

THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult your licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your Shares in Legend Strategy International Holdings Group Company Limited, you should at once forward the Prospectus Documents to the purchaser(s) or the transferee(s) or to the bank manager, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations.

A copy of each of the Prospectus Documents, together with the other document(s) specified in the paragraph headed "15. Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance. The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of the Prospectus Documents or any other document(s) referred to above.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Prospectus.



LEGEND STRATEGY INTERNATIONAL HOLDINGS GROUP COMPANY LIMITED

枋濬國際集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1355)

**RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE
FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

Capitalised terms used in this cover page have the same meanings as defined in this Prospectus.

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. Please refer to the section headed "Conditions of the Rights Issue" in this Prospectus. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Excluded Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue and there is no minimum amount to be raised under the Rights Issue.

Dealings in the Rights Shares in the nil-paid form will take place from Friday, 7 March 2025 to Friday, 14 March 2025 (both days inclusive). If the conditions of the Rights Issue are not fulfilled, the Rights Issue will not proceed. Any person contemplating dealing in the nil-paid Rights Shares during the period from Friday, 7 March 2025 to Friday, 14 March 2025 (both days inclusive) will accordingly bear the risk that the Rights Issue may not become unconditional and/or may not proceed. Any person contemplating dealing in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult his/her/its/their own professional advisers.

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Wednesday, 19 March 2025. The procedures for acceptance and payment or transfer is set out on pages 20 to 26 of this Prospectus.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or nil-paid Rights Shares up to the date when the conditions of the Rights Issue are fulfilled.

5 March 2025

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EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue and the Change in Board Lot Size.

| Event | Date and time (Hong Kong time) |
|--|---|
| Effective date of the Change in Board Lot Size from 2,000 Shares to 20,000 Shares | 9:00 a.m. on Wednesday, 5 March 2025 |
| Designated broker starts to stand in the market to provide matching services for odd lots of the Shares | 9:00 a.m. on Wednesday, 5 March 2025 |
| First day of dealings in nil-paid Rights Shares in the board lot size of 20,000 Rights Shares | Friday, 7 March 2025 |
| Latest time for splitting of the PALs | 4:00 p.m. on Tuesday, 11 March 2025 |
| Last day of dealings in nil-paid Rights Shares in the board lot size of 20,000 Rights Shares | Friday, 14 March 2025 |
| Latest time for Acceptance of and payment for the Rights Shares and application and payment for the Excess Rights Shares | 4:00 p.m. on Wednesday, 19 March 2025 |
| Latest time for the Rights Issue to become unconditional | 4:00 p.m. on Thursday, 20 March 2025 |
| Latest time for the designated broker to provide matching services for odd lots of Shares | 4:00 p.m. on Tuesday, 25 March 2025 |
| Announcement of the results of the Rights Issue | Wednesday, 26 March 2025 |
| Despatch of share certificates for fully-paid Rights Shares | Thursday, 27 March 2025 |

EXPECTED TIMETABLE

Despatch of refund cheques, if any, for wholly or partially unsuccessful excess applications or if the Rights Issue is terminated Thursday, 27 March 2025

Commencement of dealings in fully-paid Rights Shares in the board lot size of 20,000 Rights Shares 9:00 a.m. on Friday, 28 March 2025

All times and dates in this Prospectus refer to Hong Kong local times and dates.

The expected timetable set out above is for indicative purpose only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled. In the event that any special circumstances arise, such dates and deadlines may be adjusted by the Board if it considers appropriate, and any such change will be further announced by the Company as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance will not take place as scheduled if there is a tropical cyclone warning signal no. 8 or above, Extreme Conditions, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the date of the Latest Time for Acceptance. Instead, the Latest Time for Acceptance will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the paragraph headed “Expected timetable” above may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

DEFINITIONS

In this Prospectus, the following expressions have the following meanings unless the context requires otherwise:

| | |
|--------------------------------|--|
| “AFRC” | the Accounting and Financial Reporting Council |
| “Announcement” | the announcement of the Company dated 21 November 2024 in relation to, among other things, the Rights Issue and the Change in Board Lot Size |
| “associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “Board” | the board of Directors |
| “Business Day” | any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours |
| “CAGR” | compound annual growth rate |
| “CCASS” | The Central Clearing and Settlement System established and operated by HKSCC |
| “CCASS Operational Procedures” | the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as from time to time |
| “Change in Board Lot Size” | the change in board lot size of the Shares for trading on the Stock Exchange from 2,000 Shares to 20,000 Shares, which will become effective at 9:00 a.m. on Wednesday, 5 March 2025 |
| “Circular” | the circular of the Company dated 28 January 2025 in relation to, among other things, the Rights Issue and the Change in Board Lot Size |

DEFINITIONS

| | |
|------------------------------|---|
| “Companies (WUMP) Ordinance” | the Companies (Winding Up and Miscellaneous Provisions) Ordinance, Chapter 32 of the Laws of Hong Kong |
| “Company” | Legend Strategy International Holdings Group Company Limited (枋濬國際集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1355) |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “Controlling Shareholder(s)” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “EAF(s)” | the excess application form(s) to be issued to the Qualifying Shareholders to apply for Excess Rights Shares |
| “EGM” | the extraordinary general meeting of the Company held on Thursday, 20 February 2025 at which, among others, the Rights Issue and the transactions contemplated thereunder were approved |
| “ES Unsold Rights Share(s)” | the Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form |
| “Excess Rights Share(s)” | any Rights Share(s) provisionally allotted but not subscribed for prior to the Latest Time for Acceptance, and any entitlements not provisionally allotted to any Excluded Shareholders |

DEFINITIONS

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|--------------------------------|--|
| “Excluded Shareholder(s)” | the Overseas Shareholder(s) in respect of whom the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place |
| “Extreme Conditions” | extreme conditions including but not limited to serious disruption of public transport services, extensive flooding, major landslides or large-scale power outage after super typhoons as announced by the government of Hong Kong |
| “General Rules of CCASS” | the terms and conditions regulating the use of CCASS, as may be amended or modified from time to time and where the context so permits, shall include the CCASS Operational Procedures |
| “Group” | the Company and its subsidiaries |
| “Hehui International” | Hehui International Development Limited, a company incorporated in the British Virgin Islands which is wholly-owned by Mr. Yuan |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “HKSCC” | Hong Kong Securities Clearing Company Limited |
| “Hong Kong” | Hong Kong Special Administrative Region of the PRC |
| “Independent Shareholder(s)” | any Shareholder(s) who was(were) not required to abstain from voting on the resolution relating to the Rights Issue at the EGM under the Listing Rules |
| “Independent Third Party(ies)” | third party(ies) independent of the Company and its connected persons and not connected with any of them or their respective associates |

DEFINITIONS

| | |
|------------------------------|---|
| “Intermediary” | in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the beneficial owner’s Shares with a CCASS Participant |
| “Last Trading Day” | Thursday, 21 November 2024, being the last trading day for the Shares on the Stock Exchange immediately before the publication of the Announcement |
| “Latest Practicable Date” | 26 February 2025, being the latest practicable date for the purpose of ascertaining certain information contained in this Prospectus prior to its publication |
| “Latest Time for Acceptance” | 4:00 p.m. on Wednesday, 19 March 2025 (or such other time and date as may be determined by the Company), being the latest time for acceptance of the offer and payment for the Rights Shares |
| “Listing Committee” | the listing committee of the Stock Exchange |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Mr. Yuan” | Mr. Yuan Fuer (袁富兒), being the chairman of the Board and a non-executive Director |
| “Overseas Shareholder(s)” | Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong |
| “PAL(s)” | the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue |
| “Placing” | the placing of 89,670,000 Placing Shares by the Company that was completed on 20 September 2024 |

DEFINITIONS

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|-----------------------------|--|
| “Placing Share(s)” | new Shares allotted and issued by the Company, under the general mandate granted by the Shareholders at the annual general meeting held on 27 May 2024 and pursuant to the placing agreement on 20 September 2024, ranking <i>pari passu</i> in all respects with the other Shares then in issue |
| “PRC” | the People’s Republic of China, and for the purpose of this Prospectus, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Prospectus” | this prospectus issued by the Company in relation to the Rights Issue |
| “Prospectus Documents” | the Prospectus, the PAL and the EAF |
| “Prospectus Posting Date” | Wednesday, 5 March 2025, or such other date as the Company may determine, being the date on which the Prospectus Documents are made available and/or despatched (as the case may be) to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders |
| “Qualifying Shareholder(s)” | Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date |
| “Record Date” | Tuesday, 4 March 2025, being the date by reference to which the Shareholders’ entitlements to participate in the Rights Issue |
| “Registrar” | the Company’s branch share registrar, Union Registrars Limited, Suites 3301–04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong |
| “Rights Issue” | the issue of the Rights Shares by way of rights on the basis of one (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders on the Record Date at the Subscription Price |

DEFINITIONS

| | |
|--------------------------------|---|
| “Rights Share(s)” | up to 538,033,708 Shares to be allotted and issued pursuant to the Rights Issue |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “SFC” | the Securities and Futures Commission |
| “SFO” | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |
| “Shareholder(s)” | the holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subscription Price” | the subscription price of HK\$0.088 per Rights Share under the Rights Issue |
| “substantial shareholder(s)” | has the meaning ascribed to it under the Listing Rules |
| “Takeovers Code” | the Hong Kong Code on Takeovers and Mergers issued by the SFC (as may be amended from time to time) |
| “Unsubscribed Rights Share(s)” | the Rights Shares that are not subscribed by the Qualifying Shareholders |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “%” | per cent |

* *In this Prospectus, the English translation of the Chinese names denoted is for illustration purposes only. In the event of any inconsistency, the Chinese names shall prevail.*

LETTER FROM THE BOARD



LEGEND STRATEGY INTERNATIONAL HOLDINGS GROUP COMPANY LIMITED

枋濬國際集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1355)

Executive Director:

Ms. Lee Tsz Yan

Non-executive Directors:

Mr. Yuan Fuer (*Chairman*)

Mr. Hu Xinglong

Independent non-executive Directors:

Mr. Wu Jilin

Mr. Lam Cheung Shing Richard

Mr. So Yin Wai

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

*Head office and principal place of
business in Hong Kong:*

Suite 1702, 17/F

World-Wide House

19 Des Voeux Road Central

Central

Hong Kong

5 March 2025

To the Qualifying Shareholders and, for information only, the Excluded Shareholders (if any)

Dear Sir or Madam,

**RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE
FOR EVERY ONE (1) SHARE HELD ON THE RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

INTRODUCTION

References are made to the Announcement and the Circular in relation to, among other things, the Rights Issue and the Change in Board Lot Size.

LETTER FROM THE BOARD

At the EGM, the resolutions approving, among other matters, the Rights Issue and the transactions contemplated thereunder were duly passed by the Independent Shareholders by way of poll. Hehui International (being a Controlling Shareholder) and Mr. Yuan (being the sole shareholder of Hehui International, the chairman of the Board and a non-executive Director) were required to abstain and had so abstained from voting in favour of the proposed resolution approving the Rights Issue and the transactions contemplated thereunder at the EGM in accordance with Rule 7.27A of the Listing Rules. Save for Hehui International and Mr. Yuan, no other Shareholder was required to abstain from voting for the proposed resolutions at the EGM.

The purpose of this Prospectus is to provide you with, among other things, further details on the Rights Issue, certain financial information and other general information of the Group.

RIGHTS ISSUE

The Board proposed to raise gross proceeds of up to approximately HK\$47.3 million (assuming full subscription under the Rights Issue) by way of issuing up to 538,033,708 Rights Shares at the Subscription Price of HK\$0.088 per Rights Share on the basis of one (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any).

Rights Issue statistics

| | | |
|---|---|---|
| Basis of the Rights Issue | : | One (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders at the close of business on the Record Date |
| Subscription Price | : | HK\$0.088 per Rights Share |
| Number of Shares in issue as at the Latest Practicable Date | : | 538,033,708 Shares |
| Maximum number of Rights Shares to be issued | : | 538,033,708 Rights Shares |

LETTER FROM THE BOARD

| | | |
|---|---|---|
| Approximate aggregate nominal value of the Rights Shares | : | HK\$5,380,337.08 |
| Number of Shares in issue upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed) | : | 1,076,067,416 Shares |
| Net subscription price per Rights Share (i.e. Subscription Price less Rights Issue expenses) | : | Approximately HK\$0.086 per Rights Share |
| Maximum gross proceeds to be raised from the Rights Issue before expenses | : | Approximately HK\$47.3 million |
| Maximum net proceeds to be raised from the Rights Issue after expenses | : | Approximately HK\$46.3 million |
| Rights of excess application | : | Qualifying Shareholders may apply for the Rights Shares in excess of their provisional allotments |

Assuming that no new Shares will be allotted and issued on or before completion of the Rights Issue, the 538,033,708 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) 100% of the total issued share capital of the Company as at the Latest Practicable Date; and (ii) 50% of the total issued share capital of the Company as enlarged by the allotment and issuance of the Rights Shares immediately upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed).

As at the Latest Practicable Date, the Company had no outstanding derivatives, warrants, options or convertible securities or other similar rights which are convertible or exchangeable into Shares.

LETTER FROM THE BOARD

The Subscription Price

The Subscription Price is HK\$0.088 per Rights Share, which shall be payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares under the Rights Issue or when a transferee of the nil-paid Rights Share(s) applies for the Rights Share(s).

The Subscription Price represents:

- (i) a discount of approximately 41.33% to the closing price of HK\$0.150 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 49.71% to the closing price of HK\$0.175 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 49.60% to the average closing price of approximately HK\$0.1746 per Share as quoted on the Stock Exchange for the five (5) consecutive trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 50.87% to the average closing price of approximately HK\$0.1791 per Share as quoted on the Stock Exchange for the ten (10) consecutive trading days up to and including the Last Trading Day;
- (v) a discount of approximately 33.08% to the theoretical ex-rights price of approximately HK\$0.1315 per Share based on the benchmarked price of HK\$0.175 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.175 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.1746 per Share);
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 24.86% of the theoretical diluted price of approximately HK\$0.1315 per Share to the benchmarked price of approximately HK\$0.175 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.175 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.1746 per Share);

LETTER FROM THE BOARD

- (vii) a premium of approximately HK\$0.2418 over the audited consolidated net liability value per Share as at 31 December 2023 of approximately HK\$0.1538 per Share based on the audited consolidated net liabilities of the Company of approximately HK\$82,741,000 as at 31 December 2023 and the total number of 538,033,708 Shares in issue as at the Latest Practicable Date; and
- (viii) a premium of approximately HK\$0.2372 over the unaudited consolidated net liability value per Share as at 30 June 2024 of approximately HK\$0.1492 per Share based on the unaudited consolidated net liabilities of the Company of approximately HK\$80,299,000 as at 30 June 2024 and the total number of 538,033,708 Shares in issue as at the Latest Practicable Date.

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of the Rights Shares will be approximately HK\$0.086.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

The Subscription Price was determined with reference to the followings:

- (i) *Prevailing market price of the Shares:* The daily closing price of the Shares demonstrated an overall downward trend during the six months prior to and including the Last Trading Day, decreasing from HK\$0.270 per Share on 22 May 2024 to HK\$0.175 per Share on the Last Trading Day;
- (ii) *Financial position of the Group:* According to the Company's interim report for the six months ended 30 June 2024 (the "**2024 Interim Report**"), the Group recorded net liabilities of approximately HK\$80.3 million and the Group's total revenue decreased by approximately 37.4% from approximately HK\$30.5 million for the six months ended 30 June 2023 to approximately HK\$19.1 million for the six months ended 30 June 2024. Further, based on the Company's annual report for the year ended 31 December 2023 which sets forth the latest published audited consolidated financial statements of the Company, the Company recorded total comprehensive loss of approximately HK\$61.9 million for the year ended 31 December 2023, resulting in loss per Share of approximately HK\$8.51 for the corresponding year;

LETTER FROM THE BOARD

- (iii) *Trading volume of the Shares:* During the six months prior to and including the Last Trading Day, the Company's average daily trading volume (calculated based on the total trading volume divided by the total number of trading days during the six months prior to and including the Last Trading Day) represented merely approximately 0.86% of the total issued share capital of the Company;
- (iv) *Reasons for and benefits of the proposed Rights Issue:* As mentioned in the paragraph headed "Reasons for and benefits of the Rights Issue and the use of proceeds" in this section, the Company intends to develop healthcare and beauty business specialised in the sale of bioregenerative, collagen and anti-aging skincare products. Taking into consideration the Group's cash and cash equivalent of approximately HK\$1.4 million as at 30 June 2024, the Directors consider that the Company has imminent needs to raise funding to capture any business opportunities in the healthcare and beauty industry; and
- (v) *Amount of funds intended to be raised under the Rights Issue:* The maximum gross proceeds of approximately HK\$47.3 million to be raised under the Rights Issue (assuming the Rights Issue is fully subscribed) is relatively large as compared to the market capitalisation of the Company of approximately HK\$94.2 million as at the Last Trading Day.

Under the prevailing market conditions and economic sentiment and with reference to (i) the overall downward trend of the market price of the Shares during the six months prior to and including the Last Trading Day; (ii) the recent market performance of the Shares particularly the Company's average daily trading volume during the six months prior to and including the Last Trading Day as illustrated above indicated a lack of liquidity and demand for the Shares; and (iii) the latest business performance and financial position of the Group, particularly the Group experienced a decrease in revenue during the six months ended 30 June 2024 and recorded net liabilities as at 30 June 2024; the Directors consider that it is fair and reasonable and more practical and commercially sensible to set a subscription price which is lower than the prevailing market price in order to enhance the attractiveness of the Rights Issue and encourage the Qualifying Shareholders and investors to participate in the Rights Issue.

LETTER FROM THE BOARD

The Directors consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole, after taking into account that (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company at a relatively low price as compared to the historical market price of the Shares and discount to the recent closing prices of the Shares; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

Non-underwritten Basis

Subject to the fulfilment of conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully-subscribed, any Unsubscribed Rights Shares together with the ES Unsold Rights Shares will be made available for excess application under the EAFs. There are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue and there is no minimum amount to be raised under the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, Shareholder(s) who apply to take up all or part of his/her/its entitlement under the PAL and/or Excess Rights Shares under the EAF may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue or Excess Rights Shares under the EAF will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and (b) does not cause the Company's public float to decrease to below 25%. Shares subject to scale down will be available for application as Excess Rights Shares to other Qualifying Shareholders, any subscription monies not utilised due to the scaled-down application of entitled Rights Shares or Excess Rights Shares will be refunded to the affected applicants.

LETTER FROM THE BOARD

Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Excluded Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Irrevocable Undertakings

As at the Latest Practicable Date, the Board has not received any information or irrevocable undertaking from any Shareholders of their intention to take up or not to take up the securities of the Company to be provisionally allotted to them under the Rights Issue.

Conditions of the Rights Issue

The Rights Issue is conditional upon each of the following conditions being fulfilled:

- (i) the increase in the Company's authorised share capital from HK\$7,800,000 divided into 780,000,000 Shares to HK\$20,000,000 divided into 2,000,000,000 Shares by the creation of an additional 1,220,000,000 unissued Shares having become effective. For more details, please refer to the Announcement and the Circular;
- (ii) the passing by the Independent Shareholders at the EGM of the necessary resolution(s) to approve the Rights Issue and the transactions contemplated thereunder, including but not limited to the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;
- (iii) the Listing Committee granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);
- (iv) the electronic delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively of the Prospectus Documents in compliance with the Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date; and

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- (v) the Prospectus Documents having been made available to the Qualifying Shareholders and the publication of the Prospectus Documents on the website of the Stock Exchange on or before the Prospectus Posting Date.

None of the above conditions can be waived. As at the Latest Practicable Date, conditions (i) and (ii) have been fulfilled and conditions (iii) to (v) remained unfulfilled. If any of the conditions referred to above is not fulfilled by Friday, 30 May 2025, the Rights Issue will not proceed.

The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.

Basis of provisional allotments

The Rights Shares will be allotted on the basis of one (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance.

The PAL relating to the Rights Shares in printed copies will be sent to the Qualifying Shareholders entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares as shown therein. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made with the Registrar on or before the Latest Time for Acceptance by lodging a duly completed PAL and a remittance for the Rights Shares being applied for.

Status of the Rights Shares

The Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders (if any). To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at the close of business on the Record Date and not be an Excluded Shareholder.

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Subject to the registration of the Prospectus Documents in accordance with the applicable laws and regulations, the Prospectus Documents will be made available and/or despatched (as the case may be) to the Qualifying Shareholders on the Prospectus Posting Date. The Company will send the Prospectus to Qualifying Shareholders in electronic form, while the PAL and the EAF will be sent in printed copies. Copies of the Prospectus Documents will also be made available on the websites of the Company (www.legend-strategy.com) and the Stock Exchange (www.hkexnews.hk). The Prospectus only (excluding the PAL and EAF) will be made available to the Excluded Shareholders (if any) in electronic form for their information purpose only to the extent permitted under the relevant laws and regulations and reasonably practicable.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company.

If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company may be diluted.

Overseas Shareholder(s)

The Prospectus Documents to be issued in connection with the Rights Issue will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue.

As at the Latest Practicable Date, based on the register of members of the Company, there was one Overseas Shareholder, namely Hehui International (being a Controlling Shareholder), with registered address located in the PRC. Hehui International is interested in 269,564,510 Shares, representing approximately 50.10% of the total issued share capital of the Company.

The Company has, in compliance with Rule 13.36(2)(a) of the Listing Rules, made necessary enquiries regarding the feasibility of extending the offer of the Rights Issue to the Overseas Shareholders. Taking into account the advice provided by legal adviser in the PRC, the Directors are of the view that the relevant PRC legal restrictions and requirements of the regulatory body or stock exchange in the PRC do not make it necessary or expedient to exclude Hehui International, the Overseas Shareholder with registered addresses located in the PRC, from the Rights Issue. Therefore, Hehui International is not an Excluded Shareholder and the Rights Issue will be extended to Hehui International. Save for Hehui International, there were no other Overseas Shareholders based on the register of members of the Company as at the Latest Practicable Date.

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As the register of members of the Company had already been closed as at the Latest Practicable Date and would remain closed up to the Record Date, there would be no additional Overseas Shareholder and hence no Excluded Shareholder on the Record Date.

It is the responsibility of each Overseas Shareholder who wishes to take part in the Rights Issue to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territories and jurisdictions in that connection, including the obtaining of any governmental or other consents which may be required or the compliance with other necessary formalities or legal requirements.

Excluded Shareholder(s) (if any)

The Company will not extend the Rights Issue to the Excluded Shareholders. Accordingly, no provisional allotment of the Rights Shares will be made to the Excluded Shareholders and the Excluded Shareholders will not be entitled to apply for the Rights Shares.

Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders under the EAFs.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses and stamp duty, above HK\$100 will be distributed by the Company to the relevant Excluded Shareholders pro rata to their shareholdings on the Record Date (but rounded down to the nearest cent) in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold nil-paid Rights Shares of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders.

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The Prospectus Documents, together with the PAL and EAF, will be made available and/or despatched (as the case may be) to the Qualifying Shareholders only and to the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Prospectus (excluding the PAL and EAF) will be made available to the Excluded Shareholders for their information only. The Company will despatch the PAL and EAF in printed form to the Qualifying Shareholders but will not despatch the PAL and EAF to the Excluded Shareholders.

No Fractional Entitlements to the Rights Shares

On the basis of provisional allotment of one (1) Rights Share for every one (1) existing Share held on the Record Date, no fractional entitlements to the Rights Shares shall be issued to the Shareholders.

Procedures for acceptance and payment and/or transfer

General

Any person (including, without limitation, agents, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to the full observance of the applicable laws of any relevant territory or jurisdictions including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes and duties due in such territories or jurisdictions. The attention of Shareholders with registered addresses in any of the jurisdictions outside Hong Kong or who hold Shares on behalf of persons, and investors who are located or resided in, with such addresses is drawn to the paragraph headed "Overseas Shareholder(s)" in this letter.

No action has been taken to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory other than Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory outside Hong Kong may treat it as an offer or invitation to apply or subscribe for the Rights Shares, unless in a territory where such an offer or invitation could lawfully be made without compliance with any registration or other legal and regulatory requirements thereof.

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Completion and return of the PAL(s) and/or EAF(s) by anyone outside Hong Kong will constitute a warranty and representation by such person to the Company that all registration, legal and regulatory requirements of such relevant jurisdictions in connection with the PAL(s) and/or the EAF(s) and any acceptance of the PAL(s), have been, or will be, duly complied with. The Company reserves the right to refuse to accept any application or subscription for or transfer of Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation.

The Company may treat as invalid any instruction which appears to the Company to have been despatched from any of the jurisdictions outside Hong Kong and which may involve a breach of the laws of the relevant jurisdictions; or otherwise appears to the Company may involve a breach of the laws of any jurisdiction; or if the Company or its agents believes the same may violate any applicable legal or regulatory requirement.

PAL – Acceptance, payment and/or transfer

A PAL in printed copies will be sent to the Qualifying Shareholders entitling the Qualifying Shareholders to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong by no later than 4:00 p.m. on Wednesday, 19 March 2025 (or, under bad weather conditions, such later date as mentioned in the paragraph headed "Effect of bad weather and/or Extreme Conditions on the Latest Time for Acceptance of and payment for the Rights Shares" in the section headed "Expected Timetable" in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders issued by, a licensed bank in Hong Kong and made payable to "**Legend Strategy International Holdings Group Company Limited**" and crossed "**ACCOUNT PAYEE ONLY**".

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It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Wednesday, 19 March 2025, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled and such Rights Shares will be available for application under the EAFs by the Qualifying Shareholders. The Company may, at its sole discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicant at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL or to transfer part or all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:00 p.m. on Tuesday, 11 March 2025 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a cashier's order, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

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If the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” above are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Thursday, 27 March 2025.

No receipt will be issued in respect of any application monies received.

EAF – Application and payment for the Excess Rights Shares

All Qualifying Shareholder are entitled to apply, by way of excess application under the EAFs, for additional Rights Shares in excess of their assured entitlements.

The Excess Rights Shares will comprise:

- (i) any Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise not subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;
- (ii) any Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders; and
- (iii) any Rights Shares which would otherwise be allotted but subject to scale down (as described below).

If a Qualifying Shareholder wishes to apply for any Rights Shares in addition to his/her/its provisional allotment, he/she/it must complete and sign the EAF in accordance with the instructions printed thereon and lodge the same with a separate remittance for the amount payable on application in respect of the Excess Rights Shares being applied for with the Registrar at Suites 3301-04, 33/F, Two Chinachem Exchange Square, 338 King’s Road, North Point, Hong Kong by no later than 4:00 p.m. on Wednesday, 19 March 2025 (or, under bad weather conditions, such later date as mentioned in the paragraph headed “Effect of bad weather and/or Extreme Conditions on the Latest Time for Acceptance of and payment for the Rights Shares” in the section headed “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “**Legend Strategy International Holdings Group Company Limited**” and crossed “**ACCOUNT PAYEE ONLY**”. The Registrar will notify the relevant Qualifying Shareholders of any allotment of the Excess Rights Shares made to them.

LETTER FROM THE BOARD

All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a cashier's order in payment for the Excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent by ordinary post at the risk of the person(s) entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions.

Qualifying Shareholders who wish to apply for Excess Rights Shares in addition to their provisional allotments must complete both the PAL and the EAF.

A Shareholder who applies to take up all or part of his/her/its entitlement under the PAL and/or Excess Rights Shares under the EAF may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code or cause the public float of the Company to decrease to below 25%. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue or Excess Rights Shares under the EAF will be scaled down to a level which (a) does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules; and (b) does not cause the Company's public float to decrease to below 25%. Shares subject to scale down will be available for application as Excess Rights Shares to other Qualifying Shareholders, any subscription monies not utilised due to scaled-down application of entitled Rights Shares or Excess Rights Shares will be refunded to the affected applicants.

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Subject to any scaling down of subscriptions, the Company will allocate the Excess Rights Shares at its discretion on a fair and equitable basis as far as practicable on the following principles:

- (i) if there are insufficient Excess Rights Shares to satisfy all EAFs, Excess Rights Shares will be allocated on a pro rata basis by reference to the number of Excess Rights Shares applied for in the relevant EAFs by the relevant Qualifying Shareholders; and
- (ii) otherwise (i.e. if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs), Excess Rights Shares will be allocated in full in accordance with the EAFs to each Qualifying Shareholder who applies for Excess Rights Shares.

For the avoidance of doubt, in applying the principles above, reference will only be made to the number of the Excess Rights Shares being applied for in the relevant EAFs, and no reference will be made to the Rights Shares comprised in applications through PAL or the existing number of Shares held by the relevant Qualifying Shareholders; and no preference will be given to applications for topping up odd lots.

The allocation of the Excess Rights Shares (if any) made to the Qualifying Shareholders will be announced on Wednesday, 26 March 2025. If no Excess Rights Shares are allotted to the Qualifying Shareholders, the amount tendered on application is expected to be returned by refund cheque in full without interest by ordinary post at his/her/its own risk by the Registrar on or before Thursday, 27 March 2025. If the number of the Excess Rights Shares allotted to the Qualifying Shareholders is less than that applied for, the surplus application monies are also expected to be returned by refund cheque to that Qualifying Shareholder without interest by ordinary post to his/her/its registered address at his/her/its own risk by the Registrar on or before Thursday, 27 March 2025.

If the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” above are not fulfilled, the monies received in respect of acceptances of the Rights Shares will be returned to the Qualifying Shareholders or such other persons to whom the Rights Shares in their nil-paid form have been validly transferred or, in the case of joint acceptances, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Thursday, 27 March 2025.

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No receipt will be issued in respect of any application monies received.

Shareholders whose Shares are held by a nominee (or held through CCASS) should note that the Board will regard such nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, the aforesaid arrangement for allocation of the Excess Rights Shares by the Company may not be extended to the beneficial owners individually. Shareholders and investors should consult their professional advisers if they are in doubt as to their status.

Actions to be taken by beneficial owners holding interests in Shares through CCASS

If you are a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to HKSCC Nominees Limited in respect of your Shares, or sell the respective nil-paid Rights Shares or “split” those nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, or apply for the Excess Rights Shares, you should (unless you are a CCASS Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the applications.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited and the application for the Excess Rights Shares shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other requirements of CCASS.

Beneficial owners who are CCASS Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such beneficial owners’ interests in nil-paid Rights Shares should be dealt with and any applications for Excess Rights Shares.

Trading of nil-paid Rights Shares on the Stock Exchange

The nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and/or sell the remaining part on the Stock Exchange.

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Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be posted on or before Thursday, 27 March 2025 to those entitled thereto at their registered addresses by ordinary post at their own risk. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Thursday, 27 March 2025 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

Application for listing of the Rights Shares

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be allotted and issued pursuant to the Rights Issue. No part of the securities of the Company is listed or dealt in, and no listing of or permission to deal in any such securities is being or is proposed to be sought, on any other stock exchanges.

The nil-paid and fully-paid Rights Shares will be traded in board lot size of 20,000 Shares.

Stamp duty and other applicable fees

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be subject to payments of stamp duty, Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy or any other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares.

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Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their nil-paid and fully-paid forms) on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares (in both their nil-paid and fully-paid forms) will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in rental of accommodation and conference facilities, provision of property facilities management and accommodation consultation services. As disclosed in the Company's interim report for the six months ended 30 June 2024, leveraging the Group's expertise, network and experience in conducting business in the PRC, the Company is actively assessing the viability of business diversification. The Group has been actively studying business opportunities in areas including the healthcare and beauty industry in the PRC.

According to a market research report publicly available, the PRC skincare market was valued at approximately US\$54.47 billion in 2023 and is anticipated to grow from approximately US\$59.08 billion in 2024 to approximately US\$128.61 billion by 2032, representing a CAGR of approximately 11.75% during the forecast period. In light of the robust growth in the PRC skincare market, the Board considers that it is in the interests of the Company and the Shareholders as a whole for the Group to develop its healthcare and beauty business specialised in the sale of bioregenerative, collagen and anti-aging skincare products. The Group plans to develop its healthcare and beauty business through collaboration with key players in the healthcare and beauty industry as well as self-development of proprietary rights and technology.

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As at the Latest Practicable Date, the Company has established Shenzhen Ailansi Bio-technology Co. Ltd.* (深圳雅蘭斯生物科技有限公司) (“**Shenzhen Ailansi**”), a wholly-owned subsidiary of the Company in the PRC, to conduct healthcare and beauty business. The Company has allocated up to HK\$5 million for the initial setup and operation of Shenzhen Ailansi. The Company has recruited (i) an independent consultant, who is a licensed pharmacist and has accumulated over 20 years of experience in the healthcare, beauty and pharmaceutical industry, primarily responsible for the development, management and formulation of business strategies of the Group’s healthcare and beauty business; and (ii) another independent research and development staff, who has accumulated over 30 years of research and development experience in the healthcare and beauty industry. Since the fourth quarter of 2024, the Group has embarked on the sales and promotion of healthcare and beauty products supplied by third party suppliers under its own branding through direct sales channel in the PRC and generated revenue of approximately RMB1.0 million up to the end of January 2025. Taking into consideration the Group’s healthcare and beauty products have been well received by the market, the Group has been prompted to further develop and strengthen its market share in the healthcare and beauty industry in the PRC.

As at the Latest Practicable Date, the Company has not identified any potential targets for the formation of business collaboration or joint venture in relation to its planned development of healthcare and beauty business. Apart from the anticipated business collaboration with key players in the healthcare and beauty industry, the Group also plans to (i) recruit management and technical staff with established knowledge and experience in the healthcare and beauty industry; (ii) conduct research activities for the development of proprietary rights and technology related to bioregenerative, collagen and anti-aging skincare products; and (iii) set up a sales and marketing team designated for the promotion of skincare products and the development of its healthcare and beauty business.

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As at 30 June 2024, the Group recorded total liabilities of approximately HK\$191.6 million mainly comprising borrowings and lease liabilities of approximately HK\$28.6 million and HK\$143.9 million, respectively. Besides, the Group recorded net liabilities of approximately HK\$80.3 million as at 30 June 2024. Taking into consideration the Group's indebtedness and gearing ratio, the Directors consider that it is financially prudent for the Group to conduct equity financing in the form of the Rights Issue to strengthen its general working capital reserve and to finance the development of its healthcare and beauty business.

Use of proceeds

Assuming full subscription of the Rights Issue, the maximum net proceeds from the Rights Issue (after deducting the related expenses) is expected to be approximately HK\$46.3 million. The Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) approximately 51.8% of the net proceeds or approximately HK\$24.0 million for developing the healthcare and beauty business of the Group. The Company currently intends to apply the net proceeds allocated for the development of the healthcare and beauty business of the Group as follows during the 12 months following the completion of the Rights Issue: (a) approximately HK\$10.0 million for the acquisition of research and development equipment for the development of proprietary rights and technology related to bioregenerative, collagen and anti-aging skincare products; (b) approximately HK\$4.0 million for costs associated with the continuous testing and development of skincare products; (c) approximately HK\$3.0 million for the recruitment of management and technical staff with established knowledge and over three years of experience in the Hong Kong and/or PRC healthcare and beauty industry; and (d) approximately HK\$7.0

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million for setting up a sales and marketing team and engaging key opinion leaders (KOL) to promote the skincare products developed by the Group. The table below sets forth a summary of the intended timeline for the application of the net proceeds from the Rights Issue for the development of the healthcare and beauty business of the Group:

| | Within the first to sixth month period following the completion of the Rights Issue <i>HK\$'million</i> | Within the seventh to twelfth month period following the completion of the Rights Issue <i>HK\$'million</i> | Total <i>HK\$'million</i> |
|---|--|--|--------------------------------------|
| Acquisition of research and development equipment | 10.0 | - | 10.0 |
| Continuous testing and development of skincare products | 2.0 | 2.0 | 4.0 |
| Recruitment of management and technical staff | 1.2 | 1.8 | 3.0 |
| Setting up a sales and marketing team and engaging KOL | 3.0 | 4.0 | 7.0 |
| | 16.2 | 7.8 | 24.0 |

;and

- (ii) approximately 48.2% of the net proceeds or approximately HK\$22.3 million for enhancing the general working capital of the Group.

In the event that there is an undersubscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses.

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Other fund-raising alternatives

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing, or an open offer.

In respect of debt financing, the Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. Debt financing will also result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner.

As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.

As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company.

Having considered the abovementioned alternatives, the Directors consider raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the Company has no plan to conduct any further fundraising activity in the next twelve months even in the event the Rights Shares are not fully subscribed. However, in the event there is any change to the business environment and/or financial position of the Company due to unforeseeable circumstances, and the Company is required to conduct further fund raising exercises when suitable opportunities arise in order to support future development of the Group, the Company will publish further announcement(s) in compliance with the Listing Rules, as and when appropriate.

Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The Board considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis taking into consideration (i) there are no statutory requirements regarding the minimum subscription levels in respect of the Rights Issue and there is no minimum amount to be raised under the Rights Issue; (ii) in light of (a) the recent market performance of the Shares particularly the Company's average daily trading volume during the six months prior to and including the Last Trading Day indicated a lack of liquidity and demand for the Shares; and (b) the latest business performance and financial position of the Group, particularly the Group experienced a decrease in revenue during the six months ended 30 June 2024 and recorded net liabilities as at 30 June 2024, the Directors consider that there would be a lack of interest for underwriters to underwrite the Rights Shares; and (iii) the Subscription Price, being set at a discount to the prevailing market prices of the Shares, shall encourage the Qualifying Shareholders and investors to participate in the Rights Issue, thereby raising the necessary funding for the Company.

Based on the above illustration, the Board considers that the terms of the Rights Issue are in the interest of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholder(s), if any, should note that their shareholdings may be diluted.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has conducted the following fund-raising activities involving issue of its securities in the past 12 months immediately preceding the Latest Practicable Date:

| Date of announcement | Completion date | Fund raising | Net proceeds raised (approximately) | Intended use of proceeds | Actual use of proceeds as at the Latest Practicable Date |
|----------------------|-------------------|--|-------------------------------------|--|--|
| 2 September 2024 | 20 September 2024 | Placing of 89,670,000 new Shares at the placing price of HK\$0.169 per Placing Share under general mandate granted to the Directors at the annual general meeting of the Company held on 27 May 2024 | HK\$15 million | Renovation of accommodation facilities and general working capital use | Approximately HK\$9.2 million has been applied as intended |

Save as disclosed above, the Company did not conduct any equity fund raising activities in the past twelve months immediately prior to the Latest Practicable Date.

LETTER FROM THE BOARD

CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue:

| Name of Shareholders | As at the Latest Practicable Date | | Immediately upon completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue | |
|----------------------|--------------------------------------|--------------------------|---|--------------------------|
| | <i>Number of Shares</i> | <i>Approximate %</i> | <i>Number of Shares</i> | <i>Approximate %</i> |
| | <i>Shares</i> | <i>%</i> | <i>Shares</i> | <i>%</i> |
| Hehui International | 269,564,510 <i>(Note 1)</i> | 50.10 | 539,129,020 | 50.10 |
| Public Shareholders | <u>268,469,198</u> | <u>49.90</u> | <u>536,938,396</u> | <u>49.90</u> |
| | <u><u>538,033,708</u></u> | <u><u>100.00</u></u> | <u><u>1,076,067,416</u></u> | <u><u>100.00</u></u> |

Notes:

1. These 269,564,510 Shares were registered in the name of Hehui International. Mr. Yuan held the entire issued share capital of Hehui International and was deemed to be interested in the 269,564,510 Shares in which Hehui International was interested pursuant to the SFO. As disclosed in the Company's announcement dated 19 August 2024, these 269,564,510 Shares were charged in favour of Osibao Cosmetics International Limited which is a company incorporated in Hong Kong ("**Osibao Cosmetics HK**"). Mr. Cheung Ching Mo held the entire issued share capital of Osibao Cosmetics International Limited which is a company incorporated in the British Virgin Islands ("**Osibao Cosmetics BVI**") and Osibao Cosmetics BVI held the entire issued share capital of Osibao Cosmetics HK.
2. The percentage figures have been subject to rounding adjustments. Any discrepancies between totals and sums of amounts listed herein are due to rounding adjustments.

LETTER FROM THE BOARD

CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the existing Shares are traded on the Stock Exchange in the board lot size of 2,000 Shares. The Board proposes that the board lot size of the Shares for trading on the Stock Exchange will be changed from 2,000 Shares to 20,000 Shares with effect from 9:00 a.m. on Wednesday, 5 March 2025.

Based on the theoretical ex-rights price of HK\$0.1315 per Share (calculated based on the benchmarked price of HK\$0.175 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.175 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.1746 per Share), the market value of each existing board lot of 2,000 Shares is HK\$263 and the estimated market value of each proposed new board lot of 20,000 Shares would be HK\$2,630.

The Change in Board Lot Size will not result in change in the relative right of the Shareholders. Shareholders should take note that Shareholders' approval is not required for the Change in Board Lot Size.

Arrangement on odd lot trading and matching services

In order to alleviate the difficulties of the trading of odd lots (if any) of the Shares arising from the Change in Board Lot Size, the Company has appointed Bonus Eventus Securities Limited, a corporation licensed to carry out type 1 (dealing in securities) regulated activity under the SFO, as the designated broker to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Shares to make up a full board lot, or to dispose of their holding of odd lots of the Shares. Shareholders who wish to take advantage of this facility may directly or through their brokers, contact Mr. Chan at Room 1601B, 16/F, Park Commercial Centre, 180 Tung Lo Wan Road, Causeway Bay, Hong Kong (telephone number: (852) 2327 3052) during office hours (i.e. 9:00 a.m. to 6:00 p.m.) from 9:00 a.m. on Wednesday, 5 March 2025 to 4:00 p.m. on Tuesday, 25 March 2025 (both dates inclusive).

LETTER FROM THE BOARD

Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above arrangement. All existing share certificates in board lot of 2,000 Shares will remain good evidence of the legal title to the Shares and continue to be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the Change in Board Lot Size, and therefore no arrangement for free exchange of the existing share certificates in board lot of 2,000 Shares to new share certificate in board lot of 20,000 Shares is necessary.

Reasons for the Change in Board Lot Size

Pursuant to the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by The Hong Kong Exchange and Clearing Limited, the expected value per board lot should be greater than HK\$2,000 taking into account the minimum transaction costs for a securities trade. In view of the fact that the closing price of the Shares as quoted on the Stock Exchange as at the Last Trading Day was HK\$0.175 per Share, the value of each existing board lot of 2,000 Shares was HK\$350, which was less than HK\$2,000.

Based on the above and with the view to complying with the trading requirements under the Listing Rules, the Board resolved to propose the Change in Board Lot Size, resulting in (i) HK\$3,500 per board lot of 20,000 Shares based on the closing price of HK\$0.175 per Share as quoted on the Stock Exchange as at the Last Trading Day; and (ii) HK\$2,630 per board lot of 20,000 Shares based on the theoretical ex-rights price of HK\$0.1315 per Share (calculated based on the bench marked price of HK\$0.175 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of (i) the closing price of HK\$0.175 per Share on the Last Trading Day; and (ii) the average closing price of the Shares as quoted on the Stock Exchange for the five (5) consecutive trading days immediately prior to the Last Trading Day of HK\$0.1746 per Share).

Further, the Change in Board Lot Size would reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks/securities houses will charge a minimum transaction cost for each securities trade.

In addition, the Board considers that the Change in Board Lot Size would maintain the trading amount for each board lot at a reasonable level which will increase the attractiveness of investing the Shares from a broader range of institutional and professional investors and thus would help to further broaden the shareholder base of the Company and improve the value of the Shares in the long run.

LETTER FROM THE BOARD

Accordingly, the Board considers that the Change in Board Lot Size would maintain the trading amount for each board lot at a reasonable level in order to attract potential investors and to extend the shareholder base of the Company. The Board believes that the Change in Board Lot Size is in the interests of the Company and the Shareholders as a whole and that will not have any material adverse effect on the financial position of the Group nor result in any changes in the relative rights of the Shareholders.

LISTING RULES IMPLICATIONS

In accordance with Rule 7.19A(1) and Rule 7.27A(1) of the Listing Rules, as the Rights Issue will increase the total number of issued Shares of the Company by more than 50% within 12 months period immediately preceding the Latest Practicable Date, the Rights Issue is subject to the approval by the Independent Shareholders at the EGM at which any Controlling Shareholders and their associates or, where there are no Controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution(s) in relation to the Rights Issue at the EGM.

As disclosed in the announcement of the Company dated 20 February 2025, at the EGM which was held on Thursday, 20 February 2025, the resolutions approving, among other matters, the Rights Issue and the transactions contemplated thereunder were duly passed by the Independent Shareholders by way of poll. Hehui International (being a Controlling Shareholder) and Mr. Yuan (being the sole shareholder of Hehui International, the chairman of the Board and a non-executive Director) were required to abstain and had so abstained from voting in favour of the proposed resolution approving the Rights Issue and the transactions contemplated thereunder at the EGM in accordance with Rule 7.27A of the Listing Rules. Save for Hehui International and Mr. Yuan, no other Shareholder was required to abstain from voting for the proposed resolutions at the EGM.

The Rights Issue will not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 7.27B of the Listing Rules.

As at Latest Practicable Date, save for the Rights Issue, the Company did not have any plan and had not entered into any negotiation, agreement, arrangement or undertaking to conduct any other corporate action or arrangement that may affect the trading of the Company's shares in the next 12 months.

LETTER FROM THE BOARD

WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

The Shares have been dealt in on an ex-rights basis from Monday, 24 February 2025. Dealings in the Rights Shares in nil-paid form are expected to take place from Friday, 7 March 2025 to Friday, 14 March 2025 (both dates inclusive). The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed. Please refer to the section headed “Conditions of the Rights Issue” in this Prospectus above.

Any Shareholder or other person dealing in the Shares and/or the nil-paid Rights Shares up to the date on which all the conditions of the Rights Issue are fulfilled will accordingly bear the risk that the Rights Issue may not proceed.

Subject to the fulfilment of conditions, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of provisionally allotted Rights Shares. Accordingly, if the Rights Issue is undersubscribed, the size of the Rights Issue will be reduced. Qualifying Shareholders who do not take up their assured entitlements in full and Excluded Shareholders, if any, should note that their shareholdings in the Company may be diluted, the extent of which will depend in part on the size of the Rights Issue.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares. Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s).

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,

By order of the Board

Legend Strategy International Holdings Group Company Limited

Yuan Fuer

Chairman

A. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for the three years ended 31 December 2021, 2022 and 2023 and for the six months ended 30 June 2024 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<https://www.hkexnews.hk/>) and the Company (<https://www.legend-strategy.com/>), respectively:

- (i) the audited consolidated financial information of the Group for the year ended 31 December 2021 is disclosed in the annual report of the Company for the year ended 31 December 2021 published on 22 April 2022, from pages 93 to 195 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0422/2022042200963.pdf>);
- (ii) the audited consolidated financial information of the Group for the year ended 31 December 2022 is disclosed in the annual report of the Company for the year ended 31 December 2022 published on 21 April 2023, from pages 94 to 195 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0421/2023042100545.pdf>);
- (iii) the audited consolidated financial information of the Group for the year ended 31 December 2023 is disclosed in the annual report of the Company for the year ended 31 December 2023 published on 30 April 2024, from pages 95 to 195 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0430/2024043001506.pdf>);
and
- (iv) the unaudited consolidated financial information of the Group for the six months ended 30 June 2024 is disclosed in the interim report of the Company for the six months ended 30 June 2024 published on 20 September 2024, from pages 20 to 44 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0920/2024092000864.pdf>).

B. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 January 2025, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

| | As at 31 January 2025 |
|--|----------------------------------|
| | <i>HK\$'000</i> |
| Unsecured borrowings from the Controlling Shareholder (<i>Note 1</i>) | 28,569 |
| Lease liabilities (<i>Note 2</i>) | 135,311 |
| Amount due to non-controlling interests (<i>Note 3</i>) | <u>2,367</u> |
| | <u><u>166,247</u></u> |

Note 1 As at 31 January 2025, the Controlling Shareholder had made available credit facilities up to the amount of HK\$200,000,000 to the Group on normal commercial terms or better to the Group. The borrowings drawn under the Controlling Shareholder's credit facility as at 31 January 2025, amounted to approximately HK\$28,569,000 is interest-free, unsecured and repayable on demand. The Group may request for drawdown under the HK\$200,000,000 credit facility at any time on or before 20 January 2027. As at 31 January 2025, credit facility of HK\$171,431,000 is available for use.

Note 2 None of the lease liabilities were secured or guaranteed.

Note 3 The balance is non-interest bearing, unsecured and repayable on demand.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade and other payable, as of 31 January 2025, being the latest practicable date for determining indebtedness, the Group did not have any outstanding mortgages, charges, debentures, debt securities or other loan capital or bank overdrafts or loans or other similar indebtedness or finance lease commitments, liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments or guarantees or other material contingent liabilities, nor any authorized or otherwise created but unissued debt securities.

The Directors confirmed that there has been no material change in the indebtedness and contingent liabilities of the Group since 31 January 2025 up to the Latest Practicable Date.

C. WORKING CAPITAL STATEMENT

The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstances, taking into account the financial resources available to the Group and the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements for at least the next twelve (12) months following the date of this Prospectus.

D. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

E. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in accommodation operations, provision of accommodation consultations and property facilities management services and other related business. As at the Latest Practicable Date, the Group had five leased-and-operated accommodation projects under operation (i.e. Huizhou Branch, Nanshan Branch, Baoan Branch, Chengdu Branch and Wuhan Branch). Revenue from accommodation operations is mainly derived from rental of accommodation and conference facilities and provision of property facilities management and accommodation consultation services.

With the gradual reduction of the impact of the COVID-19 pandemic in 2023 and the reopening of the PRC borders with other international regions, the hotel business in 2023 rebounded rapidly due to the instant release of consumers' pent-up demand for outbound travelling. However, the hotel business in 2024 was affected by the global economic instability and geopolitical conflicts. In particular, the PRC's economy has been significantly impacted by slow-down in sectors such as property development, being one

of the key growth drivers in the PRC, and added uncertainties to economic development. Consumers have become more cautious, resulting in a substantial reduction in spending. Faced with such complex and challenging situation, the Group has maintained a cautious and proactive attitude around its main business, with the strategic objectives of enhancing its core competitiveness, grasping macro-environmental trends and market developments, managing the challenges of the slow-down in the tourism industry and the weakened consumer sentiment, adjusting business strategies, expanding and developing personalized accommodation products and management services, upgrading brands and products, optimising member benefits, enhancing experience and efficiency, forming a well-structured, distinctive and clear hotel brand matrix, and achieving steady performance. On this basis, the Group also takes advantage of the situation, overcomes difficulties, promotes integration, strengthens management, controls costs, reduces expenses, and promotes the sustainable and high-quality development of the enterprise.

In addition, leveraging the Group's expertise, network and experience in conducting business in the PRC, the Company is actively assessing the viability of business diversification. Going forward, the Group plans to develop its healthcare and beauty business, specialised in the sale of bioregenerative, collagen and anti-aging skincare products, through collaboration with key players in the healthcare and beauty industry as well as self-development of proprietary rights and technology. To accommodate this, the Group also plans to (i) recruit management and technical staff with established knowledge and experience in the healthcare and beauty industry; (ii) conduct research activities for the development of proprietary rights and technology related to bioregenerative, collagen and anti-aging skincare products; and (iii) set up a sales and marketing team designated for the promotion of skincare products and the development of its healthcare and beauty business. The Group will maintain a cautiously optimistic attitude and actively develop new businesses to maximise benefits for its stakeholders.

F. PRINCIPAL RISKS AND UNCERTAINTIES

The Group is principally engaged in accommodation operations, provision of accommodation consultations and property facilities management services and other related business.

The Directors believe that the principal risks and uncertainties faced by the Group include several major factors that are related to its operations and businesses. Firstly, there is uncertainty regarding the demand for accommodation services, particularly as the hotel business continues to be influenced by the unstable economic conditions in China and globally, along with ongoing geopolitical tensions. This instability can lead to fluctuations in consumer behavior and preferences which may adversely affect occupancy rates. Furthermore, the Group cannot assure that its newly introduced products and upgraded offerings would resonate with consumers. The evolving preferences of consumers necessitate constant innovation and adaptation, and any failure to meet the growing needs of our customers could result in lost market share. The Group also faces the increasing competition from other accommodation service providers in a shrinking market, which intensifies the pressure on pricing and service quality. Collectively, these factors pose challenges to the Group's strategic objectives and overall performance.

In terms of financial risks, the Group's major financial instruments include financial asset at fair value through profit or loss, trade receivables, deposits and other receivables (excluding other tax receivables), bank balances, trade and other payables (excluding other tax payables and contract liabilities), lease liabilities and borrowings. The risks associated with the financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The Group's management manages and monitors these risk exposures to ensure appropriate measures are implemented on a timely and effective manner.

For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information. Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial positions at the relevant time.

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company ("**Unaudited Pro Forma Financial Information**") has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had been completed on 30 June 2024.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only, based on the judgements and assumptions of the Directors of the Company and because of its hypothetical nature, it may not give a true picture of the unaudited consolidated net tangible assets of the Group as at 30 June 2024 or to any future dates after completion of the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to the owners of Company as at 30 June 2024 as derived from the Group's unaudited consolidated financial statements for the period ended 30 June 2024 set out in the published interim report of the Company and is adjusted for the effect of the Rights Issue as if the Rights Issue had been completed on 30 June 2024.

| | Unaudited consolidated net liabilities of the Group attributable to the owners of the Company as at 30 June 2024 | Net proceeds from the Placing completed on 20 September 2024 | Estimated net proceeds from the Rights Issue | Unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company after the completion of the Placing and the Rights Issue | Unaudited consolidated net liabilities of the Group as at 30 June 2024 per Share immediately after the completion of the Placing and before the Rights Issue | Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 per Share immediately after the completion of the Placing and the Rights Issue |
|--|--|--|--|--|--|---|
| | HK\$'000 (Note 1) | HK\$'000 (Note 2) | HK\$'000 (Note 3) | HK\$'000 | HK\$ (Note 4) | HK\$ (Note 5) |
| Rights Issue of 538,033,708 Rights Shares to be issued at the Subscription Price of HK\$0.088 per Rights Share | (32,673) | 15,000 | 46,347 | 28,674 | (0.033) | 0.027 |

Notes:

- The amount is determined based on the unaudited consolidated net liabilities of the Group attributable to the owners of the Company as at 30 June 2024 of approximately HK\$32,673,000 as at 30 June 2024, which has been extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 in the published interim report of the Company dated 30 August 2024.
- On 20 September 2024, the Company completed the Placing in which 89,670,000 ordinary shares were issued at placing price of HK\$0.169 per Placing Share. Net proceeds from the Placing amounted to approximately HK\$15,000,000 (after deduction of commission and other relevant costs and expenses of the Placing).
- The estimated net proceeds from the Rights Issue are based on the number of 538,033,708 Rights Shares to be issued at the Subscription Price of HK\$0.088 per Rights Share (assuming full acceptance of the Rights Issue by all the Qualifying Shareholders), after deduction of the estimated related expenses, including other relevant costs and expenses, which are directly attributable to the Rights Issue, of approximately HK\$1,000,000.

4. The unaudited consolidated net liabilities of the Group attributable to the owners of the Company as at 30 June 2024 per Share immediately after the completion of the Placing and before the Rights Issue is calculated based on the unaudited consolidated net liabilities of the Group attributable to the owners of the Company as at 30 June 2024 immediately after the completion of the Placing and before the Rights Issue of approximately HK\$17,673,000, which is arrived at after aggregating the unaudited consolidated net liabilities of the Group attributable to the owners of the Company of approximately HK\$32,673,000 (note 1 above) and the net proceeds of approximately HK\$15,000,000 from the Placing (note 2 above) divided by 538,033,708 Shares in issue immediately after completion of the Placing.
5. The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 per Share immediately after the completion of the Placing and the Rights Issue (assuming full acceptance of the Rights Issues by all of the Qualifying Shareholders) is arrived at based on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 immediately after completion of the Placing and the Rights Issue of approximately HK\$28,674,000 divided by 1,076,067,416 Shares which comprise (i) 538,033,708 existing Shares in issue on the Latest Practicable Date, and (ii) 538,033,708 Rights Shares to be issued assuming full acceptance of the Rights Issue by all Qualifying Shareholders and as if the Rights Issue has been completed on 30 June 2024.
6. No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions, save for the Placing, of the Group entered into subsequent to 30 June 2024.

**B. INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL
INFORMATION**

The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus, from the reporting accountant, CCTH CPA LIMITED, Certified Public Accountants, Hong Kong.

The Board of Directors

Legend Strategy International Holdings Group Company Limited

Suite 1702, 17/F

World-Wide House

19 Des Voeux Road Central

Central

Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Legend Strategy International Holdings Group Company Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on in Appendix II to the prospectus issued by the Company dated 5 March 2025 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Rights Issue as defined in the Prospectus on the Group's unaudited consolidated net tangible assets attributable to the owner of the Company as at 30 June 2024 as if the Rights Issue had taken place at 30 June 2024. As part of the process, information about the Group's unaudited consolidated net liabilities attributable to owners of the Company has been extracted by the Directors from the Group's unaudited consolidated financial statements for the six months ended 30 June 2024, on which an interim report has been published.

Directors' responsibility for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our independence and quality control

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance and Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by Rule 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2024 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- a. the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- b. such basis is consistent with the accounting policies of the Group; and
- c. the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

CCTH CPA LIMITED

Certified Public Accountants

Mr. LAM Man Chi

Practising Certificate Number: P05324

Hong Kong, 5 March 2025

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 Prospectus 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 Prospectus misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately upon completion of the Rights Issue (assuming full acceptance of the Rights Shares) are set out as follows:

(a) Share capital as at the Latest Practicable Date

| | | |
|-------------------------------|-------------------------|----------------------|
| <i>Authorised:</i> | | <i>HK\$</i> |
| <u>2,000,000,000</u> | Shares of HK\$0.01 each | <u>20,000,000.00</u> |
| <i>Issued and fully paid:</i> | | <i>HK\$</i> |
| <u>538,033,708</u> | Shares of HK\$0.01 each | <u>5,380,337.08</u> |

(b) Immediately upon completion of the Rights Issue (assuming full acceptance of Rights Shares)

| | | |
|-------------------------------|---|----------------------|
| <i>Authorised:</i> | | <i>HK\$</i> |
| <u>2,000,000,000</u> | Shares of HK\$0.01 each | <u>20,000,000.00</u> |
| <i>Issued and fully paid:</i> | | <i>HK\$</i> |
| 538,033,708 | Shares of HK\$0.01 each | 5,380,337.08 |
| <u>538,033,708</u> | Rights Shares to be allotted and issued under the Rights Issue | <u>5,380,337.08</u> |
| <u>1,076,067,416</u> | Shares in issue immediately upon completion of the Rights Issue | <u>10,760,674.16</u> |

All the existing Shares and the Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares (in both nil-paid and fully-paid forms) to be issued and allotted pursuant to the Rights Issue. No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company had no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into any Shares, as the case may be. The Company did not have any other options, warrants or other convertible securities or rights affecting the Shares and no capital of any member of the Group is under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

As at the Latest Practicable Date, there was no treasury share held by the Company or its subsidiary or through any agent or nominee.

3. DISCLOSURE OF INTERESTS

(a) Directors and chief executive's interests and short positions in shares, underlying shares and debentures of the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors or chief executives of the Company and their associates in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were 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 short positions which the Directors or chief executive of the Company were deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be recorded in the register therein, or were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code") were as follows:

| Name of director | Nature of interest | Number of Shares | Approximate percentage of shareholding (Note 1) |
|------------------------------|--------------------------------------|------------------|--|
| Mr. Yuan ^(Note 2) | Interest of a controlled corporation | 269,564,510 | 50.10% |

Notes:

1. The approximate shareholding percentage is based on the number of Shares in issue as at the Latest Practicable Date of 538,033,708.
2. These 269,564,510 Shares were registered in the name of Hehui International. Mr. Yuan held the entire issued share capital of Hehui International and was deemed to be interested in the 269,564,510 shares in which Hehui International was interested pursuant to the SFO. These 269,564,510 Shares were charged in favour of Osibao Cosmetics International Limited which is a company incorporated in Hong Kong ("**Osibao Cosmetics HK**"). Mr. Cheung Ching Mo held the entire issued share capital of Osibao Cosmetics International Limited which is a company incorporated in the British Virgin Islands ("**Osibao Cosmetics BVI**") and Osibao Cosmetics BVI held the entire issued share capital of Osibao Cosmetics HK.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were 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 or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

(b) Substantial shareholders and other persons' interests in Shares and underlying Shares

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest in the Shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company under section 336 of the SFO:

| Name of shareholder | Capacity | Number of Shares | Approximate percentage of shareholding <i>(Note 1)</i> |
|--------------------------|--------------------------------------|------------------|---|
| Hehui International | Beneficial owner | 269,564,510 | 50.10% |
| Deng Shichao | Beneficial owner | 38,000,000 | 7.06% |
| Chen Hui <i>(Note 2)</i> | Interest of a controlled corporation | 35,740,071 | 6.64% |

Notes:

1. The approximate shareholding percentage is based on the number of Shares in issue as at the Latest Practicable Date of 538,033,708.
2. As disclosed in "Form 1 – Individual Substantial Shareholder Notice" filed by Mr. Chen Hui on 20 February 2018, Mr. Chen Hui controls 100% of the shares in 智聚開曼, which in turn controls 100% of the shares in China Dragon Asia Champion Fund Series SPC, and China Dragon Asia Champion Fund Series SPC holds interests in 35,740,071 shares of the Company directly.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, no other person (not being a Director or the chief executive of the Company) had any interest or short position in the shares or underlying shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

4. DIRECTORS' INTERESTS IN CONTRACT AND ASSET

Save as (i) an agreement entered into between 惠州合正東部灣旅遊服務有限公司 (transliterated as Huizhou Hazens East Resort Travel Services Limited (“**Huizhou Hazens**”) for identification purpose), an indirect wholly-owned subsidiary of the Company, and 惠東興匯城建有限公司 (transliterated as Huidong Xinghui Construction Limited for identification purpose), a company in which Mr. Yuan, the non-executive Director, has controlling interests, in relation to the rental of a premises by Huizhou Hazens for the operation of the Huizhou Branch from 1 January 2018 to 31 December 2027 under which the Group incurred rental expenses of approximately HK\$1.6 million for the year ended 31 December 2024 (details of which are set out in the announcements of the Company dated 31 January 2019 and 17 March 2020 respectively); and (ii) the consultancy framework agreement entered into between the Company and 合正控股集團(深圳)有限公司 (transliterated as Hazens Holdings Group (Shenzhen) Limited for identification purpose) in respect of the provision of accommodation consultancy services by the Group for the consideration of approximately HK\$3.8 million for the year ended 31 December 2024 and any individual agreements for the transactions contemplated thereunder, as at the Latest Practicable Date:

- (a) none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date and which was significant in relation to the business of the Group; and
- (b) none of the Directors had any direct and indirect interest in any assets which had been acquired or disposed of by or leased to, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited financial statements of the Company were made up.

5. DIRECTORS' SERVICE CONTRACT(S)

As at the Latest Practicable Date, none of the Directors had entered into or proposed to enter into any service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

6. COMPETING INTERESTS

Mr. Yuan, a non-executive Director, is the ultimate beneficial controlling shareholder and chairman of each of Shenzhen Hazens Real Estate Group Company Limited (“**Shenzhen Hazens**”) and Hazens Holdings Group (Shenzhen) Limited (“**Hazens**”). Shenzhen Hazens is principally engaged in property development and property management services business and holds interests in several hotels which are located in the United States of America and managed by multinational hotel management groups through its subsidiaries, and Hazens’ business scope includes projects related to accommodation business. Given that the hotel business of Shenzhen Hazens and its subsidiaries is not conducted in the target markets of the Group or places where the Group has existing and ongoing business operations, and that the Group has a right of refusal under the relevant accommodation consultancy framework agreement entered into with Hazens which grants the Group the priority to obtain the accommodation business proposed to be conducted by Hazens or its associate with independent third parties, and that the majority of the members of the Board are independent and not connected with the boards of Shenzhen Hazens and Hazens and their respective subsidiaries, the Group is capable of and has been operating independently of, and at arm’s length from the business of Shenzhen Hazens and Hazens and their respective subsidiaries, no competition is considered to exist up to the Latest Practicable Date.

Save as disclosed in the above, as at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or controlling shareholders of the Company or their respective associates had any business or interest which competes or may compete with the business of the Group, or have or may have any other conflicts of interest with the Group.

7. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, claim or arbitration of material importance and there was no litigation, claim or arbitration of material importance known to the Directors to be pending or threatened against any member of the Group.

8. MATERIAL CONTRACT

Save as disclosed below, there are no material contracts (not being contracts entered into in the ordinary course of business) which have been entered into by any member of the Group within the two years immediately preceding the date of this Prospectus:

- (i) the placing agreement dated 2 September 2024 entered into between the Company and VC Brokerage Limited (“**VC Brokerage**”) as placing agent in relation to the Placing of a maximum of 89,670,000 Placing Shares by VC Brokerage to not less than six independent places at the placing price of HK\$0.169 per Placing Share, pursuant to which VC Brokerage would charge the Company a non-refundable documentary and placing fee of HK\$128,000. For further details, please refer to the announcements of the Company dated 2 September 2024 and 4 September 2024.

9. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinion or advice contained in this Prospectus (the “**Expert**”):

| Name | Qualification |
|------------------|------------------------------|
| CCTH CPA Limited | Certified Public Accountants |

As at the Latest Practicable Date, the Expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its letters or reports and the reference to its name in the form and context in which they appear.

As at the Latest Practicable Date, the Expert did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Expert did not have any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group, or which were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2023, being the date to which the latest published audited accounts of the Company were made up.

10. EXPENSES

The expenses in connection with the Rights Issue, including financial advisory fees, printing, registration, translation, legal and accountancy charges are estimated to be up to approximately HK\$1.0 million, which are payable by the Company.

11. CORPORATE INFORMATION AND PARTIES INVOLVED IN THE RIGHTS ISSUE**Board of Directors***Executive Director:*

Ms. Lee Tsz Yan

*Non-executive Directors:*Mr. Yuan Fuer (*Chairman*)

Mr. Hu Xinglong

Independent non-Executive Directors:

Mr. Wu Jilin

Mr. Lam Cheung Shing Richard

Mr. So Yin Wai

Audit committeeMr. Wu Jilin (*Chairman*)

Mr. Lam Cheung Shing Richard

Mr. So Yin Wai

Nomination committeeMr. Lam Cheung Shing Richard (*Chairman*)

Mr. Wu Jilin

Mr. So Yin Wai

Remuneration committeeMr. So Yin Wai (*Chairman*)

Mr. Wu Jilin

Mr. Lam Cheung Shing Richard

Registered office

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

| | |
|--|--|
| Headquarters and principal place of business in Hong Kong | Suite 1702, 17/F World-Wide House 19 Des Voeux Road Central Central Hong Kong |
| Authorised representatives | Mr. Hu Xinglong Ms. Lee Tsz Yan |
| Business address of all Directors, senior management and authorised representatives | Suite 1702, 17/F World-Wide House 19 Des Voeux Road Central Central Hong Kong |
| Company secretary | Mr. Lee Pak Chung |
| Principal share registrar and transfer office | Conyers Trust Company (Cayman) Limited Cricket Square Hutchins Drive P.O. Box 2681 Grand Cayman KY1-1111 Cayman Islands |
| Hong Kong branch share registrar and transfer office | Union Registrars Limited Suites 3301-04, 33/F Two Chinachem Exchange Square 338 King's Road North Point Hong Kong |
| Principal bankers | <i>The PRC:</i> Industrial Bank Co., Ltd No. 398, Jiangbin Middle Avenue Taijiang District, Fuzhou City Fujian Province China |

Hong Kong:

Hang Seng Bank Limited
No. 83 Des Voeux Road Central
Central
Hong Kong

Bank of China (Hong Kong) Limited
No. 1 Garden Road
Central
Hong Kong

Bank of Communications (Hong Kong) Limited
Unit B B/F & G/F, Unit C G/F
Wheelock House
20 Pedder Street
Central
Hong Kong

Auditor

HLB Hodgson Impey Cheng Limited
Certified Public Accountants
31/F., Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

**Reporting accountant
in relation to
the Rights Issue**

CCTH CPA LIMITED
Certified Public Accountants
Unit 1510-1517, 15/F.
Tower 2, Kowloon Commerce Centre
No. 51 Kwai Cheong Road
Kwai Chung
New Territories
Hong Kong

**Legal adviser to the
Company as to
Hong Kong laws**

David Fong & Co.
Unit A, 12th Floor
China Overseas Building
139 Hennessy Road
Wanchai
Hong Kong

12. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT**Executive Director**

Ms. Lee Tsz Yan (“Ms. Lee”), aged 38, was appointed as an executive Director with effect from 20 August 2024. Ms. Lee is a certified public accountant of CPA Australia. She obtained a bachelor’s degree in accounting from the University of Wollongong in 2009. Ms. Lee has over 15 years of experience in accounting, auditing, and corporate finance. Before joining the Company, she worked for several publicly listed companies and international public accounting firms.

Non-executive Directors

Mr. Yuan, aged 61, was appointed as a non-executive Director with effect from 15 August 2018 and the Chairman of the Group with effect from 6 September 2018. Mr. Yuan graduated from Jiangxi Public Medical School in medical studies. Mr. Yuan, a businessman with over 18 years of experience in property development and investment business in the PRC, founded Shenzhen Hazens Real Estate Group Company Limited (“**Shenzhen Hazens**”) in 1996. Apart from property development and investment in the PRC, Shenzhen Hazens expanded into other businesses including financial business, medical business, and hotel and tourism business. Mr. Yuan is the ultimate beneficial controlling shareholder of Shenzhen Hazens. Mr. Yuan is also a controlling Shareholder by virtue of being the sole director and sole shareholder of Hehui International Development Limited, the Controlling Shareholder. Mr. Yuan is a brother-in-law of Mr. Hu Xinglong, a non-executive Director of the Company.

Mr. Hu Xinglong (“Mr. Hu”), aged 60, was appointed as a non-executive Director with effect from 15 August 2018. Mr. Hu holds a Master Degree in Business Administration from China Europe International Business School. Mr. Hu is a brother-in-law of Mr. Yuan. Mr. Hu has been the vice president of Shenzhen Hazens since October 2016, and the chairman and the general manager of Shenzhen Hazens Property Service Company Limited from October 2016 to April 2017. Furthermore, he had also served as an audit manager, finance manager and chief accountant of FIYTA Holdings Limited, a company listed on the Shenzhen Stock Exchange (SZSE Stock Code: 000026) from June 1997 to October 2016. Mr. Hu was certified as Certified Public Accountant by the Chinese Institute of Certified Public Accountants in 1993 and Certified Internal Auditor by the Institute of Internal Auditors in 1999.

Independent Non-executive Directors

Mr. Wu Jilin (“Mr. Wu”), aged 56, was appointed as an independent non-executive Director with effect from 15 August 2018. Mr. Wu holds a Master Degree in Accounting from Jiangxi University of Finance and Economics. Mr. Wu was an executive partner of Shenzhen Lianchuang Lixin Certified Public Accountants since January 2005 and is an adjunct professor of Accounting Faculty and a tutor of part-time master students at Jiangxi University of Finance and Economics since November 2015 and September 2016 respectively. He is a member of the Society of Chinese Accountants and Auditors since 2013. In addition, Mr. Wu has served as an independent director of Jilin Liyuan Precision Manufacturing Co., Ltd. (a listed company on the Shenzhen Stock exchange, stock code: 002501) since April 2020, and an independent director of Huangshan Tourism Development Co.,Ltd. (a company listed on the Shanghai Stock Exchange, stock code: 600054) since December 2020.

Mr. Lam Cheung Shing Richard (“Mr. Lam”), aged 66, has been appointed as an independent non-executive Director since 31 December 2022. Mr. Lam served as the vice chairman and chief executive officer of EverChina Int’l Holdings Company Limited, a company listed on the Main Board of the Stock Exchange, from June 2009 to October 2023. He is currently a senior advisor to EverChina Int’l Holdings Company Limited. He is a fellow member of Hong Kong Institute of Certified Public Accountants and obtained the Master’s Degree in Business Administration in the Chinese University of Hong Kong in 2006. Mr. Lam spent over ten years in PricewaterhouseCoopers, an international accounting firm and was promoted to the position of senior audit manager, and is equipped with extensive experience in accountancy, taxation and corporate finance. During the period from July 2019 to July 2020, Mr. Lam was also appointed as a senior advisor to the chairman of the Board, and has a certain understanding of the business of the Group.

Other than the directorship in the Company, Mr. Lam currently also serves as an independent non-executive director at Far East Holdings International Limited, Lajin Entertainment Network Group Limited and China Water Industry Group Limited, whose shares are listed on the GEM and the Main Board of the Stock Exchange, respectively. Besides, Mr. Lam was appointed as an independent non-executive director or executive director in various companies whose shares are listed on the Main Board of the Stock Exchange during the period from 2001 and July 2014, including Eagle Legend Asia Limited, Kai Yuan Holdings Limited and Softpower International Limited (now known as China Pipe Group Limited).

Mr. So Yin Wai (“Mr. So”), aged 62, is a Certified Public Accountant (Practising) and has been appointed as an independent non-executive Director since 20 August 2024. Mr. So graduated from the Hong Kong Polytechnic University in 1986 and he has been in the accounting profession for more than 30 years. Mr. So is currently an independent non-executive director of China Wood International Holding Co., Limited, (a company listed on the Stock Exchange with stock code: 1822). He is a fellow member of the Association of Chartered Certified Accountants of the United Kingdom, and the Hong Kong Institute of Certified Public Accountants. He has previously worked for international public accounting firms and has been involved in the audit of some international and local engagements and listed companies. He is currently the sole practitioner of the firm “Alex So & Co. (Certified Public Accountants)”. Besides his auditing experiences, Mr. So specializes in company secretarial work, tax planning, and management consultancy matters. Mr. So is the chairman of “New SOHO New Life Association” and the former chairman of “Chinese Business Association”. He is also the honorary auditor of several voluntary organizations, including “Hong Kong Parkinson’s Disease Foundation” and “HK Po Yin Association for the Development of Education.

Senior Management

Various businesses of the Group are respectively under the direct responsibility of the executive Director as named above. Only the executive Director is regarded as a member of the Group’s senior management.

Company secretary

Mr. Lee Pak Chung (“Mr. Lee”), aged 60, has over 35 years of experience in finance, accounting, and corporate secretarial services. Before joining the Company, he worked for several publicly listed companies and international public accounting firms. Mr. Lee is currently the chief financial officer and company secretary of China Wood International Holding Co., Limited, (a company listed on the Stock Exchange with stock code: 1822). Mr. Lee holds a bachelor’s degree in Computer Studies from the City University of Hong Kong and a Master of Business Administration degree from the Hong Kong University of Science and Technology. Mr. Lee is a member of the Hong Kong Institute of Certified Public Accountants, the American Institute of Certified Public Accountants, the Association of Chartered Certified Accountants, and the Chinese Institute of Certified Public Accountants.

13. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board (the “**Audit Committee**”) comprised all of the independent non-executive Directors, namely Mr. Wu Jilin, Mr. Lam Cheung Shing Richard and Mr. So Yin Wai. The background, directorship and past directorship (if any) of each of the members of the Audit Committee are set out in the section headed “12. Particulars of the Directors and senior management” in this appendix. The primary duties of the Audit Committee mainly include (i) reviewing the financial information of the Group; (ii) reviewing the relationship with and the terms of appointment of the external auditors; and (iii) overseeing the Company’s financial reporting system, internal control system and risk management system.

14. BINDING EFFECT

The Prospectus Documents and all acceptances of any offer or application contained therein are governed by and shall be construed in accordance with the laws of Hong Kong. The Prospectus Documents shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance, so far as applicable.

15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent as referred to in the paragraph headed “9. Expert and consent” in this appendix, have been registered by the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance.

16. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<https://www.hkexnews.hk/>) and the Company (<https://www.legend-strategy.com/>) during the period of 14 days from the date of this Prospectus:

- (a) the memorandum and articles of association of the Company;
- (b) the interim report of the Company for the six months ended 30 June 2024;
- (c) the annual reports of the Company for each of the three financial years ended 31 December 2021, 2022 and 2023;
- (d) the letter from the Board, the text of which is set out on pages 9 to 39 of this Prospectus;
- (e) the accountant's report on the unaudited pro forma financial information of the Group issued by CCTH CPA Limited, the text of which is set out in Appendix II to this Prospectus;
- (f) the material contract referred to in the paragraph headed "8. Material contract" of this appendix;
- (g) the written consent referred to in paragraph headed "9. Expert and consent" of this appendix; and
- (h) the Prospectus Documents.

17. MISCELLANEOUS

- (a) As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.
- (b) The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currency of the Group entities. As at the Latest Practicable Date, the Group does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.
- (c) In the event of any inconsistency, the English texts of this Prospectus and the accompanying PAL and EAF shall prevail over their respective Chinese texts.