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LEGENDARY EDUCATION GROUP LIMITED

傳承教育集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8195)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

Reference is made to the annual report (the “**2024 Annual Report**”) of Legendary Education Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 March 2024 (“**FY2024**”).

In addition to the information provided in the 2024 Annual Report, the board (the “**Board**”) of directors (the “**Directors**”) of the Company would like to provide additional information regarding (i) the share schemes of the Company (the “**Schemes**”); and (ii) the money lending business of the Group.

THE SCHEMES

The Board adopted (i) the share award scheme (the “**Share Award Scheme**”) on 25 November 2022; and (ii) a new share option scheme (the “**2023 Share Option Scheme**”) on 4 September 2023 (the “**Adoption Date**”) in place of the then share option scheme which was adopted by the Company on 25 September 2014 (the “**2014 Share Option Scheme**”).

Scheme limit

As at the beginning of FY2024 (i.e. 1 April 2023), the number of options and awards available for grant pursuant to the scheme limit granted on 25 November 2022 (the “**Scheme Limit**”) under the Share Award Scheme and the 2014 Share Option Scheme was 35,845,605 shares of the Company (the “**Shares**”).

As at 31 March 2024, the number of options and awards available for grant pursuant to the scheme limit granted on the Adoption Date under the 2023 Share Option Scheme and the Share Award Scheme was 5 Shares.

The total number of 35,845,600 Shares that may be issued in respect of options and awards granted under the Schemes during FY2024 divided by the weighted average number of Shares in issue (i.e. 407,769,000 Shares) for FY2024 was approximately 8.8%.

The Share Award Scheme

Movement of the award shares during FY2024

Details of the award shares unvested and granted during FY2024 are as follows:

Grantees	Date of grant	Purchase price (HK\$)	Vesting period/ conditions	Number of	Number of award shares				Number of
				unvested award shares as at 1 April 2023	granted during FY2024	vested during FY2024	cancelled during FY2024	lapsed during FY2024	unvested award shares as at 31 March 2024
Eligible employees	9 October 2023	Nil (Note 1)	Three (3) years from the date of grant	-	2,679,600	-	-	-	2,679,600
				-	2,679,600 (Note 2)	-	-	-	2,679,600

Notes:

1. The closing price of the Shares immediately before the date of grant was HK\$2.04 per Share on 6 October 2023.
2. The fair value of the award shares granted on 9 October 2023 was estimated to be approximately HK\$5,466,000, which was calculated with reference to the fair value of the Share (i.e. closing price) at the date of grant, with the adopted forfeiture rate of 0% as disclosed in note 30(c)(vi) to the consolidated financial statements of the 2024 Annual Report.

Total number of Shares available for issue

The total number of Shares available for issue under the Share Award Scheme amounted to 5 Shares as at 31 March 2024, representing approximately 0.000001% of the total issued share capital of the Company as at 31 March 2024.

Eligible participants

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

Any grant of awards to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a grantee) and shall comply with the relevant provisions under Chapter 23 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Maximum entitlement of each participant

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

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

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

Vesting period and condition(s)

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

Amount and period of payment

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

Remaining life

Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a period of ten (10) years commencing on 25 November 2022, and thereafter for so long as there are any non-vested award shares relating to awards granted prior to the expiration of the Share Award Scheme. As at 31 March 2024, the remaining life of the Share Award Scheme is less than 9 years.

The 2014 Share Option Scheme

Movement of the share options during FY2024

Details of the share options granted under the 2014 Share Option Scheme and outstanding during FY2024 are as follows:

Grantees	Date of grant	Initial exercise price (HK\$)	Current exercise price (Note 1) (HK\$)	Exercise period	Vesting period/ conditions	outstanding	Number of share options			outstanding	
						as at 1 April 2023	granted during FY2024	exercised during FY2024	cancelled during FY2024	lapsed during FY2024	as at 31 March 2024
Directors											
Mr. Yuen Yu Sum	14 October 2022	1.104	1.004	14 October 2022 to 13 October 2032	N/A	3,942,400	-	-	-	-	3,942,400
Mr. Chan Lap Jin Kevin	14 October 2022	1.104	1.004	14 October 2022 to 13 October 2032	N/A	3,942,400	-	-	-	-	3,942,400
Mr. Law Wing Chung	14 October 2022	1.104	1.004	14 October 2022 to 13 October 2032	N/A	800,800	-	-	-	-	800,800
Substantial Shareholder											
Mr. Lui Yu Kin	26 March 2021	0.330	1.500	26 March 2021 to 25 March 2031	N/A	3,373,920	-	-	-	-	3,373,920
	14 October 2022	1.104	1.004	14 October 2022 to 13 October 2032	N/A	3,942,400	-	-	-	-	3,942,400
Eligible employees											
	26 March 2021	0.330	1.500	26 March 2021 to 25 March 2031	N/A	24,784,320	-	(10,380,600)	-	-	14,403,720
	14 October 2022	1.104	1.004	14 October 2022 to 13 October 2032	Note 2	24,096,600	-	(11,917,400)	-	-	12,179,200
Consultants											
	14 October 2022	1.104	1.004	14 October 2022 to 13 October 2032	Note 3	2,703,800	-	-	-	-	2,703,800
						67,586,640	-	(22,298,000)	-	-	45,288,640
								(Note 4)			

Notes:

1. The current exercise price represents the exercise price in force after the effect of the share consolidation conducted during the year ended 31 March 2022 and the bonus issue of the Company conducted during the year ended 31 March 2023, where applicable.
2. Among the 24,096,600 share options (after the effect of bonus issue of the Company conducted during the year ended 31 March 2023) granted to eligible employees on 14 October 2022, a total of 9,083,800 share options granted to three employees will only be vested if each of the net profit of the Group for the financial years ending 31 March 2023 and 2024 is equal to or exceeds the net profit of the Group for the financial year ended 31 March 2022.
3. A total of 2,703,800 share options (after the effect of bonus issue of the Company conducted during the year ended 31 March 2023) granted to consultants on 14 October 2022 will only be vested if each of the net profit of the Group for the financial years ending 31 March 2023 and 2024 is equal to or exceeds the net profit of the Group for the financial year ended 31 March 2022.
4. The exercise price of the 10,380,600 share options exercised is HK\$1.5 per Share and the exercise price of the 11,917,400 share options exercised is HK\$1.004 per Share. The weighted average closing price of the Shares immediately before the dates on which the share options were exercised was approximately HK\$2.134 per Share.

The 2023 Share Option Scheme

Movement of the share options during FY2024

Details of the share options granted under the 2023 Share Option Scheme and outstanding during FY2024 are as follows:

Grantees	Date of grant	Initial exercise price (HK\$)	Current exercise price (HK\$)	Exercise period	Vesting period/ conditions	Number of share options					
						outstanding as at 1 April 2023	granted during FY2024	exercised during FY2024	cancelled during FY2024	lapsed during FY2024	outstanding as at 31 March 2024
Directors											
Mr. Yuen Yu Sum	13 December 2023	1.55 (Note 1)	1.55	13 June 2025 to 12 December 2033	Eighteen (18) months from the date of grant	-	3,584,000	-	-	-	3,584,000
Mr. Chan Lap Jin Kevin	13 December 2023	1.55 (Note 1)	1.55	13 June 2025 to 12 December 2033	Eighteen (18) months from the date of grant	-	3,584,000	-	-	-	3,584,000
Mr. Law Wing Chung	13 December 2023	1.55 (Note 1)	1.55	13 June 2025 to 12 December 2033	Eighteen (18) months from the date of grant	-	450,000	-	-	-	450,000

Grantees	Date of grant	Initial exercise price (HK\$)	Current exercise price (HK\$)	Exercise period	Vesting period/ conditions	Number of share options					
						outstanding as at 1 April 2023	granted during FY2024	exercised during FY2024	cancelled during FY2024	lapsed during FY2024	outstanding as at 31 March 2024
Eligible employees											
	13 December 2023	1.55 (Note 1)	1.55	13 June 2025 to 12 December 2033	Eighteen (18) months from the date of grant	-	25,548,000	-	-	-	25,548,000
						-	33,166,000 (Note 2)	-	-	-	33,166,000

Notes:

1. The closing price of the Shares immediately before the date of grant was HK\$1.5 per Share on 12 December 2023.
2. The fair value of the share options granted on 13 December 2023 to subscribe for 33,166,000 Shares was estimated to be HK\$14,557,000, which was calculated using the binomial option pricing model. For further details, please refer to note 30(b)(vi) to the consolidated financial statements of the 2024 Annual Report.

Eligible persons

Eligible persons under the 2023 Share Option Scheme include Directors (including executive Directors, non-executive Directors and independent non-executive Directors), officers and employees (whether full time or part time) of any member of the Group (including nominees and/or trustees of any employee benefit trust established or them). The eligibility of the eligible person(s) will be determined by the Board or its delegate based on their potential and/or actual contribution to the business and development of the Group.

Any grant of share options to a director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a grantee) and shall comply with the relevant provisions under Chapter 23 of the GEM Listing Rules.

Total number of Shares available for issue

The total number of Shares available for issue under the 2023 Share Option Scheme amounted to 33,166,005 Shares as at 31 March 2024, representing approximately 7.9% of the total issued share capital of the Company as at 31 March 2024.

Maximum entitlement of each participant

Where any grant of options to an eligible person would result in the Shares issued and to be issued in respect of all options and awards granted and to be granted to such eligible person (excluding options and awards that have been lapsed in accordance with the 2023 Share Option Scheme and any other Scheme(s)) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in general meeting with such eligible person and his/her close associates (or his/her associates if the eligible person is a connected person) abstaining from voting.

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

Basis of determining subscription price of share options granted

The subscription price in respect of any share option shall, subject to any adjustments made pursuant to the 2023 Share Option Scheme, be such price as the Directors at their absolute discretion shall determine, provided that it must be no less than the higher of: (a) the closing price of Shares as stated in the Stock Exchange's daily quotations sheet on the offer date (which must be a business day); (b) the average closing price of Shares as stated in the Stock Exchange's daily quotations sheet for the five (5) business days immediately preceding the offer date; and (c) the par value of the Shares on the offer date.

Remaining life

Subject to any early termination as may be determined by the Board, the 2023 Share Option Scheme shall be valid and effective until the date of expiry of a period of ten (10) years commencing on the Adoption Date. As at 31 March 2024, the remaining life of the 2023 Share Option Scheme is less than 10 years.

THE MONEY LENDING BUSINESS OF THE GROUP

The scope and nature of the money lending services of the Group mainly focus on the provision of corporate or personal loans to small to medium-sized corporations and individuals (who are generally businessmen, executives or professionals in various industries). The distribution of the Company's loan portfolio by types of borrowers as at 31 March 2024 is tabulated below:

Types of borrowers	Number of borrowers	Gross amount of loan receivables as at 31 March 2024 <i>HK\$'000</i>	Expected credit loss ("ECL") allowance <i>HK\$'000</i>	Loan receivables net of ECL allowance as at 31 March 2024 <i>HK\$'000</i>
Corporations	12	2,364	(61)	2,303
Individuals	14	49,452	(10,759)	38,693
Total	26	51,816	(10,820)	40,996

GENERAL

The above additional information supplements, and should be read in conjunction with, the 2024 Annual Report which does not affect other information contained in the 2024 Annual Report. Save as disclosed above, the information contained in the 2024 Annual Report remains unchanged.

The Company acknowledges and deeply regrets its inadvertent non-disclosure of the information as required under Rules 23.07 and 23.09 of the GEM Listing Rules in the 2024 Annual Report. To prevent recurrence of similar incident in the future, the Company will implement the remedial measures based on the timeline as follows:

Remedial measures

- (i) Providing the training and guidance materials relating to the regulatory requirements applicable to the financial reporting to the existing relevant staff of the Group (particularly those responsible for the financial reporting functions) to strengthen and reinforce their existing knowledge on the applicable GEM Listing Rules
- (ii) Monitoring the financial reporting process and commencing the drafting work at an earlier stage (i.e. within a month after the financial year ends) so as to ensure sufficient time for preparation and comprehensive review of the disclosures contained in the financial report(s) in compliance with the applicable GEM Listing Rules
- (iii) Arranging external adviser(s) to review the disclosure of the financial report(s) prior to publication to ensure strict compliance with the applicable GEM Listing Rules

Timeline

The Company will, on an ongoing basis, provide relevant training and guidance materials to the relevant staff of the Group, and arrange for a financial adviser to bring any updates on the GEM Listing Rules applicable to the financial reporting to the Company's attention.

The financial reporting process and drafting work in respect of the annual report of the Company for the year ending 31 March 2025 (the "**2025 Annual Report**") are expected to commence in April 2025.

The Company will appoint a financial adviser to review the disclosure in the 2025 Annual Report in around May or June 2025.

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

Hong Kong, 20 December 2024

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Yuen Yu Sum (Chairman) and Mr. Chan Lap Jin Kevin; three non-executive Directors, namely, Mr. Law Wing Chung, Dr. Tang Sing Hing Kenny and Ms. Mak Louisa Ming Sze; and three independent non-executive Directors, namely, Mr. Chung Chin Kwan, Mr. Chan Kim Fai Eddie and Mr. Chung Kwok Pan.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange’s website at <http://www.hkexnews.hk> for at least 7 days from the date of its publication and on the website of the Company at <http://www.legendaryedu.com>.