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**LEGENDARY GROUP LIMITED**

**創天傳承集團有限公司**

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

**(Stock Code: 8195)**

## **ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021**

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

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

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

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

The board of Directors (the “Board”) is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and six months ended 30 September 2021 (the “Interim Financial Statements”) together with the unaudited comparative figures for the corresponding period in 2020 as follows:

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

	NOTES	For the three months ended 30 September		For the six months ended 30 September	
		2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)	2021 HK\$'000 (unaudited)	2020 HK\$'000 (unaudited)
Revenue	5	20,965	30,122	51,494	39,497
Cost of sales		(4,744)	(9,915)	(9,307)	(17,810)
Other income		766	305	1,644	306
Other gains and losses, net		(2,857)	(249)	(2,718)	522
Selling and distribution expenses		(1,915)	(42)	(2,064)	(44)
Administrative and other expenses		(7,694)	(5,820)	(16,094)	(8,093)
Share of profits less losses of associates		–	1,507	–	2,756
Finance costs		(644)	(899)	(1,613)	(1,238)
Profit before taxation		3,877	15,009	21,342	15,896
Income tax expense	6	(676)	(2,787)	(3,338)	(2,787)
Profit and total comprehensive income for the period		3,201	12,222	18,004	13,109
Profit (loss) and total comprehensive income (expense) for the period attributable to:					
Owners of the Company		3,214	12,407	18,021	13,444
Non-controlling interests		(13)	(185)	(17)	(335)
		3,201	12,222	18,004	13,109
		HK cent	HK cent	HK cent	HK cent
Earnings per share	7				
Basic		0.94	4.85	5.54	5.25
Diluted		0.87	4.85	5.13	5.25

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		At 30 September 2021 <i>HK\$'000</i> (unaudited)	At 31 March 2021 <i>HK\$'000</i> (audited)
	<i>NOTES</i>		
<b>Non-current assets</b>			
Property, plant and equipment	8	14,378	13,419
Investment property	8	20,000	20,000
Goodwill		135,071	135,071
Interests in associates		–	–
Rental deposits	10	–	80
		169,449	168,570
<b>Current assets</b>			
Financial assets at fair value through profit or loss		4,520	1,594
Trade and other receivables	10	57,193	25,074
Amount due from associates		6,230	6,230
Amount due from directors		5,339	5,662
Loan receivables	9	61,254	73,095
Cash and cash equivalents		10,487	72,944
Tax recoverable		9	9
		145,032	184,608
<b>Current liabilities</b>			
Trade and other payables	11	19,514	45,294
Contract liabilities		14,077	29,808
Other borrowings		11,200	11,200
Lease liabilities		2,353	2,352
Tax payable		14,020	13,626
Provision for litigation		1,735	1,735
Dividend payable		14,060	10,137
		76,959	114,152
<b>Net current assets</b>		68,073	70,456
<b>Total assets less current liabilities</b>		237,522	239,026

		At 30 September 2021 <i>HK\$'000</i> (unaudited)	At 31 March 2021 <i>HK\$'000</i> (audited)
<b>Non-current liability</b>			
Lease liabilities		7,444	7,445
Deferred tax liabilities		14	122
Promissory note		<u>26,030</u>	<u>57,440</u>
		<u>33,488</u>	<u>65,007</u>
<b>Net assets</b>		<u>204,034</u>	<u>174,019</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	12	179	154
Reserves		<u>203,872</u>	<u>176,604</u>
<b>Equity attributable to owners of the Company</b>		<b>204,051</b>	176,758
<b>Non-controlling interests</b>		<u>(17)</u>	<u>(2,739)</u>
<b>Total equity</b>		<u><u>204,034</u></u>	<u><u>174,019</u></u>

# NOTES TO THE INTERIM FINANCIAL STATEMENTS

*For the six months ended 30 September 2021*

## 1. GENERAL INFORMATION

The Company changed its name from L & A International Holdings Limited to Legendary Group Limited on 31 August 2021.

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The Company's shares have been listed on the GEM of The Stock Exchange since 10 October 2014. The addresses of the registered office and the principal place of business of the Company are P.O. Box 309, Ugland House, Grand Cayman, KY1-1104 Cayman Islands and 5/F., World Interest Building, 8 Tsun Yip Lane, Kwun Tong, Hong Kong, respectively.

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

## 2. BASIS OF PREPARATION

The Interim Financial Statements have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

This Interim Financial Statements contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual report for the year ended 31 March 2021 (the "2021 Annual Report").

The adoption of the new/revised Hong Kong Financial Reporting Standards ("HKFRSs") that are relevant to the Group and effective for the financial year begin on or after 1 April 2021 had no significant effects on the results and financial position of the Group for the current or prior accounting periods have been prepared or presented. At the date of authorisation of the Interim Financial Statements, the Group has not early adopted the new/revised HKFRSs that have been issued but are not yet effective.

## 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those adopted in the 2021 Annual Report.

The Interim Financial Statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

The Interim Financial Statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values.

#### 4. ESTIMATES

The preparation of Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2021 Annual Report.

#### 5. REVENUE AND SEGMENT INFORMATION

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

- (i) OEM Business: manufacturing and sales of OEM garment products;
  - (ii) Retail Business: retailing and wholesaling of garment products under the Group's own brand and high-end fashion brand;
  - (iii) Money Lending Business: provision of loan services;
  - (iv) Wholesaling Business: wholesaling of seafood;
  - (v) Financial Quotient and Investment Education Business: provision of financial quotient and investment education courses for the customers; and
  - (vi) Property Investment Business: investing properties in Asia Pacific region.
- (a) Segment results**

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

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

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

Segments assets include all tangible, intangible assets and current assets with the exception of investments in financial assets and other corporate assets. Segment liabilities include provisions, lease liabilities and trade and other payables attributable to the activities of the individual segments and borrowings managed directly by the segments.

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

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's executive Directors for the purposes of resources allocation and assessment of segment performance for the six months ended 30 September 2021 and 2020 is set out below:

	Six months ended 30 September 2021						Total HK\$'000 (Unaudited)
	OEM Business HK\$'000 (Unaudited)	Retail Business HK\$'000 (Unaudited)	Wholesaling Business HK\$'000 (Unaudited)	Money Lending Business HK\$'000 (Unaudited)	Financial Quotient and Investment Education Business HK\$'000 (Unaudited)	Property Investments Business HK\$'000 (Unaudited)	
<b>Reportable segment revenue:</b>							
Disaggregated by timing of revenue recognition							
Goods transferred at a point in time	-	-	-	-	49,908	-	49,908
Revenue from other resources	-	-	-	1,586	-	-	1,586
Revenue from external customers	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,586</u>	<u>49,908</u>	<u>-</u>	<u>51,494</u>
<b>Reportable segment profit</b>	(37)	(3)	(2)	1,731	23,311	(5)	24,995
Fair value change of financial assets at fair value through profit or loss, net							(183)
Loss on disposal of financial assets at fair value through profit or loss, net							(541)
Loss on disposal of a subsidiary							(1,970)
Written-off of trade receivables							(24)
Other income							1,644
Finance cost							(1,613)
Corporate expenses							(966)
Profit before taxation							<u>21,342</u>

	<b>Financial Quotient and</b>					
	<b>OEM</b>	<b>Retail</b>	<b>Money</b>	<b>Investment</b>	<b>Property</b>	
	<b>Business</b>	<b>Business</b>	<b>Lending</b>	<b>Education</b>	<b>Investments</b>	<b>Total</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>As at 30 September 2021</b>						
<b>Assets</b>						
Reportable segment assets (including interest in associates)	2,168	–	77,474	85,759	918	166,319
Goodwill						135,071
Financial assets of fair value through profit or loss						4,520
Unallocated head office and corporate assets						<u>8,571</u>
Consolidated total assets						<u><u>314,481</u></u>
<b>Liabilities</b>						
Reportable segment liabilities	451	1,735	866	60,570	–	63,622
Promissory note payables						26,030
Unallocated head office and corporate liabilities						<u>20,795</u>
Consolidated total liabilities						<u><u>110,447</u></u>

## Six months ended 30 September 2020

	OEM Business		Retail Business		Money Lending Business		Wholesaling Business		Financial Quotient and Investment Business		Property Investments Business		Total	
	HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000		HK\$'000	
	(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)		(Unaudited)	
<b>Reportable segment revenue:</b>														
Disaggregated by timing of revenue recognition														
Goods transferred at a point in time	16,733		240		-		-		20,786		-		37,759	
Revenue from other resources	-		-		1,738		-		-		-		1,738	
Revenue from external customers	<u>16,733</u>		<u>240</u>		<u>1,738</u>		<u>-</u>		<u>20,786</u>		<u>-</u>		<u>39,497</u>	
<b>Reportable segment profit</b>	753		(37)		1,537		(581)		16,444		(8)		18,108	
Share of profits less losses of associates													2,756	
Bad Debt recovery													6,860	
Impairment loss of property, plant and equipment													(249)	
Loss on disposal of financial assets at fair value through profit or loss, net													(6,188)	
Gain on disposal of subsidiaries													99	
Other income													306	
Finance cost													(1,238)	
Corporate expenses													(4,558)	
Profit before taxation													<u>15,896</u>	

	OEM Business HK\$'000 (Unaudited)	Retail Business HK\$'000 (Unaudited)	Money Lending Business HK\$'000 (Unaudited)	Wholesaling Business HK\$'000 (Unaudited)	Financial Quotient and Investment Education Business HK\$'000 (Unaudited)	Property Investments Business HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
<b>As at 30 September 2020</b>							
<b>Assets</b>							
Reportable segment assets (including interest in associates)	35,908	729	59,280	275	46,617	843	143,452
Unallocated head office and corporate assets							<u>59,894</u>
Consolidated total assets							<u><u>203,346</u></u>
<b>Liabilities</b>							
Reportable segment liabilities	4,264	1,735	4,306	2,921	48,642	–	61,868
Unallocated head office and corporate liabilities							<u>78,390</u>
Consolidated total liabilities							<u><u>140,258</u></u>

There was no inter-segment revenue for the six months ended 30 September 2021 and 2020.

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

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Garment products	–	16,973
Interest income from loan receivables	<b>1,586</b>	1,738
Tuition fee from financial quotient and education courses	<b>49,908</b>	20,786
	<b>51,494</b>	<b>39,497</b>

(c) **Geographical information**

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

	<b>Six months ended</b>	
	<b>30 September</b>	
	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Hong Kong (place of domicile)	<b>51,494</b>	<b>39,497</b>

6. **INCOME TAX EXPENSE**

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>30 September</b>		<b>30 September</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Hong Kong Profits Tax (Note)				
– current period	<b>676</b>	<b>2,787</b>	<b>3,338</b>	<b>2,787</b>

Notes:

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

## 7. EARNINGS PER SHARE

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

	Three months ended 30 September		Six months ended 30 September	
	2021	2020	2021	2020
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Earnings</b>				
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	<u>3,214</u>	<u>12,407</u>	<u>18,021</u>	<u>13,444</u>
	'000	'000	'000	'000
<b>Shares</b>				
Weighted average of number of ordinary shares in issue during the period used in the basic earnings per share calculation	<u>343,513</u>	<u>256,000</u>	<u>325,454</u>	<u>256,000</u>
Effect of dilution – weighted average number of ordinary shares				
Share options	<u>25,598</u>	<u>–</u>	<u>25,598</u>	<u>–</u>
	<u><u>369,111</u></u>	<u><u>256,000</u></u>	<u><u>351,052</u></u>	<u><u>256,000</u></u>

The weighted average number of ordinary shares for the purpose of earnings per share have been adjusted for the share consolidation as detailed in note 12.

## 8. PROPERTY, PLANT AND EQUIPMENT/INVESTMENT PROPERTY

During the six months ended 30 September 2021, additions of property, plant and equipment amounted to approximately HK\$1,178,000 (additions for the year ended 31 March 2021: approximately HK\$8,560,000).

During the six months ended 30 September 2021, there was no addition of investment property (additions for the year ended 31 March 2021: approximately HK\$20,000,000).

9. LOAN RECEIVABLES

	At 30 September 2021 <i>HK\$'000</i> (unaudited)	At 31 March 2021 <i>HK\$'000</i> (audited)
Fixed-rate loan receivables analysed for reporting purpose as:		
Non-current asset	–	–
Current asset	<u>61,254</u>	<u>73,095</u>
	<u><b>61,254</b></u>	<u><b>73,095</b></u>

The ranges of effective interest rates on the Group's loan receivables are as follows:

	At 30 September 2021 <i>HK\$'000</i> (unaudited)	At 31 March 2021 <i>HK\$'000</i> (audited)
Effective interest rate:		
Fixed-rate loan receivables	<u><b>5% to 36% p.a.</b></u>	<u><b>5% to 36% p.a.</b></u>

The Group holds collaterals for certain loan receivables. In the event of default or failure to repay any outstanding amounts by the debtors, the Group will proceed with sales of collaterals. Interest rates are offered based on the assessment of a number of factors including the borrowers' credit worthiness and repayment abilities, collaterals as well as the general economic trends.

## 10. TRADE AND OTHER RECEIVABLES

	At 30 September 2021 <i>HK\$'000</i> (unaudited)	At 31 March 2021 <i>HK\$'000</i> (audited)
Trade receivables, net of loss allowance	3,315	1,403
Other receivables	<u>30,484</u>	<u>21,374</u>
Financial assets measured at amortised cost	33,799	22,777
Prepayments	145	372
Deposits	<u>23,249</u>	<u>2,005</u>
	<u><b>57,193</b></u>	<u><b>25,154</b></u>
Representing:		
Current	57,193	25,074
Non-current	<u>–</u>	<u>80</u>
	<u><b>57,193</b></u>	<u><b>25,154</b></u>

All of the other trade and other receivables are expected to be recovered or recognised as expense within one year.

The Group allows credit period ranging from 30 days to 60 days to customers from OEM Business. For Retail Business, its revenue mainly comprises of credit sales. Trade receivables under credit sales are due within 1 month. The Group allows credit period ranging from 30 days to 60 days to customers from Wholesaling Business.

As of the end of the reporting period, an ageing analysis of the trade receivables net of loss allowances presented based on the invoice date is as follows:

	At 30 September 2021 <i>HK\$'000</i> (unaudited)	At 31 March 2021 <i>HK\$'000</i> (audited)
Within 30 days	1,912	641
31 to 60 days	–	672
61 to 90 days	–	–
Over 90 days	<u>1,403</u>	<u>90</u>
	<u><b>3,315</b></u>	<u><b>1,403</b></u>

## 11. TRADE AND OTHER PAYABLES

	At 30 September 2021 <i>HK\$'000</i> (unaudited)	At 31 March 2021 <i>HK\$'000</i> (audited)
Trade payables	107	60
Accrued staff salaries	17	123
Other accruals and payables	19,390	11,861
Other payable for acquisition of a subsidiary	—	33,250
	<u>          </u>	<u>          </u>
Financial liabilities measured at amortised cost	<u>19,514</u>	<u>45,294</u>

- (a) An ageing analysis of the trade payables as at the end of the reporting period based on the invoice date is as follows:

	At 30 September 2021 <i>HK\$'000</i> (unaudited)	At 31 March 2021 <i>HK\$'000</i> (audited)
Over 90 days	<u>107</u>	<u>60</u>

- (b) All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.
- (c) The balances are unsecured, interest free, repayable on demand and will be settled in cash.

## 12. SHARE CAPITAL

	<i>Notes</i>	<b>Number of shares</b>	<b>Amount HK\$'000</b>
<b>Authorised:</b>			
– At 31 March 2021, ordinary shares of HK\$0.0001 each		5,000,000,000,000	500,000
– Effect of share consolidation to HK\$0.0005 each	<i>(a)</i>	<u>(4,000,000,000,000)</u>	<u>–</u>
– At 30 September 2021, ordinary shares of HK\$0.0005 each		<u>1,000,000,000,000</u>	<u>500,000</u>
<b>Issued and fully paid:</b>			
– At 1 April 2021, ordinary shares of HK\$0.0001 each		1,533,984,000	154
– Issue of shares upon acquisition of subsidiaries	<i>(b)</i>	246,296,296	24
– Exercise of share options	<i>(c)</i>	10,000,000	1
– Share consolidation of HK\$0.0005 each	<i>(a)</i>	<u>(1,433,824,237)</u>	<u>–</u>
– At 30 September 2021, ordinary shares of HK\$0.0005 each		<u>358,456,059</u>	<u>179</u>

### *Notes:*

- (a) Pursuant to the resolutions of the shareholders passed at an extraordinary general meeting of the Company on 24 September 2021, every five issued and unissued ordinary shares with a par value of HK\$0.0001 each in the share capital of the Company be consolidated into one ordinary shares with a par value of HK\$0.0005 each, such that the authorised share capital of the Company is HK\$500,000,000 divided into 1,000,000,000,000 shares with a par value of HK\$0.0005 each, the subdivided shares shall rank pari passu in all aspects with each other in accordance with the memorandum and articles of association of the Company.
- (b) On 10 August 2020, the Group acquired of the entire equity interest in Bewisekid Holding Limited from Mr. Poon Chi Ming, an independent third party, at total consideration of HK\$33,250,000, which will be satisfied by the issue and allotment of the shares at the issue price of HK\$0.135 per share by the Company. On 26 July 2021, 246,296,296 ordinary shares of the Company of HK\$0.0001 each were issued. Details of which are set out in the announcements of the Company dated 11 May 2020 and 30 June 2020.
- (c) On 16 August 2021, 10,000,000 ordinary shares of the Company of HK\$0.0001 each were issued upon the exercise of 10,000,000 share options.

### 13. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 25 September 2014 for the primary purpose of providing incentives or rewards to eligible participants, and will expire on 10 October 2024. Under the Scheme, the Board may grant options to:

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

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

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

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

## 14. LITIGATION

- (a) During the year ended 31 March 2019, the Group received a writ of summons in relation to a repudiatory breach of a tenancy agreement between the plaintiff, an independent third party landlord, and Sino Shine Retailing Limited, a former subsidiary of the Group, entered into on 27 October 2016, which the plaintiff is claiming the Group for, inter alia, damages in the sum of approximately HK\$1,735,000 plus interest. As the directors of the Group consider that it is probable that an outflow of economic benefits will be required to settle the obligation, the Group recognised the provision of HK\$1,735,000 which is considered as a reliable estimate that can be made.
- (b) During the year ended 31 March 2019, a petition has been filed to the court by two shareholders of the Company (the “Petitioners”), which together holding over 3% of the Company’s issued shares, and the Petitioners filed and served a re-amended petition to the court on 3 December 2019. The Petitioners pray (i) that the Company be wound up pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32); (ii) that the court make such other orders as are deemed to be just and equitable; and (iii) that provision be made for Petitioners’ costs. On 18 October 2021, the High Court of the Hong Kong Special Administrative Region delivered the judgment of HCCW 72 of 2019 (“the Case”) and made the following orders (“the Orders”):
- 1) The Company be wound up on 1 November 2021 on which date the order will be made in open court.
  - 2) There be general liberty to the Petitioners, the Respondents, the Company and shareholders of the Company to apply.
  - 3) A costs order nisi that the Respondents pay the Petitioners costs of the proceedings with certificate for two counsel such costs to be taxed if not agreed.

On 1 November 2021, the interested parties appeared before the Honourable Mr. Justice Harris and were legally represented. Strong Light Investments Limited (the 1st Respondent) was represented by Mr. José-Antonio Maurellet, Senior Counsel, Mr. Alan Kwong and Mr. Michael Ng. The executive directors and shareholders of the Company, Mr. Yuen Yu Sum and Mr. Chan Lap Jin Kevin were represented by Mr. Look-Chan Ho and Mr. Jiang Zixin. A substantial shareholder, Mr. Lui Yu Kin (“Mr. Lui”), holding approximately 7.23% of the issued share capital of the Company was represented by Mr. Benjamin Yu, Senior Counsel and Ms. Andrea Yu.

After hearing of the legal representatives, the Court did not make a winding-up order. The Honourable Mr. Justice Harris gave an order for (i) leave to be given to Mr. Lui to make representation to oppose the petition and to file evidence in opposition to the petition within 28 days (ii) any interested parties including the Company and contributories of the Company who wish to file evidence to oppose the petition shall file evidence by 4:30 p.m. on 29 November 2021. The petitioner has not objected to the aforesaid directions in today’s hearing.

The winding-up petition is now adjourned until 9:30 a.m. on 9th December 2021 for a Case Management Conference (the “Case Management Conference”) for the Court to give further directions for the substantial hearing which will be fixed for a date in mid-2022 (currently 3 days are reserved for the substantial hearing until further notice). The Company shall publish further announcement(s) once it receives a confirmation from the Court or if there are any other progresses on the petition.

The full judgment is available for reviewing on the website of the Judiciary of Hong Kong (<http://www.judiciary.hk>). If the shareholders of the Company have any query about the judgment and the implications thereof, they should seek appropriate independent legal advice.

The Company is seeking further legal advice on the above petition and other appropriate actions will be taken thereon if so advised.

## 15. EVENTS AFTER THE REPORTING PERIOD

On 20 September 2021, Able Glorious Limited (“Able Glorious”), a direct wholly owned subsidiary of the Company, and the vendor entered into an agreement, pursuant to which, Able Glorious has agreed to acquire and the vendor has agreed to sell 100% equity interest of KC Training Company Limited (“KC Training Group”), at the Consideration of HK\$9,000,000, which would be settled (i) as to HK\$5 million by the allotment and issue of the Consideration Shares at the Issue Price of HK\$0.257; (ii) as to HK\$3 million by cash; and (iii) as to HK\$1 million by the assumption of the Assumed Liabilities by Able Glorious.

On 11 November 2021, Able Glorious and the vendor entered into a supplemental agreement and agreed to amend the payment terms of the corresponding part of the Consideration Shares of HK\$5 million to be settled by the issuance of the Promissory Notes by the Company to the Vendor.

KC Training Group is dedicated to delivering training programs to equip the customers with selling and communication skill. Details of the transaction were set out in the Company’s announcement dated 20 September 2021 and 11 November 2021.

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

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

## OEM BUSINESS

The garment sector of the consumer market has experienced a downturn in recent year. Meanwhile, the Company currently has no intention, arrangement, agreement, understanding, negotiation (concluded or otherwise) on disposal, termination and/or scaling-down of the Company’s OEM business. The Group will cautiously monitor the business environment, market sentiment and customers’ behaviors of the OEM business and will continue to devote effort to the development of the OEM business. Going forward, the Group will continue to focus on expanding the customer base by diversifying the service scope of the OEM business. In the past years, the Group has been concentrating on the business development in garment area, while currently the Group starts to acquire new clients from non-garment textile sector through the sales network of the Group and customer referrals. The Group is currently in the negotiation with a new potential customer based in Hong Kong which provides non-garment textile products to commercial offices, restaurants, healthcare and retail premises.

## RETAIL BUSINESS

During the six months ended 30 September 2021, the revenue generated from Retail Business reduced to nil. This was mainly due to the outbreak of coronavirus in Hong Kong.

## MONEY LENDING BUSINESS

The Group obtained the money lender licence and commenced Money Lending Business since June 2016. During the six months ended 30 September 2021, the Money Lending Business had generated interest income of approximately HK\$1.6 million.

## **WHOLESALING BUSINESS**

The Wholesaling Business commenced operation during the year ended 31 March 2020. During the six months ended 30 September 2021, the revenue generated from Wholesaling Business reduced to nil. This was mainly due to the outbreak of coronavirus in Hong Kong.

## **FINANCIAL QUOTIENT AND INVESTMENT EDUCATION BUSINESS**

During the year ended 31 March 2020, the Group established the Financial Quotient and Investment Education Business. The Group provides financial quotient and investment education courses for the customers, aiming at enhancing their knowledge in the areas of finance and investment. The Group in return earns tuition fee income from the provision of courses. During the six months ended 30 September 2021, certain courses were completed with inspiring achievements and revenue of approximately HK\$49.9 million, representing an increase of over 140% as compared to that of approximately HK\$20.8 million for the corresponding period in 2020.

## **PROPERTY INVESTMENT BUSINESS**

The Group also established the Property Investment Business during the year ended 31 March 2020. The Group acquired a property in Japan in June 2019 and the property was disposed during the year ended 31 March 2021 and gain on the disposal of investment property of approximately HK\$87,000 was recognised.

## **PROSPECTS**

For the Financial Quotient and Investment Education Business, the Group will (i) invest resources to expand the market share, and (ii) strive to broaden its customer base. The Group is also seeking for opportunities of asset appreciation and cash flow return in the property market within Hong Kong and in the Asian-Pacific region. Whilst the Group remains focused on developing its existing businesses, in particular the Investment Education Business, it has been the business strategy of the Group to proactively seek potential investment opportunities in order to enhance value of the Shareholders. The Group intends to commence the business of providing secondary school tutoring courses for Hong Kong Diploma of Secondary Education (i.e. HKDSE) in Hong Kong, and has been pro-actively identifying and recruiting experienced management personnel and tutors to join the Group. Details of this new business venture are set out in the Company's announcement dated 10 August 2021.

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased from approximately HK\$39.5 million for the six months ended 30 September 2020 to approximately HK\$51.5 million for the six months ended 30 September 2021, representing an increase of approximately 30.4%. Due to the outbreak of coronavirus in Hong Kong, the revenue from the OEM Business, the Retail Business and the Wholesaling Business decreased to nil for the six months ended 30 September 2021 as compared to the six months ended 30 September 2020.

For the Money Lending Business, it had generated interest income of approximately HK\$1.6 million for the six months ended 30 September 2021.

For Financial Quotient and Investment Education Business, it has generated revenue of approximately HK\$49.9 million for the six months ended 30 September 2021, representing a substantial increase of approximately 140% as compared to the six months ended 30 September 2020.

The following table sets forth the breakdowns of the revenue of the Group by segment for each of the six months ended 30 September 2020 and 30 September 2021.

	Six months ended 30 September			
	2021		2020	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
OEM Business	–	–	16,733	42.4
Retail Business	–	–	240	0.6
Money Lending Business	<b>1,586</b>	<b>3.1</b>	1,738	4.4
Wholesaling Business	–	–	–	–
Financial Quotient and Investment Education Business	<b>49,908</b>	<b>96.9</b>	20,786	52.6
	<b>51,494</b>	<b>100.0</b>	<b>39,497</b>	<b>100.0</b>

### Cost of sales

The Group's cost of sales decreased by 47.7% to approximately HK\$9.3 million for the six months ended 30 September 2021 as compared to the six months ended 30 September 2020. The decrease was mainly due to the substantial drop of OEM Business during the six months ended 30 September 2021.

### Expenses

Selling and administrative expenses for the six months ended 30 September 2021 was approximately HK\$18.2 million (2020: HK\$8.1 million).

## **Profit for the period**

The profit for the six months ended 30 September 2021 was approximately HK\$18.0 million. The profit for the six months ended 30 September 2020 was approximately HK\$13.1 million. Such increase in profit was primarily attributable to the growth in the Group's Financial Quotient and Investment Education business.

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

As at 30 September 2021, the share capital and equity attributable to owners of the Company amounted to approximately HK\$179,000 and HK\$203.9 million respectively (31 March 2021: approximately HK\$154,000 and HK\$176.8 million respectively).

As at 30 September 2021, the Group had approximately HK\$10.5 million in bank balances and cash (31 March 2021: approximately HK\$72.9 million). The Group's total borrowings were approximately HK\$37.2 million (31 March 2021: HK\$68.6 million). The gearing ratio was approximately 18.2% at 30 September 2021 (31 March 2021: 39.4%).

*Note:*

Gearing ratio is calculated as the total debt (borrowings) divided by total equity.

## **Capital Expenditure and Commitments**

Details of capital expenditure are set out in Note 8 in this announcement. Save as disclosed in the Interim Financial Statements, the Group did not have any significant capital commitments as at 30 September 2021.

## Financial Assets at Fair Value Through Profit or Loss

Name of investments	Notes	Movement during the six months ended 30 September 2021								
		% to the total asset of the Group as at 1 April 2021	% of interest of the respective investments as at 1 April 2021	Fair value as at 1 April 2021	Addition/ (disposal), net	Change on fair value, net	Fair value as at 30 September 2021	% to the total asset of the Group as at 30 September 2021	% of interest of the respective investments as at 30 September 2021	Gain/(loss) on disposal/ redemption for the six months ended 30 September 2021
<b>Equity securities listed in Hong Kong</b>										
Hang Lung Group Ltd (10)		N/A	N/A	-	-	-	-	N/A	N/A	5
CK Infrastructure Holdings Limited (1038)		N/A	N/A	-	-	-	-	N/A	N/A	(6)
CSPC Pharmaceutical Group Limited (1093)		N/A	N/A	-	-	-	-	N/A	N/A	(11)
China Railway Construction Corporation Limited (1186)		N/A	N/A	-	-	-	-	N/A	N/A	(2)
Henderson Land Development Co Ltd (12)		N/A	N/A	-	-	-	-	N/A	N/A	5
AIA Group Limited (1299)		N/A	N/A	-	-	-	-	N/A	N/A	(5)
Industrial and Commercial Bank of China Ltd (1398)		N/A	N/A	-	-	-	-	N/A	N/A	(10)
Deyun Holding Ltd (1440)		N/A	N/A	-	-	-	-	N/A	N/A	36
Infinity Logistics and Transport Ventures Limited (1442)		0.01%	0.01%	28	(28)	-	-	N/A	N/A	(5)
K. Wah International Holdings Limited (173)		N/A	N/A	-	-	-	-	N/A	N/A	(11)
Sa Sa International Holdings Ltd (178)		N/A	N/A	-	-	-	-	N/A	N/A	24
Xiaomi Corporation (1810)		N/A	N/A	-	-	-	-	N/A	N/A	(9)
Snack Empire Holdings Limited (1843)		N/A	N/A	-	-	-	-	N/A	N/A	(8)
Swire Pacific Ltd (19)		N/A	N/A	-	-	-	-	N/A	N/A	(26)
MOG Holdings Limited (1942)	(a)	0.04%	0.02%	129	1	(24)	106	0.03%	0.09%	(14)
Weimob Inc. (2013)		N/A	N/A	-	-	-	-	N/A	N/A	(7)
Nayuki Holdings Ltd (2150)		N/A	N/A	-	-	-	-	N/A	N/A	(2)
WuXi Biologics Cayman Inc (2269)		N/A	N/A	-	-	-	-	N/A	N/A	16
Ping An Insurance (Group) Company of China, Ltd. (2318)		N/A	N/A	-	-	-	-	N/A	N/A	(27)
Li Ning Company Limited (2331)		N/A	N/A	-	-	-	-	N/A	N/A	36
JD Logistics Inc (2618)		N/A	N/A	-	-	-	-	N/A	N/A	(81)
Guangzhou R&F Properties Co., Ltd. (2777)		N/A	N/A	-	-	-	-	N/A	N/A	(87)
Csop Ftse China A50 Etf (2822)		N/A	N/A	-	-	-	-	N/A	N/A	(38)
BYD Electronic International Co Ltd (285)		N/A	N/A	-	-	-	-	N/A	N/A	6
WH Group Limited (288)		N/A	N/A	-	-	-	-	N/A	N/A	(27)
A Living Smart City Services Co Ltd (3319)		0.03%	0.01%	103	(103)	-	-	N/A	N/A	(15)

Movement during the  
six months ended 30 September 2021

Name of investments	Notes	% of interest		Fair value as at 1 April 2021	Addition/ (disposal), net	Change on fair value, net	Fair value as at 30 September 2021	% to the total asset of the Group as at 30 September 2021	% of interest of the respective investments as at 30 September 2021	Gain/(loss) on disposal/ redemption for the six months ended 30 September 2021
		% to the total asset of the Group as at 1 April 2021	% of the respective investments as at 1 April 2021							
Ju Teng International Holdings Ltd (3336)	(b)	0.22%	0.03%	794	(270)	(159)	365	0.12%	0.03%	(18)
Kowloon Development Company Limited (34)		N/A	N/A	-	-	-	-	N/A	N/A	1
New Hope Service Holdings Ltd (3658)		N/A	N/A	-	-	-	-	N/A	N/A	15
Meituan (3690)		N/A	N/A	-	-	-	-	N/A	N/A	58
SOHO China Limited (410)		N/A	N/A	-	-	-	-	N/A	N/A	(253)
Dongfeng Motor Group Co Ltd (489)		N/A	N/A	-	-	-	-	N/A	N/A	(17)
Techtronic Industries Co. Ltd. (669)		N/A	N/A	-	-	-	-	N/A	N/A	(12)
Angelalign Technology Inc (6699)		N/A	N/A	-	-	-	-	N/A	N/A	(43)
Kidztech Holdings Limited (6918)		0.04%	0.01%	124	(124)	-	-	N/A	N/A	(15)
Tencent Holdings Limited (700)		N/A	N/A	-	-	-	-	N/A	N/A	(20)
Link Real Estate Investment Trust (823)		0.02%	0.01%	71	(71)	-	-	N/A	N/A	3
Hisense Home Appliances Group Co., Ltd. (921)		0.02%	0.01%	65	(65)	-	-	N/A	N/A	(6)
China Construction Bank Corporation (939)		N/A	N/A	-	-	-	-	N/A	N/A	(4)
China Mobile Limited (941)		N/A	N/A	-	-	-	-	N/A	N/A	(1)
Jiumaojiu International Holdings Limited (9922)		N/A	N/A	-	-	-	-	N/A	N/A	12
Baidu Inc (9888)		0.03%	0.01%	107	(107)	-	-	N/A	N/A	(10)
Alibaba Group Holding Ltd (9988)		N/A	N/A	-	-	-	-	N/A	N/A	3
Archosaur Games Inc (9990)		0.05%	0.01%	173	(173)	-	-	N/A	N/A	12
<b>Listed securities in New York Stock Exchange</b>										
Etfmg Travel Tech Etf (AWAY)		N/A	N/A	-	-	-	-	N/A	N/A	(4)
Costco Wholesale Corp (COST)		N/A	N/A	-	-	-	-	N/A	N/A	12
Discover Financial Services (DFS)		N/A	N/A	-	-	-	-	N/A	N/A	(1)
Microsoft Corp (MSFT)		N/A	N/A	-	-	-	-	N/A	N/A	10
<b>Unlisted equity securities</b>	(c)	N/A	N/A	-	4,049	-	4,049	N/A	N/A	-
<b>Total</b>				<u>1,594</u>	<u>3,109</u>	<u>(183)</u>	<u>4,520</u>			<u>(541)</u>

*Notes:*

- (a) This investment represented 116,000 shares, which was approximately 0.09% of the total issued shares of MOG Holdings Limited (“MOG”) as at 30 September 2021. MOG and its subsidiaries (“MOG Group”) is principally engaged in the retail business of optical products in Malaysia. The Group recorded an unrealised fair value loss of approximately HK\$24,000 in respect of its investment in MOG for the six months ended 30 September 2021. According to MOG’s annual report for the year ended 31 March 2021, MOG Group recorded revenue and net profit of approximately Malaysian Ringgit (“MR\$”) 99.2 million and MR\$12.3 million respectively.
- (b) This investment represented 252,000 shares, which was approximately 0.03% of the total issued shares of Ju Teng International Holdings Limited (“Ju Teng”) as at 30 September 2021. Ju Teng and its subsidiaries (“Ju Teng Group”) is principally engaged in the business of manufacture and sales of casings for notebook computer and handheld devices. The Group recorded an unrealised fair value loss of approximately HK\$159,000 in respect of its investment in Ju Teng for the six months ended 30 September 2021. According to Ju Teng’s annual report for the year ended 31 December 2020, Ju Teng Group recorded revenue and net profit of approximately HK\$10.0 billion and HK\$157.0 million respectively.

The Management would also continue to monitor the performance and share price of MOG and Ju Teng.

- (c) The unlisted equity investment is issued by private entities with operations in Cayman Islands. The investment are carried at cost less impairment as management believes that the range of fair value estimates is so wide that the fair value cannot be estimated reliably.

### **Change of company name**

On 31 August 2021, the Company changed its English name from “L & A International Holdings Limited” to “Legendary Group Limited” and adopted the Chinese name “創天傳承集團有限公司” as its dual foreign name to replace its former Chinese name “樂亞國際控股有限公司” (the “Change of Company Name”). Further details of the Change of Company Name were set out in the announcement of the Company dated 23 April 2021, the circular of the Company dated 30 June 2021 and the supplemental circular of the Company dated 20 July 2021. The Change of Company Name was registered with the Registrar of Companies in Hong Kong on 26 August 2021. Following the Change of Company Name becoming effective, the stock short name of the Company has changed from “L & A INTL HOLD” in English and “樂亞控股” in Chinese to “LEGENDARY GROUP” in English and “創天傳承” in Chinese with effect from 9:00 a.m. on 3 September 2021. The Company also adopted a new company logo with effect from 3 September 2021.

## **Significant investments, acquisitions and disposals, and Plans for Material Investment or Capital Assets**

During the six months ended 30 September 2021, the Group has disposed of an inactive subsidiary and a loss of approximately HK\$1.9 million was generated.

On 20 September 2021, Able Glorious, a direct wholly owned subsidiary of the Company, and the vendor entered into an agreement, pursuant to which, Able Glorious has agreed to acquire and the vendor has agreed to sell 100% equity interest of KC Training Group, at the Consideration of HK\$9,000,000, which would be settled (i) as to HK\$5 million by the allotment and issue of the Consideration Shares at the Issue Price of HK\$0.257; (ii) as to HK\$3 million by cash; and (iii) as to HK\$1 million by the assumption of the Assumed Liabilities by Able Glorious.

On 11 November 2021, Able Glorious and the vendor entered into a supplemental agreement and agreed to amend the payment terms of the corresponding part of the Consideration Shares of HK\$5 million to be settled by the issuance of the Promissory Notes by the Company to the Vendor.

KC Training Group is dedicated to delivering training programs to equip the customers with selling and communication skill. Details of the transaction were set out in the Company's announcement dated 20 September 2021 and 11 November 2021.

Save as disclosed in the Interim Financial Statements, there was no future plan for material investments or capital assets as at 30 September 2021.

## **Contingent Liabilities**

Save as disclosed in the Interim Financial Statements, the Group had no material contingent liabilities as at 30 September 2021.

## **Foreign Exchange Risk**

The Group's business operations are denominated mainly in HK\$. The Group's assets and liabilities are mainly denominated in HK\$. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's exchange rate risks.

## **Interim Dividend**

On 13 August 2021, the Board of directors declared an interim dividend of HK\$0.0075 per share for 1,782,280,296 issued shares of the Company of approximately HK\$13,367,102.22 for the three months ended 30 June 2021 (2020: Nil).

Saved as disclosed above, the Board of directors does not recommend any further payment of an interim dividend for the six months ended 30 September 2021 (2020: Nil).

## **Employees and Remuneration Policies**

As at 30 September 2021, the Group had approximately 80 employees. The Group's staff cost for the six months ended 30 September 2021 amounted to approximately HK\$6.0 million. The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Group recognises the importance of good relationship with its employees. The remuneration payable to its employees includes salaries and allowance.

In Hong Kong, the Group's employees have participated in the mandatory provident fund prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong).

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

As at 30 September 2021, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which are required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

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

<b>Name of Directors</b>	<b>Capacity</b>	<b>Number of Shares held</b>	<b>Number of Options held</b>	<b>Total</b>	<b>Percentage of the Company's issue share as at 30 September 2021 (%)</b>
Chan Lap Jin Kevin	Beneficial owner	30,928,800	–	30,928,800	8.63
Yuen Yu Sum	Beneficial owner	6,276,800	–	6,276,800	1.75
Chung Chin Kwan	Beneficial owner	1,176,000	–	1,176,000	0.33
	Interest of spouse	144,000 <i>(Note 1)</i>	–	144,000	0.04
Law Wing Chung	Beneficial owner	192,000	–	192,000	0.05

*Note:*

(1) 144,000 shares are owned by Ms. Lam Ka Yee, who is the spouse of Mr. Chung Chin Kwan.

Saved as disclosed above, as at 30 September 2021, none of the Directors and chief executives of the Company had any interests or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) as required to be recorded in the register required to be kept by the Company pursuant to Sections 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules.

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

Save as disclosed under the section headed "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES OR DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION", as at 30 September 2021, neither the company, holding company nor any of its subsidiaries was a party to any arrangements to enable the directors and chief executive of the company to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the company or any other body corporate, and none of the directors and chief executive of the company or their spouses or children under the age of 18, had any right to subscribe for the securities of the company, or had exercised any such rights.

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

So far as the Directors are aware, as at 30 September 2021, other than the Directors or chief executives of the Company whose interests or short positions are disclosed under the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares or Debentures of the Company and Its Associated Corporations” above, the following parties have interest or short position in the shares or underlying shares of the Company which have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who were expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company are listed as follows:

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

<b>Name of shareholder</b>	<b>Capacity/ Nature of interests</b>	<b>Number of ordinary shares</b>	<b>Percentage of the Company’s issue share capital</b>
Lau Lan Ying ( <i>Note</i> )	Interest in controlled corporations	44,450,000	12.40%
Wong Kwan Mo ( <i>Note</i> )	Interest in controlled corporations	44,450,000	12.40%
Strong Light Investments Limited (“Strong Light”) ( <i>Note</i> )	Beneficial owner	39,925,800	11.14%
Lui Yu Kin	Beneficial owner	22,099,200	6.17%

*Note:*

39,925,800 shares are owned by Strong Light, Strong Light is a company incorporated in Hong Kong. The entire issued share capital of Strong Light is owned as to 50% by Lau Lan Ying and 50% by Wong Kwan Mo. Lau Lan Ying is the spouse of Wong Kwan Mo.

Saved as disclosed above, as at 30 September 2021, the Directors were not aware of any other person (other than the Directors or chief executives as disclosed in the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares or Debentures of the Company and Its Associated Corporations” above) who had, or deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

## **SHARE OPTION SCHEME**

Details of the share option scheme are set out in Note 13 in this announcement.

## **CORPORATE GOVERNANCE PRACTICES**

The Group’s corporate governance practices are based on the principles and the code provisions in the Corporate Governance Code (the “Code”) as set out in Appendix 15 to the GEM Listing Rules.

During the six months ended 30 September 2021 and up to the date of this announcement, save for the deviation from code provision A.2.1 of the Code which explained below, the Company has applied the principles and complied with all the applicable code provisions of the Code contained in Appendix 15 to the GEM Listing Rules.

## **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Under the code provision A.2.1 of the Code, the roles of the chairman and the CEO should be separate and should not be performed by the same individual. Mr. Yuen Yu Sum was appointed as the chairman of the Board on 14 April 2021. The Board is in the process of finding an appropriate person to fill the vacancy of the CEO as soon as practicable. Meanwhile, the Board considers that the existing Board members are able to share the power and responsibilities of CEO among themselves.

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

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

Upon the Group’s specific enquiry, each Director confirmed that he/she had fully complied with the required standard of dealings and there was no event of non-compliance during the six months ended 30 September 2021 and up to the date of this announcement.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 September 2021.

## **DIRECTORS' INTEREST IN COMPETING BUSINESS**

The Directors confirm that none of the Directors and their respective close associates (as defined in the GEM Listing Rules) had an interest in any business which competed or was likely to compete, either directly or indirectly with the Group's business during the six months ended 30 September 2021.

## **UPDATE ON DIRECTORS' INFORMATION**

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in information of the Directors for the six months ended 30 September 2021 and up to the date of this interim results announcement is set out below:

- (i) Mr. Chung Kwok Pan was appointed as an independent non-executive Director on 2 June 2021;
- (ii) Mr. Law Wing Chung was appointed as a non-executive Director on 2 June 2021; and
- (iii) Mr. Lau Chun Kavan resigned from his office as an executive Director, and a member of each of the Remuneration Committee and Nomination Committee on 27 October 2021.

## **AUDIT COMMITTEE**

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

As at the date of this announcement, the Audit Committee consists of 3 independent non-executive Directors, namely Mr. Chan Kim Fai Eddie, Mr. Ng Chi Ho Dennis and Mr. Chung Chin Kwan. Mr. Chan Kim Fai Eddie is the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and the Interim Financial Statements and is of the opinion that the preparation of such statements complied with the applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

## **PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT**

This announcement is published on the websites of the GEM and the Company ([www.legendarygp.com](http://www.legendarygp.com)). The interim report of the Company for the six months ended 30 September 2021 containing all the information required by the GEM Listing Rules will be dispatched to the Company's shareholders and published on the above websites.

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

Hong Kong, 12 November 2021

*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; one non-executive Director, namely, Mr. Law Wing Chung; and four independent non-executive Directors, namely, Mr. Chung Chin Kwan, Mr. Chan Kim Fai Eddie, Mr. Ng Chi Ho Dennis and Mr. Chung Kwok Pan.*

*This announcement will remain on the "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the website of the Company at <http://www.legendarygp.com.hk>.*