skill (a wholly-owned subsidiary of the Company), 18% by Defining Limited (a company wholly owned by Mr. YY Lam) and 2% by Levana Education Limited (which is an Independent Third Party); and (ii) Defining Limited is a company wholly owned by Mr. YY Lam, who is also a director, the chairman of the board of directors and the chief executive officer of Maxi Chain. Defining Limited is a connected person of the Company at the subsidiary level. The Subscription contemplated under the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement therefore constitutes a connected transaction of the Company under Chapter 20 of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in Chapter 19 of the GEM Listing Rules) in respect of the deemed disposal is 5% or more but less than 25%, the deemed disposal, when considered on a standalone basis, constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements thereunder. As the Subscription forms an integral part of the transactions contemplated under the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement, such agreements and the transactions contemplated thereunder, including the Subscription and the deemed disposal arising therefrom, are subject to the approval of the Independent Shareholders at the EGM.

GENERAL

The EGM will be convened to consider and, if thought fit, to approve, among others, the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder by way of poll.

There are no Directors who have any material interest in the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement and no Directors need to abstain from voting on the Board resolutions of the Company for approving the 2028 YY Lam Service Agreement (including the Proposed Annual Caps) and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder. Mr. YY Lam and his associates, who have a material interest in the transactions, are required to abstain from voting at the EGM on the resolution(s) in relation to the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder. As at the date of this announcement, Mr. YY Lam and his associates are interested in 1,194,000 Shares, representing approximately 0.26% of the total number of issued Shares excluding treasury Shares. Mr. Tam Jeffrey Chun Yip, by virtue of his 50% interest in Levana Education Limited, has a material interest in the transactions. Accordingly, Mr. Tam Jeffrey Chun Yip and his associates are required to abstain from voting at the EGM on the resolution(s) in relation to the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder. As at the date of this announcement, the spouse of Mr. Tam Jeffrey Chun Yip, being his associate, is interested in 802,136 Shares, representing approximately 0.17% of the total number of issued Shares excluding treasury Shares.

As at the date of this announcement, the Company holds 156,000 treasury Shares. The Company will not exercise any voting rights attached to such treasury Shares at the EGM, and such treasury Shares will be excluded from the total number of Shares entitling the Shareholders to attend and vote on the resolutions to be proposed at the EGM. In addition, pursuant to Rule 23.05A of the GEM Listing Rules, the trustee holding 2,679,600 unvested Shares under the share award scheme adopted by the Company on 25 November 2022 is required to abstain from voting on such resolutions. Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder is required under the GEM Listing Rules to abstain from voting on the resolutions to be proposed at the EGM.

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders in respect of the terms of the 2028 YY Lam Service Agreement (including the Proposed Annual Caps) and the Supplemental Shareholders' Agreement and transactions contemplated thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other matters, (i) further details of the transactions contemplated under the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement and the Proposed Annual Caps; (ii) a letter from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of EGM will be despatched to the Shareholders in accordance with the GEM Listing Rules. The circular is expected to be despatched by the Company to the Shareholders on or before 30 November 2026.

DEFINITIONS

"2021 YY Lam Service Agreement"	the service agreement dated 7 September 2021 entered into among the Company, Maxi Chain, Service Company and Mr. YY Lam, as supplemented by the supplemental agreement dated 1 July 2022, the term of which expired on 31 August 2026
"2026 YY Lam Service Agreement"	the service agreement dated 23 September 2026 entered into among the Company, Maxi Chain, Service Company and Mr. YY Lam for a term commencing on 1 September 2026 and expiring on 31 August 2028
"2028 YY Lam Service Agreement"	the service agreement dated 11 November 2026 entered into among the Company, Maxi Chain, Service Company and Mr. YY Lam for a term commencing on 1 September 2028 and expiring on 31 August 2041
"associate(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Board"	the board of Directors
"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 Subscription, which is targeted to take place on 1 April 2031
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Courses"	private supplementary Chinese Language courses targeted at Hong Kong secondary school students (including but not limited to HKDSE students)

"Defining Limited"	Defining Limited, a company wholly owned by Mr. YY Lam and holding 18% of the issued share capital of Maxi Chain as at the date of this announcement
"Director(s)"	the director(s) of the Company
"Education Ordinance"	Education Ordinance (Chapter 279 of the Laws of Hong Kong)
"EGM"	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the 2028 YY Lam Service Agreement and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder
"Expert Skill"	Expert Skill Developments Limited, a company incorporated in the British Virgin Islands with limited liability, being a direct wholly-owned subsidiary of the Company
"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
"HKDSE"	Hong Kong Diploma of Secondary Education
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Board Committee"	an independent committee of the Board, comprising all the independent non-executive Directors established for the purpose of advising the Independent Shareholders in respect of the terms of the 2028 YY Lam Service Agreement (including the Proposed Annual Caps) and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder
"Independent Financial Adviser"	Red Solar Securities (International) Limited (formerly known as Red Solar Capital Limited), a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the terms of the 2028 YY Lam Service Agreement (including the Proposed Annual Caps) and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder

"Independent Shareholder(s)"	the Shareholder(s), other than those who are required under the GEM Listing Rules to abstain from voting at the EGM to approve the 2028 YY Lam Service Agreement (including the Proposed Annual Caps) and the Supplemental Shareholders' Agreement and the transactions contemplated thereunder
"Independent Third Party(ies)"	third party(ies) independent of and not connected with the Company and any of its connected persons (having the meaning ascribed to it under the GEM Listing Rules)
"Levana Education Limited"	Levana Education Limited (新冉(香港)教育發展有限公司), a company incorporated in Hong Kong with limited liability and is owned as to 50% by Mr. Tam Jeffrey Chun Yip (譚晉業先生) and as to 50% by Ms. Yeung Sum Yee (楊芯頤女士) as at the date of this announcement
"Long Stop Date"	28 February 2027 or such later date to be agreed between the Company, Maxi Chain, Service Company and Mr. YY Lam in writing
"Maxi Chain"	Maxi Chain Enterprises Limited (嘉靖企業有限公司), a company incorporated in Hong Kong with limited liability, which is a non-wholly owned subsidiary of the Company and is held as to 80% by Expert Skill (a wholly-owned subsidiary of the Company), 18% by Defining Limited (a company wholly owned by Mr. YY Lam) and 2% by Levana Education Limited (which is an Independent Third Party) as at the date of this announcement
"Maxi Chain Shares"	the ordinary share(s) in the share capital of Maxi Chain from time to time
"Mr. YY Lam"	Mr. Lam Yat Yan (林溢欣先生)
"PRC"	the People's Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan
"Proposed Annual Caps"	the annual caps for the transactions contemplated under the 2028 YY Lam Service Agreement for the Term
"School(s)"	educational institution(s) in Hong Kong operated by Maxi Chain under the brand name "DEFINING EDUCATION (凝皓教育)"

"Services"	services to be provided by Service Company to Maxi Chain pursuant to the 2028 YY Lam Service Agreement, including: (i) teaching and instructing students of the Schools who are enrolled in the Courses; (ii) setting, marking, correcting and assessing assignments, tests and examination papers; (iii) providing live and video classes; and (iv) preparing and/or assisting in the preparation of notes and other instructional materials. Service Company shall engage Mr. YY Lam as the key designated tutor to teach Courses targeted at HKDSE students in Hong Kong, the PRC and Southeast Asia, whether online or offline
"Service Company"	Sure Wisdom Corporation Limited (必智有限公司), a company incorporated in Hong Kong with limited liability and is owned as to 50% by Mr. YY Lam (林溢欣先生) and as to 50% by his father, Mr. Lam Chak Leung (林澤良先生) as at the date of this announcement
"Share(s)"	ordinary share(s) of HK$0.0005 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Shareholders' Agreement"	the shareholders' agreement dated 7 September 2021 and entered into amongst the Company, Peaceful Success Enterprises Limited, Defining Limited and Maxi Chain, as amended and supplemented
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of such number of new Maxi Chain Shares by Defining Limited for a subscription price of HK$100, which would increase the shareholding of Defining Limited in Maxi Chain from 18% to 28% of the then issued share capital of Maxi Chain upon Completion
"Subscription Shares"	the number of new Maxi Chain Shares to be subscribed by Defining Limited under the Subscription
"Supplemental Shareholders' Agreement"	the proposed supplemental shareholders' agreement in the agreed form, which is expected to be entered into among the Company, Expert Skill, Defining Limited, Maxi Chain and Levana Education Limited upon the 2028 YY Lam Service Agreement becoming unconditional and which will supplement the Shareholders' Agreement

"Term"	term of 13 years commencing on 1 September 2028 and expiring on 31 August 2041
"%"	per cent.

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

Hong Kong, 11 November 2026

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 Listed Company Information" page of the Stock Exchange's website at http://www.hkexnews.hk for at least seven days from the date of its publication and on the website of the Company at http://www.legendaryedu.com.