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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2021 AND INTERIM REPORT FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2021

References are made to the annual report of Legendary Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) for the year ended 31 March 2021 (the “**Annual Report**”) and the interim report of the Company for the six months ended 30 September 2021 (the “**Interim Report**”). This announcement is supplemental to, and should be read in conjunction with the Annual Report and the Interim Report. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Annual Report and the Interim Report.

USE OF PROCEEDS FROM PLACING OF NEW SHARES

In addition to the information disclosed in the Annual Report regarding the placing of new shares under general mandate in November 2020 (the “**Placing**”), the Board would like to provide the following additional information:

On 27 November 2020, the Company entered into the placing agreement (the “**Placing Agreement**”) with the ShineNex Securities Limited (the “**Placing Agent**”), pursuant to which, the Company has conditionally agreed to place, through the Placing Agent up to 255,984,000 placing shares (the “**Placing Shares**”) to not less than six independent places at the placing price of HK\$0.345 per Placing Share. The Placing Shares under the Placing would rank, upon issue, *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

The market price of the Placing Shares was HK\$0.375 per Share as quoted on the Stock Exchange on 27 November 2020, being the date of the Placing Agreement. The net price of the placing shares was approximately HK\$0.343 per Placing Share.

The Directors considered that the Placing represents a good opportunity to raise additional funds for the Group's business operation and as working capital of the Group. In addition, the Placing would broaden the Company's capital base and shareholders base without any interest burden. Moreover, the net proceeds from the Placing would strengthen the Group's financial position for future development of the Group.

The condition of the Placing has been fulfilled and the completion of the Placing took place on 22 December 2020. A total of 255,984,000 Placing Shares were placed by the Placing Agent to not less than six placees (the "Placees") at the placing price of HK\$0.345 per Placing Share.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Placees and their respective ultimate beneficial owner(s), as applicable, are parties independent of the Company and not acting in concert with the connected persons of the Company. None of the Placees has become a substantial Shareholder (as defined in the GEM Listing Rules) immediately after completion of the Placing.

The net proceeds from the Placing amounted to approximately HK\$87.7 million (the "Net Proceeds"). Details of the use of the Net Proceeds are as follows:

	Total planned amount to be used	Actual use of Net Proceeds up to 31 March 2021	Unutilised amount of Net Proceeds up to 31 March 2021	Expected timeline for unutilised Net Proceeds as at 31 March 2021
Use of Net Proceeds	<i>HK\$' million</i>	<i>HK\$' million</i>	<i>HK\$' million</i>	
Repayment of the outstanding principal and accrued interest of the promissory note in the total principal amount of HK\$40,000,000, bearing interest at 5% per annum	40.70	23.56	17.14	Expected to be fully utilised on or before 30 November 2021
Expansion and development of the existing businesses	19.00	19.00	–	
Future investment opportunities as may be identified from time to time	19.00	–	19.00	Expected to be fully utilised on or before 30 November 2021
General working capital	9.00	9.00	–	
Total	87.70	51.56	36.14	

The Net Proceeds was fully utilised as at 30 November 2021.

THE SHARE OPTION SCHEME

In addition to the information provided in the Annual Report and Interim Report, the Board would like to provide the following further information in relation to the share options scheme of the Company:

(i) Annual Report

Details of the share options movements during the year ended 31 March 2021 under the share options scheme of the Company are as follows:

	Date of grant (Note 1)	Exercisable period	Closing price of the shares immediately before the date of grant HK\$	Exercise price per share HK\$	Balance as at 1 April 2020	Granted during the year	Exercised during the year	Cancelled during the year	Balance as at 31 March 2021
Director									
Yuen Yu Sum	14 July 2020	14 July 2020 to 13 July 2030	0.227	0.227	-	10,000,000	-	-	10,000,000
Employees of the Group									
	26 March 2021	26 March 2021 to 25 March 2031	0.330	0.330	-	127,992,000	-	-	127,992,000
Total					<u>-</u>	<u>137,992,000</u>	<u>-</u>	<u>-</u>	<u>137,992,000</u>

Note:

1. Immediately vested upon the date of grant.

The fair value of the share options granted during the year ended 31 March 2021 to each class of grantees are summarized as follows:

Class of grantees	Fair value (HK\$)
Director	292,000
Employees of the Group	<u>5,145,000</u>
Total:	<u><u>5,437,000</u></u>

(ii) Interim Report

Details of the share options movements during the six months ended 30 September 2021 under the share options scheme of the Company are as follows:

	Date of grant (Note 1)	Exercisable period	Closing price of the shares immediately before the date of grant HK\$	Exercise price per share HK\$	Balance as at 1 April 2021	Granted during the period	Exercised during the period (Note 5)	Cancelled during the period	Balance as at 31 September 2021
Director									
Yuen Yu Sum	14 July 2020	14 July 2020 to 13 July 2030	0.227 (Note 4)	0.227 (Note 4)	-	-	10,000,000 (Note 4)	-	-
Employees of the Group	26 March 2021	26 March 2021 to 25 March 2031	1.65 (Note 3)	1.65 (Note 2)	25,598,400 (Note 2)	-	-	-	25,598,400 (Note 2)
Total					25,598,400	-	10,000,000 (Note 4)	-	25,598,400

Notes:

1. Immediately vested upon the date of grant.
2. Effective on 28 September 2021, the exercise price of the share options and the number of consolidated shares to be allotted and issued upon exercising of the share options had been adjusted as a result of the share consolidation (the “**Share Consolidation**”). For details, please refer to the Company’s announcement dated 27 September 2021.
3. Have been adjusted due to the Share Consolidation.
4. As the options were exercised before the Share Consolidation became effective, no adjustments were required to be made.
5. The weighted average closing price of the shares immediately before the date on which the options were exercise were HK\$0.227.

No share option were granted during the six months ended 30 September 2021.

The Board confirmed that the above additional information does not affect other information contained in the Annual Report and Interim Report.

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

Hong Kong, 11 January 2022

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 five independent non-executive Directors, namely, Mr. Chung Chin Kwan, Mr. Chan Kim Fai Eddie, Mr. Ng Chi Ho Dennis, Mr. Chung Kwok Pan and Mr. Leung Kai Cheong Kenneth.

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 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>.