

LEGEND

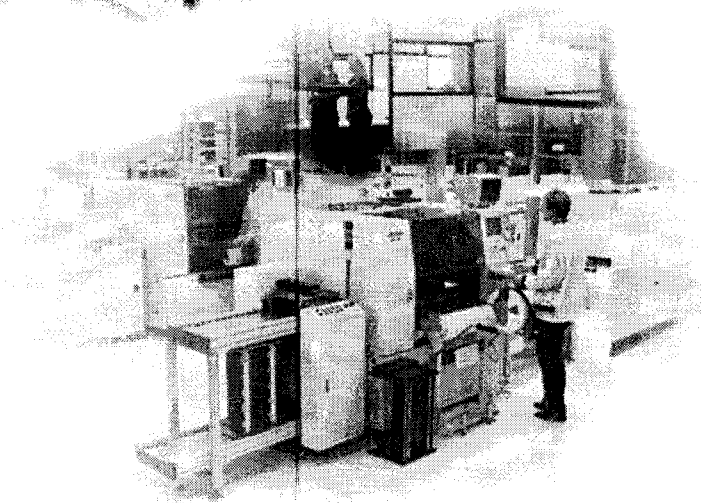
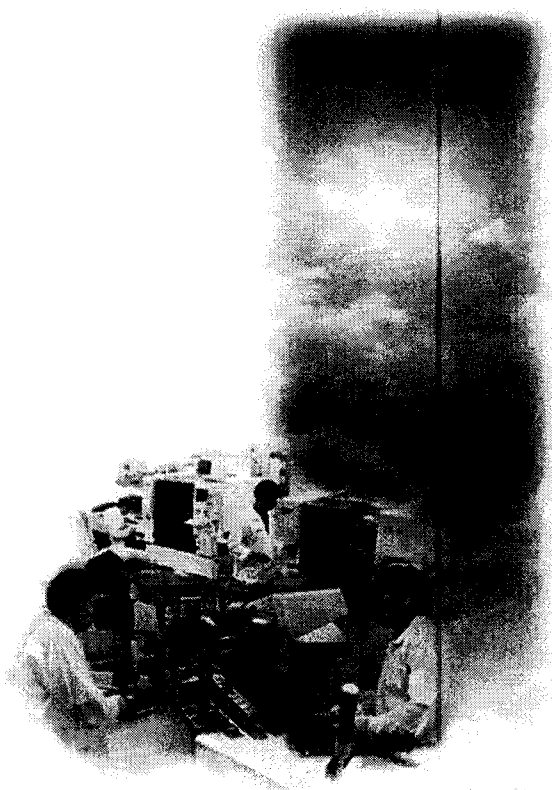
Performance Technology

Legend Corporation Limited

ABN 69 102 631 087

Prospectus

for the Offer of up to 6,361,000 Shares at
\$0.70 per Share to raise up to \$4,452,700



Hartleys

Hartleys Limited
Corporate Adviser and
Broker to the Offer

Corporate directory

Directors

Paul Teisseire
Bradley Dowe
Simon Forth
Timothy King

Corporate Adviser and Broker to the Offer

Hartleys Limited
Level 6
141 St Georges Terrace
Perth WA 6000

Joint Company Secretaries

Timothy King
Graham Seppelt

Phone: 08 9268 2888
Fax: 08 9268 2830

Registered & Head Office

31-35 Conmurra Avenue
Edwardstown SA 5039

Phone: 08 8401 9888
Fax: 08 8277 6027

Solicitors to the Offer

Deacons
BankWest Tower
Level 39
108 St George's Terrace
Perth WA 6000

Phone: 08 9426 3222
Fax: 08 9426 3444

Auditors

Grant Thornton SA
67 Greenhill Road
Wayville SA 5034

Phone: 08 8372 6666
Fax: 08 8372 6677

Share Registry

Security Transfer Registrars Pty Ltd
Alexandrea House
Suite 1/770 Canning Highway
Applecross WA 6153

Phone: 08 9315 0933
Fax: 08 9315 2233

Important Notice

This Prospectus is dated 29 May 2006.

This Prospectus is issued in accordance with Section 713 of the Corporations Act and is commonly referred to as a "Transaction Specific Prospectus".

This document is important and requires your immediate attention. If you do not understand it, you should consult your sharebroker, accountant, solicitor or other adviser without delay in order to satisfy yourself as to the contents of this Prospectus.

This Offer should be considered speculative and should be read in conjunction with the risk factors outlined in this Prospectus.

Important notice

Important Information

This Prospectus is dated 29 May 2006 and was lodged with the Australian Securities and Investments Commission (ASIC) on that date. Neither ASIC nor the Australian Stock Exchange Limited (ASX) take any responsibility for the contents of this Prospectus. No Shares will be allotted or issued pursuant to this Prospectus later than 13 months after the date of this Prospectus.

Shares issued pursuant to this Prospectus will be issued on the terms and conditions contained in this Prospectus.

Before deciding to invest in the Company, potential investors should read the entire Prospectus and, in particular, in considering the prospects for the Company, investors should consider the risk factors set out in Section 3.10 that could affect the financial performance of the Company. Investors should carefully consider these factors in light of their personal circumstances (including financial and taxation issues).

The Shares offered by this Prospectus should be considered speculative. Investors should seek professional advice from an accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest in the Shares.

No person is authorised to give any information or to make any representation in connection with the Offer. Any information or representation in relation to the Offer, which is not contained in this Prospectus or deemed to be included in this Prospectus, may not be relied on as having been authorised by the Company in connection with the Offer.

Restrictions on Distribution

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek independent advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Electronic Prospectus

The Offer constituted by an electronic version of this Prospectus is available to persons receiving the electronic Prospectus within Australia. Any person in Australia may obtain a free copy of the Prospectus by telephoning the Company on (08) 8401 9888 or Hartleys on (08) 9268 2888 during the Offer Period.

The Corporations Act prohibits any person from passing the Application Form on to another person unless it is attached to or accompanied by a hard copy of the Prospectus or a complete and unaltered version of the electronic Prospectus (whether printed or remaining in an electronic medium).

Investors who, after receiving and reading an electronic version of this Prospectus, wish to apply for Shares, may only do so by either:

- obtaining a paper copy of the Prospectus from the Company or Hartleys and submitting a completed Application Form to Hartleys in accordance with the instructions on the Application Form; or
- printing an electronic version of the Prospectus and submitting a complete printout of the Application Form to Hartleys in accordance with the instructions on the Application Form.

Glossary

Certain terms and abbreviations used in this Prospectus have defined meanings which are explained in the Glossary in Section 5 of this Prospectus.

Summary of Important Dates

Date of Prospectus	29 May 2006
Opening Date	29 May 2006
Application Form and Application Monies for Allotment One due	31 May 2006
Allotment and issue of Allotment One Shares	2 June 2006
Despatch of holding statements for Allotment One Shares	5 June 2006
Expected Official Quotation of Allotment One Shares on ASX	9 June 2006
Application Form and Application Monies for Allotment Two due	16 June 2006
Closing Date	16 June 2006
General Meeting for approval of issue of Allotment Two Shares	26 June 2006
Allotment and issue of Allotment Two Shares (assuming Shareholder approval is obtained)	28 June 2006
Despatch of holding statements for Shares issued under Allotment Two (assuming Shareholder approval is obtained)	30 June 2006
Expected Official Quotation of Allotment Two Shares on the ASX (assuming Shareholder approval is obtained)	3 July 2006

The dates in the table above are indicative only. Subject to the Corporations Act and the Listing Rules, the Company, in consultation with Hartleys, reserves the right to vary any dates without prior notice to investors.

Key Investment Highlights

The funds raised from the Offer will be used to provide partial funding for the acquisition of 100% of the shares in Cable Accessories (Holdings) Pty Ltd (**Cabac**). The following are highlights of the Offer that the Company considers to be key investment highlights:

- Cabac was founded in 1982 and is a national electrical wholesale business that specialises in the importation and sale of electrical components and products. Its customers include electrical wholesalers, power companies and major retail department stores.
- In the financial year ended 30 June 2005, Cabac had sales of \$46.2 million and EBIT of \$3.8 million. Cabac's sales for the year ending 30 June 2006 are expected to be \$53 million with EBIT of between \$5.0 million and \$5.5 million.
- Legend will acquire Cabac at a price representing a multiple of 4.55 times expected 30 June 2006 EBIT, up to a maximum consideration of \$25 million.

- Cabac is a strategic and synergistic fit with Legend's sales and distribution business. The acquisition expands Legend's product range and complements Legend's business. Cabac and Legend have similarities in operating environment, industry, customers and suppliers.

Key Investment Risks

The acquisition of Cabac involves a number of integration risks associated with retention of key personnel, retaining suppliers, retaining customers, management handover, working capital management and financial system integration.

Please refer to Section 3.10 of this Prospectus for more information on investments risks that could adversely affect Legend's financial performance and the value of its Shares.

1. Purpose, Structure and Effect of the Offer

1.1 Important Note

The information set out in this Section 1 is not intended to be comprehensive and investors should consider this Prospectus in its entirety before deciding to invest in the Shares.

1.2 Offer of Shares

Pursuant to this Prospectus, the Company is offering for subscription up to 6,361,000 Shares at the Issue Price of \$0.70 per Share to raise up to \$4,452,700.

All Shares issued under this Prospectus will rank equally with one another and all existing issued Shares. Further details of the rights and liabilities attaching to Shares are set out in Section 3.1 of this Prospectus.

1.3 Purpose of the Offer

On 10 May 2006, the Company entered into a share sale and purchase agreement (**Share Purchase Agreement**) with the shareholders of Cable Accessories (Holdings) Pty Ltd ACN 003 213 358 (**Cabac**), an electrical sales and distribution company, for the acquisition of 100% of the shares in Cabac. Completion under the Share Purchase Agreement is anticipated to occur on 3 July 2006.

Cabac is an Australian based sales and distribution organisation that operates in the wholesale electrical industry and has recently expanded its sales of information technology related products. Cabac specialises in the importation of electrical products with sales to Australian based electrical wholesalers, power companies and major retail department stores.

The funds raised from the Offer will be used to provide part of the consideration required under the Share Purchase Agreement, and for working capital. That part of the remaining consideration required under the Share Purchase Agreement to be funded from equity will be satisfied by a placement offer to institutional and sophisticated investors of 9,389,000 Shares at \$0.70 per Share to raise up to \$6,572,300 (**Placement Offer**).

Further details of the Share Purchase Agreement are set out in Section 3.3 of this Prospectus.

1.4 Structure of the Offer

Due to restrictions on the issue of Shares under the Listing Rules, the Company proposes to issue the Shares offered for subscription under this Offer in two allotments, being:

- (1) 4,411,000 Shares at \$0.70 per Share, further details of which are set out below in Section 1.5 (**Allotment One**); and
- (2) 1,950,000 Shares at \$0.70 per Share, further details of which are set out below in Section 1.6 (**Allotment Two**).

ASX Listing Rule 7.1 provides that a company must not, without prior approval of shareholders, issue securities if the securities issued will, in themselves or aggregated with the securities issued by a company during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12-month period (**15% Limit**).

ASX Listing Rule 7.4 provides that an issue by a company made without shareholder approval under Listing Rule 7.1 is treated as having been made with the prior approval if the company's shareholders subsequently approve it.

The number of Shares issued by the Company under the Placement Offer (refer paragraph 1.3) and Allotment One, when aggregated, will cause the Company to reach its 15% Limit. Accordingly, the issue of Shares under Allotment Two will be conditional on obtaining Shareholder approval for the issue at a general meeting of Shareholders held on 26 June 2006 (**General Meeting**).

1.5 Allotment One

The following table sets out the critical dates in relation to the issue of Shares under Allotment One:

Opening Date	29 May 2006
Application Form and Application Monies due	31 May 2006
Allotment and issue of Shares under Allotment One	2 June 2006
Despatch of holding statements for Shares under Allotment One	5 June 2006
Expected date of Official Quotation of Shares issued under Allotment One on ASX	9 June 2006

Allotment One offerees should apply for Shares under Allotment One by completing the Application Form accompanying this Prospectus.

1.6 Allotment Two

The following table sets out the critical dates in relation to the issue of Shares under Allotment Two:

Opening Date	29 May 2006
Application Form and Application Monies due	16 June 2006
General Meeting to approve issue of Allotment Two	26 June 2006
Allotment and issue of Shares under Allotment Two (assuming Shareholder approval is obtained)	28 June 2006
Despatch of holding statements for Shares under Allotment Two (assuming Shareholder approval is obtained)	30 June 2006
Expected date of Official Quotation on ASX of Shares issued under Allotment Two (assuming Shareholder approval is obtained)	3 July 2006

As set out above, the issue of Shares under Allotment Two is **conditional upon Shareholder approval being obtained at the General Meeting**. Accordingly, there is no guarantee that Shares under Allotment Two will be issued. If Shareholder approval is not granted for the Shares under Allotment Two, the Company will refund all Applications Monies (without interest) paid by Allotment Two offerees within 7 days.

If Shareholder approval is not obtained at the General Meeting for the issue of Shares under Allotment Two, the Company will implement alternative funding arrangements for the consideration payable for the acquisition of Cabac.

Allotment Two offerees should apply for Shares under Allotment Two by completing the Application Form accompanying this Prospectus.

1.7 Impact on Capital Structure

The capital structure of the Company following the issue of Shares under this Offer and the Placement Offer is summarised below (assuming no options are exercised and that Shareholder approval is obtained at the General Meeting for the issue of Shares under Allotment Two):

	Existing Securities	Placement Offer	This Offer	New Total
Ordinary Shares	92,404,331	9,389,000	6,361,000	108,154,331
Unlisted Options	599,999	-	-	599,999

1.8 Effect of the Offer on Financial Position

The Company anticipates that it will receive a total of \$6,572,300 (less costs) from the issue of Shares under the Placement Offer. Assuming Shareholder approval is obtained at the General Meeting and that the Offer is fully subscribed, the Company anticipates it will receive a further \$4,452,700 (less costs) pursuant to this Offer.

Set out below is a pro-forma consolidated balance sheet of the Company after taking account of the Placement Offer and this Offer (assuming the Offer is fully subscribed and Shareholder approval is obtained for Allotment Two):

Pro Forma Balance Sheet

	Legend Reviewed 31-Dec-05	CABAC Unaudited 28-Feb-06		Combined Pro-forma Adjustments (Full Subscription)	
	\$		Ref	\$	\$
Current Assets					
Cash and cash equivalents	11,827,000	2,716,000	1,2,3,4	-7,990,000	6,553,000
Trade and other receivables	23,555,000	9,042,000			32,597,000
Inventories	36,862,000	9,113,000			45,975,000
Other current assets	541,000	153,000			694,000
Total current assets	72,785,000	21,024,000		-7,990,000	85,819,000
Non-Current Assets					
Property, plant & equipment	5,794,000	2,704,000			8,498,000
Deferred tax assets	398,000	429,000			827,000
Intangible assets	5,555,000	-	4	16,200,000	21,755,000
Other	458,000	706,000			1,164,000
Total Non-Current Assets	12,205,000	3,839,000		16,200,000	32,244,000
Total Assets	84,990,000	24,863,000		8,210,000	118,063,000
Current Liabilities					
Trade and other payables	25,215,000	5,346,000			30,561,000
Short-term borrowings	5,993,000	4,716,000			10,709,000
Current tax liabilities	558,000	90,000			648,000
Short-term provisions	481,000	729,000			1,210,000
Total Current Liabilities	32,247,000	10,881,000		-	43,128,000

	Legend Reviewed 31-Dec-05	CABAC Unaudited 28-Feb-06		Combined Pro-forma Adjustments (Full Subscription)	
Non-Current Liabilities					
Long-term borrowings	13,843,000	1,889,000	3	11,025,000	26,757,000
Deferred tax liabilities	240,000	-			240,000
Long-term provisions	168,000	366,000			534,000
Total Non-Current Liabilities	14,251,000	2,255,000		11,025,000	27,531,000
Total Liabilities	46,498,000	13,136,000		11,025,000	70,659,000
Net Assets					
	38,492,000	11,727,000		-2,815,000	47,404,000
Equity					
Issued capital	32,837,000	-	1,2	10,385,000	43,222,000
Options	36,000				36,000
Reserves	-76,000	-			-76,000
Retained profits	5,580,000	11,727,000	3,4	-13,200,000	4,107,000
Minority equity interest	115,000	-			115,000
Total Equity	38,492,000	11,727,000		-2,815,000	47,404,000

Notes to Pro Forma Balance Sheet

The effective date of acquiring CABAC will be 3 July 2006. A proforma balance sheet has been prepared based on reviewed half year 31 December 2005 accounts for Legend and unaudited management accounts for CABAC as at 28 February 2006 (the subject of due diligence), in order to represent the balance sheet of the combined businesses as though they were combined at that date. The proforma balance sheet reflects the impact of:

- the capital raising and associated funding of the CABAC acquisition
- other transactions associated with the CABAC acquisition

The pro-forma balance sheet has been prepared on the assumption that the Placement Offer and the Offer is fully subscribed.

Pro-forma Adjustments:

1. Capital Raising

As announced on 23 May 2006 Legend will raise \$11,025,000 through the issue of 15,750,000 shares at \$0.70 per share.

2. Capital Raising Costs

Capital raising costs funded from moneys raised from the Placement Offer and the Offer:

- expenses of the Placement Offer	\$ 361,476
- expenses of the Offer	\$ 278,376
	<u>\$ 639,852</u>

3. Additional Borrowings

The capital raising will be matched by additional borrowing of \$11,025,000 to assist in completing the acquisition. Cabac will increase its facilities to fund a distribution of \$4,400,000 to the vendor shareholders. Cash of \$7,990,000 will not be on hand at completion and accordingly this amount will be funded by additional borrowing through existing Legend facilities.

4. Investment in CABAC

Under the terms of the CABAC acquisition the maximum purchase price is \$25m and the minimum net asset position is \$8.8m resulting in goodwill on acquisition of \$16,200,000.

1.9 Use of Funds

It is anticipated that the amount to be raised by the Offer will be applied in the following manner (assuming full subscription of the Offer and Shareholder approval for Allotment Two):

Use of Funds	Amount (\$)
All proceeds raised shall be applied towards the purchase of Cabac pursuant to Share Purchase Agreement	\$4,074,324
Costs of the Offer	\$278,376
Working capital	\$100,000
Total	\$4,452,700

The application of these funds is indicative only and may be altered in accordance with the circumstances of the Company, changes in connection with the acquisition of Cabac or other commercial factors outside the control of the Company. Should full subscription under this Prospectus not be achieved, the Directors may be required to obtain alternative debt or equity funding to pay the consideration required for the acquisition of Cabac.

Further information concerning risk factors is set out in Section 3.10 of this Prospectus.

1.10 **Market Price of the Company's Shares on ASX**

The highest, lowest and closing market sale prices of Legend's Shares on the ASX during the previous 12 months prior to the date of lodgement of this Prospectus with ASIC on 29 May 2006 are:

	Price	Date
High	\$0.85	13 February 2006
Low	\$0.55	5 August 2005
Last	\$0.71	26 May 2006

2. Details of the Offer

2.1 Offer of Shares

Pursuant to this Prospectus, the Company is offering for subscription up to 6,361,000 Shares at the Issue Price of \$0.70 per Share to raise up to \$4,452,700. The purpose of the Offer is set out in Section 1 of this Prospectus.

The Offer is not underwritten.

2.2 No minimum subscription

There is no minimum subscription under this Prospectus.

2.3 Applying for Shares

Applications can only be made by completing and lodging the Application Form accompanying this Prospectus. All Applicants should apply for Shares under this Offer (whether Allotment One or Allotment Two) by validly completing the Application Form attached to or accompanying this Prospectus and delivering it to Hartleys by:

- (1) for Allotment One offerees – 31 May 2006; and
- (2) for Allotment Two offerees – the Closing Date.

The Application Form contains detailed instructions on how it is to be completed. An Application Form must be accompanied by a cheque in Australian dollars and made payable to ***“Legend Corporation Limited – Subscription Account”*** and crossed ***“Not Negotiable”***. Application Forms and cheques must be:

Posted to:	OR	Delivered to:
Hartleys Limited		Hartleys Limited
GPO 2777		Level 6
Perth WA 6000		141 St Georges Terrace
		Perth WA 6000

Applications should be for a minimum amount of \$1,400 (2,000 Shares), and thereafter should be in multiples of 500 Shares. Applications that do not meet these requirements may be refused at the discretion of the Directors.

Applicants should note that the Directors of the Company, in consultation with Hartleys, may close the Offer early or extend the Closing Date of the Offer without notice to investors.

2.4 Allocation and Allotment of Shares

As set out above, Shares subscribed for under this Offer will be issued and allotted in two allotments, with the issue of Shares under Allotment Two being conditional on shareholder approval being obtained at the General Meeting.

The Directors of Legend (in consultation with Hartleys) retain an absolute discretion in allocating Shares under the Offer (including the allocation of Shares in Allotment One and Allotment Two) and reserve the right to accept any Application in full, accept any lesser number of Shares or decline any Application. Where the Directors reject an Application, all Application Monies received from the Applicant will be repaid in full. Any interest accrued on Application Monies received from the Company will be retained by the Company.

It is the responsibility of Applicants to determine their allocation prior to trading in the Company's Shares. Applicants who sell Shares before they receive their holding statement do so at their own risk.

Pending the issue and allotment of Shares or payment of refunds pursuant to this Prospectus under Allotment One and Allotment Two, all Application Monies will be held by the Company in trust for Applicants in a separate bank account as required under the Corporations Act. The Company will be entitled to retain all interest that accrues on such bank account.

2.5 ASX quotation

The Company will apply for Official Quotation of the Shares issued under the Placement Offer in accordance with the Listing Rules and will apply for Official Quotation of the Shares under this Prospectus within 7 days of lodgement of the Prospectus with ASIC. All Application Monies received from investors pursuant to this Offer will be held in trust until the Shares are issued. If permission for Official Quotation of the Shares offered pursuant to this Offer is not granted by ASX within three months after the date of this Prospectus, the Company will not issue any Shares pursuant to this Prospectus and will repay all Application Monies within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation of the Shares is not to be taken in any way as an indication of the merits of the Company or of the Shares.

Official Quotation, if granted, of the Shares offered by this Prospectus will commence as soon as practicable after holding statements for the Shares are despatched. Accordingly, the Company anticipates that Official Quotation for Shares will occur at the following times:

- (1) for Shares offered under the Placement Offer and Allotment One – 9 June 2006; and
- (2) for Shares offered under Allotment Two – 3 July 2006.

Applicants should be aware that these dates are indicative only and may be altered by the Company, in consultation with Hartleys, or the ASX.

2.6 **CHESS**

The Company participates in CHESS, operated by ASTC, a wholly-owned subsidiary of ASX, in accordance with the Listing Rules and ASTC Settlement Rules.

Under this system, the Company will not issue certificates to investors. Instead, holders of Shares will receive a statement of their holdings in the Company. If an investor is broker-sponsored, the ASTC will send them a CHESS statement.

The CHESS statement will set out the number of Shares allotted to each holder under the Prospectus, give details of the holder's holder identification number (**HIN**) and give the participation identification number of the sponsor.

If you are registered on the Issuer Sponsored Subregister, your statement will be despatched by the Share Registry and will contain the number of Shares allotted under the Prospectus and the security holder's security holder reference number.

A CHESS statement or Issuer Sponsored Statement will routinely be sent to holders at the end of any calendar month during which the balance of their holding changes. A holder may request a statement at any other time, however a charge may be made for additional statements.

2.7 **Overseas Investors**

Investors outside Australia should consult their professional advisers as to whether governmental or other consents are required, or other compliance requirements need to be observed, before taking up Shares pursuant to this Prospectus.

This Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer. Where this Prospectus has been obtained by persons domiciled outside of

Australia, and where that country's securities code or legislation requires registration, this Prospectus is provided for information purposes only.

No such action has been taken to register or qualify the Shares of the Offer, or otherwise to permit a public offering of the Shares in any jurisdiction outside Australia.

It is the responsibility of non-Australian resident investors to obtain all necessary approvals for the allotment and issue of Shares pursuant to this Prospectus. The return of a completed Application Form will be taken by the Company to constitute a representation and warranty by the Applicant that all approvals necessary in that jurisdiction have been obtained.

2.8 Enquiries in relation to the Offer

This Prospectus provides information for potential investors in the Company and should be read in its entirety. If after reading this Prospectus, you have any questions about any aspect of an investment in the Company (including taxation matters), please contact your stockbroker, accountant, lawyer or independent financial adviser.

2.9 Privacy Statement

By completing the Application Form accompanying this Prospectus, investors will be providing personal information to Legend (directly or via the Share Registry). The *Privacy Act 1988* (Cth) governs the use of a person's personal information and sets out principles governing the ways in which organisations should treat personal information. The personal information Legend collects from investors on the Application Form is used to evaluate Applications for Shares in Legend and the successful Applications, and to provide services and appropriate administration for investors. If Legend is obliged to do so by law, investors' personal information will be passed on to other parties strictly in accordance with legal requirements. Once personal information is no longer needed for our records, Legend will destroy or de-identify it.

The Company collects information about each Applicant from the Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers (including mailing houses), the ASX, the ASIC and other regulatory authorities.

If an Applicant becomes a holder of Shares in the Company, the Corporations Act requires the Company to include information about the holder (name, address and details of the securities held) in its public register. This information must remain in the register even if that person ceases to be a holder of Shares in the Company. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application.

3. Additional information

3.1 Rights and liabilities attaching to Shares

The following is a summary of the more significant rights and liabilities attaching to Shares to be issued pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Company's Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(1) Share Capital

All issued Shares rank equally in all respects.

(2) Voting Rights

At a general meeting of the Company, every Shareholder present in person, by an attorney, representative or proxy has one vote on a show of hands and on a poll, one vote for every Share held, and for every contributing ordinary Share held, a fraction of a vote equal to the proportion which the amount paid up bears to the total issue price of the contributing ordinary Share. Where there is an equality of votes, the chairperson does not have a casting vote.

(3) Dividend Rights

Subject to the rights of holders of Shares issued with any special or preferential rights (at present there are none), the profits of the Company which the Directors may from time to time determine to distribute by way of dividend are divisible among the Shareholders in proportion to the ordinary Shares held by them respectively, according to the amount paid up (not credited) as paid up on them.

(4) Rights on Winding-Up

Subject to the rights of holders of Shares with special rights in a winding-up (at present there are none), on a winding-up of the Company all assets which may be legally distributed amongst the members will be distributed in proportion to the Shares held by them respectively, accordingly to the amount paid up or credited as paid up on the Shares.

(5) Transfer of Shares

Shares may be transferred by instrument in any form which complies with the Company's Constitution, the Corporations Act, ASX Listing Rules and ASTC Settlement Rules.

Shares may be transferred by such means in accordance with ASX Listing Rules and the ASTC Settlement Rules. The Directors may refuse to register a transfer of Shares only in those circumstances permitted by the Company's Constitution, ASX Listing Rules and ASTC Settlement Rules.

(6) Calls on Shares

Where Shares are issued as partly paid, the Directors may make calls upon the holders of those Shares to pay the whole of or a portion of the balance of the issue price. If a Shareholder fails to pay a call or instalment of a call, then subject to the Corporations Act and ASX Listing Rules, the Shares in respect of the call may be forfeited and interest and expenses may be payable in accordance with the Company's Constitution, the Corporations Act and ASX Listing Rules or proceedings taken to recover the amount unpaid.

(7) Further Increases in Capital

The allotment and issue of any Shares is under the control of the Directors and, subject to any restrictions on the allotment of Shares imposed by the Company's Constitution, ASX Listing Rules or the Corporations Act, the Directors may allot, issue or grant options over or otherwise dispose of those Shares to such persons, with such rights or restrictions as they may from time to time determine.

(8) Variation of Rights Attaching to Shares

Where Shares of different classes are issued, the rights attaching to the Shares of a class (unless otherwise provided by their terms of issue) may only be varied by a special resolution passed at a separate general meeting of the holders of those Shares of that class, or with the written consent of the holders of at least three quarters of the issued Shares of that class.

(9) General Meeting

Each Shareholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive notices, accounts and other documents required to be furnished to

shareholders under the Company's Constitution, the Corporations Act and ASX Listing Rules.

3.2 Tax considerations

The taxation obligations and the effects of participating in the Offer can vary depending on the circumstances of each individual investor and the taxation laws applicable to investors as residents of different jurisdictions.

Applicants who are in doubt as to their taxation position should seek professional advice. It is solely the responsibility of individual Applicants to inform themselves of their taxation position resulting from participation in the Offer.

3.3 Material Contracts

(1) Cabac Share Purchase Agreement

Legend has entered into a Share Sale and Purchase Agreement (**Share Purchase Agreement**) with the shareholders (**Sellers**) of Cable Accessories (Holdings) Pty Ltd ACN 003 213 358 (**Cabac**) to acquire all of the issued capital in Cabac (**Cabac Shares**). Completion under the Share Purchase Agreement is proposed for 3 July 2006 (or such later date as agreed between Legend and the Sellers) (**Completion**).

Cabac is a leading manufacturer and distributor of products for the electrical installation industry. The consideration payable by Legend for the Cabac Shares (**Purchase Price**) will be either:

- \$25 million, if the EBIT for Cabac and its subsidiaries (**Group**) for the financial year ended 30 June 2006 is equal to or exceeds \$5.5 million; or
- 4.55 times the EBIT for the Group, if the EBIT for the Group for the financial year ended 30 June 2006 is less than \$5.5 million,

less:

- the amount by which Cabac pays any dividends that exceed the \$4.4 million dividend that will be paid by the Group for the period from 1 July 2005 to Completion;
- the value of any assets not used in the conduct of the business of the Group, which are excluded from the transaction contemplated by the Share Purchase Agreement and that do not form part of the Net Assets (which are equal to the consolidated assets minus the consolidated liabilities of the Group);

- the amount by which the Net Assets are less than \$8.8 million at Completion; and
- any adjustments contemplated by the Share Purchase Agreement.

The Purchase Price is payable by Legend as follows:

- \$22,000,000, payable in cash at Completion; and
- an amount equal to the Purchase Price less \$22,000,000, payable in cash within 7 days after the Sellers deliver to Legend the Group's audited accounts for the financial year ended 30 June 2006.

Completion is conditional upon Legend procuring all directors' and shareholders' approvals required by the Listing Rules and Corporations Act for the funding of the Purchase Price of the Cabac Shares. This condition must be satisfied by 30 June 2006 (or such later date as agreed between Legend and the Sellers).

Prior to Completion, the Sellers must:

- notify Legend in writing all amounts required to be made at Completion to repay all external borrowings and other financial accommodation owing by the Group (including accrued interest) and to whom those amounts are owed; and
- procure that the Group repays all amounts owing to each of the Sellers and the Sellers' related entities (excluding those in the Group).

The Sellers are otherwise under the usual obligations in relation to conducting Cabac's business prior to Completion.

At Completion, Legend will acquire the Cabac Shares and will assume various financial obligations of Cabac.

The Sellers have provided the usual commercial warranties for a transaction of this nature and the Sellers have agreed to jointly and severally indemnify Legend against any claims arising from a breach of those warranties.

The Sellers have, in order to protect the goodwill of the Group and its business, jointly and severally agreed to provide restraints of trade for periods of up to 3 years as a maximum and 1 year as a minimum, and within an area from Australasia as a maximum and New South Wales as a minimum, depending on enforceability.

(2) Hartleys Engagement

Hartleys has entered into an engagement with the Company dated 10 May 2006 for Hartleys to provide capital raising and marketing services to the Company for a term of 12 months.

The capital raising services are for the issue of the Shares pursuant to the Placement Offer and the Offer. Hartleys will be paid a fee of 5% of the amount raised pursuant to the Placement Offer and this Offer for these services.

The Company will also pay Hartleys a corporate advisory fee of \$10,000 (plus GST) per month for 12 months from the date of agreement pursuant to the engagement.

3.4 Continuous Disclosure Obligations

The Company is a “disclosing entity” for the purposes of the Corporations Act and as an entity listed on ASX, is subject to regular reporting and disclosure obligations which require it to disclose to the ASX any information of which it is or becomes aware of concerning the Company and which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

As a “disclosing entity” the Company has issued this Prospectus in accordance with the provisions of the Corporations Act applicable to prospectuses for an offer to acquire securities which are quoted enhanced disclosure (ED) securities and the securities are in a class of securities that were quoted ED securities at all times in the 12 months before the issue of the prospectus. Such a prospectus is issued in accordance with section 713 of the Corporations Act and is commonly referred to as a “transaction specific prospectus”.

Having taken such precautions and having made such enquiries as are reasonable, the Company believes that it has complied with the general and specific requirements of the ASX as applicable from time to time throughout the 12 months preceding the date of issue of this Prospectus which require the Company to notify the ASX of information about specified events or matters as they arise for the purpose of the ASX making that information available to the stock market conducted by the ASX.

Apart from specific disclosure requirements, a “transaction specific prospectus” need only contain information in relation to the effect of the Offer on the Company and the rights and liabilities attaching to the Shares. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the Company as the periodic reporting and continuous

disclosure requirements required of disclosing entities mean that all of this information should have previously been released to the market.

The Company as a disclosing entity under the Corporations Act is subject to regular reporting and disclosure obligations. These obligations require the Company to:

- (1) prepare and lodge with ASIC and ASX both annual and half yearly financial reports accompanied by a Directors' declaration and report, and an independent audit or review report; and
- (2) immediately notify ASX of any information concerning the Company of which it is aware, or becomes aware, and which a reasonable person would expect to have a material effect on the price or value of the Company's securities.

The Company will provide a copy of each of the following documents, free of charge, to any person who asks for it prior to the Closing Date:

- (1) the annual audited financial report of the Company for the financial year ended 30 June 2005 (being the last financial report for a financial year to be lodged with ASIC/ASX for the Company before the issue of this Prospectus);
- (2) the half yearly audited financial report of the Company for the half year ending 31 December 2006 (being the most recent half yearly report to be lodged with ASIC/ASX in relation to the Company before the issue of this Prospectus); and
- (3) all continuous disclosure documents lodged with ASIC/ASX.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an office of ASIC.

3.5 ASX announcements

The Company made the following announcements to ASX during the period from the date of lodgement of the Company's annual audited financial report for the year ended 30 June 2005 to the date of this Prospectus:

Date	Title
24/10/2005	Notice of Annual General Meeting
24/10/2005	Change in Director's Interest Notice
22/11/2005	New Market Segment/Memory Product for Mobile Telephones
22/11/2005	AGM Presentation

22/11/2005	AGM Presentation – Script
23/11/2005	Results of Meeting
30/11/2005	Daily Share Buy-Back Notice
30/11/2005	Appendix 3F – Final share buy-back notice
01/12/2005	Legend push for Xmas MP3 player market
04/01/2006	Appendix 3B
04/01/2006	Change in Director's Interest Notice
04/01/2006	Change in substantial shareholding
15/02/2006	Half Year Results
15/02/2006	Investor Presentation
16/02/2006	Half Yearly Reports and Half Year Accounts
10/03/2006	Amendment to Dividend Record & Payment Rates
21/03/2006	Change of Director's Interest Notice
29/03/2006	Change of Director's Interest Notice
29/03/2006	Change of Director's Interest Notice
29/03/2006	Change of Director's Interest Notice
29/03/2006	Appendix 3B
29/03/2006	Appendix 3C – Announcement of buy-back
19/04/2006	Daily & Final Share Buy-Back Notice/ASIC Form 484
19/04/2006	Appendix 3B
28/04/2006	Results Update Q3 2006
04/05/2005	Change of Director's Interest Notice
10/05/2006	Acquires Cable Accessories Holdings Pty Ltd
15/05/2006	Investor Presentation – Acquisition Overview
18/05/2006	Trading Halt
18/05/2006	Company Request for Trading Halt
22/05/2006	Suspension from Official Quotation
23/05/2006	Reinstatement to Official Quotation
23/05/2006	\$11m Placement to Fund Cabac Acquisition
26/05/2006	Notice of General Meeting

Full text of these announcements can be found on the ASX website at www.asx.com.au.

3.6 Directors' Interests

(1) Directors' Holdings

As at the date of this Prospectus, the Directors have relevant interests in the securities as set out in the table below:

Director	Shares	'07 Options*	'08 Options#
Paul Teisseire	113,095	66,667	66,666
Bradley Dowe	49,632,002	-	-
Simon Forth	646,638	166,667	166,666
Timothy King	300,000	66,667	66,666

* Options are exercisable at \$0.70 each on or before 31 March 2007.

Options are exercisable at \$0.80 each on or before 31 March 2008.

(2) Directors' Remuneration

The maximum remuneration of non-executive directors is the subject of a Shareholders resolution of the Company in accordance with the Company's Constitution, the Corporations Act and the ASX Listing Rules. The current limit, which may only be varied by Shareholders at a general meeting, is an aggregate amount of \$200,000 per annum.

The Directors are entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors. Subject to the Corporations Act and ASX Listing Rules, if a Director is called upon to perform extra duties or make special exertions on behalf of the Company, the Directors may remunerate that Director which may either be in addition to or in substitution for his or her usual Director's fees.

The Directors have resolved that Paul Teisseire, in his capacity as the non-executive chairman, will be paid \$50,000 per annum and in the 2006 financial year to date Mr Teisseire has received \$43,728. It has been resolved by the Directors that Timothy King, in his capacity as non-executive Director and Company Secretary, will be paid \$55,650 per annum and in the 2006 financial year to date Mr King has received \$27,825. Mr Bradley Dowe, as Chief Executive Officer, has an employment contract with Legend, as a result of which he will receive a salary package of \$135,000 per annum plus statutory superannuation. In the 2006 financial year to date, Mr Dowe has received approximately \$111,358. Mr Simon Forth, as Executive Director, has an employment contract with Legend, as a result of which he will receive a salary of \$109,000 per annum. Mr Forth is also entitled to bonuses and commission

and the issue of 200,000 Shares subject to the Company Employee Share Plan rules and Shareholder approval. In the financial year to date, Mr Forth has received approximately \$107,220.

Executive remuneration and other fees paid to Directors in each of the 2005 and 2004 financial years, are set out in the tables below.

2005 Financial Year

Directors	Salary & Fees	Superannuation	Number of Shares Issued	Value of Shares at Issue Date	Number of Options Granted	Value of Options at Grant Date	Total Value of Shares & Options
Paul Teisseire	\$59,500	-	-	-	-	-	-
Bradley Dowe	\$136,181	\$12,256	-	-	-	-	-
Timothy King	\$49,750	-	-	-	-	-	-
Simon Forth	\$109,000	\$1,646	100,000	\$53,000	-	-	-

2004 Financial Year

Directors	Salary & Fees	Superannuation	Number of Shares Issued	Value of Shares at Issue Date	Number of Options Granted	Value of Options at Grant Date	Total Value of Shares & Options
Paul Teisseire*	\$8,000	\$1,000	-	-	200,000	\$7,938	\$7,938
Bradley Dowe	\$61,000	\$5,000	-	-	-	-	-
Timothy King*	\$12,000	-	-	-	200,000	\$7,938	\$7,938
Simon Forth	\$45,000^	\$3,000	500,000	\$250,000	500,000	\$19,845	\$269,845
Louise Dowe#	\$12,000	\$1,000	-	-	-	-	-

It is important to note that the Company has only operated in its current legal form since January 2004.

* Appointed 16th February 2004
Retired 16th February 2004
^ Includes a bonus of \$10,000

3.7 Interests of Experts and Advisors

As Broker to the Offer and the Placement Offer, Hartleys will receive a commission of 5% of all funds raised pursuant to the Placement Offer and this Offer, being a total of \$606,375 (inclusive of GST). In addition, Hartleys has received a further \$1,081,168 (inclusive of GST) in the two years before the date of this Prospectus in connection with professional services provided to the Company.

Deacons, as solicitors to the Offer, shall received approximately \$23,000 (inclusive of GST) in fees in connection with the Offer and Placement Offer. In addition, Deacons has also performed due diligence services in relation to Cabac and shall receive approximately \$85,250 (inclusive of GST) for those services. In the past two years Deacons has been paid a

further \$11,132 (inclusive of GST) in fees for professional services to the Company.

Security Transfer Registrars Pty Ltd will be paid approximately \$773 (inclusive of GST) in fees for professional services in connection with the Placement Offer and the Offer. In the past two years Security Transfer Registrars Pty Ltd has been paid a total of \$18,538 (inclusive of GST) in fees for share registry services provided to the Company.

Grant Thornton SA, in the capacity of auditors of the Company and to references to excerpts from the audited financial statements of the Company, shall receive approximately \$5,500 (inclusive of GST) in connection with the Offer and the Placement Offer. In addition, Grant Thornton SA has received a further \$93,445 (inclusive of GST) in the two years before the date of this Prospectus in connection with professional services provided to the Company. Grant Thornton NSW, as associated entity of Grant Thornton SA, shall receive \$77,000 (inclusive of GST) in conjunction with due diligence reviews of Cabac in preparation for the acquisition of Cabac under the Share Purchase Agreement.

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- (1) the formation or promotion of the Company;
- (2) property acquired or proposed to be acquired by the Company in connection with its formation or promotion of the Offer under this Prospectus; or
- (3) the Offer under this Prospectus.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, securities or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Offer under this Prospectus.

3.8 Consents

The following persons or firms have consented to being named in this Prospectus in the manner detailed below and have not withdrawn their consent at the date of this Prospectus:

- (1) Hartleys has given its written consent to the issue of this Prospectus with the inclusions to references to Hartleys included in this Prospectus, in the form and context in which these are included.
- (2) Deacons has given its written consent to the issue of this Prospectus with the inclusions to references to Deacons included in this Prospectus, in the form and context in which these are included.
- (3) Security Transfer Registrars Pty Ltd has given its written consent to the issue of this Prospectus with the inclusions to references to Security Transfer Registrars Pty Ltd included in this Prospectus, in the form and context in which these are included.
- (4) Grant Thornton SA has given its written consent to the issue of this Prospectus with the inclusions to references to Grant Thornton SA included in this Prospectus, in the form and context in which these are included.
- (5) Grant Thornton NSW has given its written consent to the issue of this Prospectus with the inclusions to references to Grant Thornton NSW included in this Prospectus, in the form and context in which these are included.

Each of the persons named above:

- (1) has not authorised or caused the issue of this Prospectus;
- (2) does not make, or purport to make, any statement in this Prospectus other than, in the case of a person referred to under the heading "Consents", a statement or a report included in this Prospectus with the consent of the party; and
- (3) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than reference to its name and, in the case of a person referred to under the heading "Consents", any statement or a report which has been included in this Prospectus with the consent of that party.

3.9 **Litigation**

Legend from time to time becomes involved in legal actions as a consequence of its operations. As at the date of this Prospectus, the Directors believe that there is no litigation threatened against the Company and no litigation threatened by the Company. In addition, the Directors are not presently aware of any circumstances likely to give rise to any litigation.

3.10 **Risks**

There are a number of general and specified risk factors which may impact on the financial performance of the Company and the market price of the Shares. This list is not exhaustive, and, before investing in the Company pursuant to the Prospectus, prospective investors should consider carefully the following risk factors in conjunction with other information contained in this Prospectus, and consult their professional advisers.

3.10.1 **Specific Risks**

There are a number of specific risk factors relating to the Company each of which may adversely impact upon the Company's competitiveness, operating performance, financial position and prospects. These specific risks include, but are not limited to:

(1) **World component supply shortages**

Supplier relations are a major business factor as supply shortages have historically been a common occurrence. Legend has firm relations with most major suppliers. Because of these long standing relationships it is unlikely that supply of critical components would cease. However, supply of these critical components is not guaranteed, and could be at a level below that required to meet business demand and allow for production unit growth.

(2) **Economic Conditions**

Profitability and production volume can be linked to general economic conditions.

(3) **Fluctuation in Input Costs**

The price of DRAM and flash memory has been subject to considerable volatility and may fluctuate adversely impacting on the Company's financial results. Legend maintains accurate stock control and stock scheduling to minimise price movement impacts as far as possible. Cabac's business is also impacted by changes

in inventory costs which may not be able to be passed on to customers.

(4) Regional Issues

Cabac sources the majority of its products from China and Taiwan. Any escalation of geopolitical uncertainty in the region could impact negatively on Cabac's business.

(5) Dependence on Key Personnel

As with all organisations, the potential for loss of key personnel, including senior management, must be acknowledged. The Company has entered into employment contracts with its key executives. However, if a significant number of staff, or key senior executives were to leave the Company, the Company's operating capability and financial results would be adversely affected. The Company has implemented an employee share plan to assist in the retention and motivation of staff.

In order to achieve sustained growth, the Company must attract and retain additional highly qualified management, technical, sales and marketing personnel. There can be no assurance that the Company shall be able to retain existing key employees or attract the new skilled personnel.

(6) Plant

The Company's operations are partially dependent upon its ability to manufacture enough product to meet current demand, and to establish additional production capacity to satisfy anticipated increases in demand.

A temporary or permanent loss of production facilities or the inability to establish new facilities on a timely basis will have an adverse impact on the Company. Difficulties may occur in the operation of the plant, causing production output to be below budget, or excessive plant operating costs per unit of output.

(7) Exchange Rate Risk

The Company purchases and sells product and purchases capital equipment in foreign currencies, and is therefore exposed to fluctuations in exchange rates.

As the Company continues to expand its activities into other countries, it becomes exposed to a greater number of foreign currencies, and its total exposure to foreign currencies increases.

(8) **Technology**

The sector within which the Company operates is subject to rapid changes in technology. The development of new products, services, production techniques or technology in competition with existing products manufactured or purchased by the Company may have an adverse impact on the Company's future results. The growth of wireless technology may adversely impact upon Cabac's business.

(10) **Housing Market**

A slowdown in the housing industry may adversely impact upon demand for Cabac's products.

(11) **Cabac Acquisition Risks**

The acquisition of Cabac involves a number of integration risks associated with retention of key personnel, retaining suppliers, retaining customers, management handover, working capital management and financial system integration.

3.10.2 **General Risks**

The Company is also exposed to a number of general risk factors associated with any ASX listed company most of which are outside the control of the Company and the Directors relating to the general business environment. These general risk factors may adversely impact upon the Company's performance, financial position, profitability and prospects of the Company including the price of its Shares. The general risk factors include, but are not limited to the following:

(1) **Investment Risks**

There is a risk that the price of Shares and returns to holders of Shares may be affected by changes in:

- (a) local and world economic conditions;
- (b) interest rates;
- (c) levels of tax, taxation law and accounting practices;
- (d) government legislation or intervention;
- (e) industrial disruption;
- (f) inflation or inflationary expectations; and

- (g) natural disasters, social upheaval, ongoing terrorist activities or war in Australia or overseas.

(2) **Stock Market Fluctuations**

The market price of the Shares will be subject to varied and often unpredictable influences on the stock market. Therefore the Shares pursuant to this Prospectus may trade above or below the price at which Shares are offered pursuant to this Prospectus.

(3) **General Economic Conditions**

A change in interest rates, exchange rates, commodity prices, relevant taxation and other legal regimes and government policies in Australia and overseas may adversely affect Legend's business.

(4) **Liquidity**

The Directors can make no guarantee that the Shares whilst listed will have a depth of trading.

(5) **New Business**

The Company may, from time to time, introduce new or expanded business initiatives in order to generate additional revenues, and respond to competition. There can be no guarantee that these new business initiatives will be successful.

(6) **Regulatory Environment**

The Company's business activities are not subject to any industry specific or unusual company regulations or laws. However, this does not preclude the possibility of legislation being passed in the future which may adversely affect the operations of the Company.

(7) **Insurance**

The Company maintains insurance which the Directors consider to be appropriate having considered the industry in which the Company operates. However, there may be circumstances where the Company's insurance will not cover, or be adequate to cover, the consequences of certain events, or where the Company may become liable for operational hazards against which it either cannot insure or may elect not to insure because of high premium costs. The occurrence of an event that is not fully covered by insurance could have a material adverse effect on the business, operations and financial performance and position of the Company. Moreover, there can be no assurance that the

Company will be able to maintain adequate insurance in the future at rates the Directors consider commercially reasonable.

(8) Research & Development

The Company is undertaking ongoing research and development activities. There can be no guarantee that the Company identifies critical industry and product trends to ensure that adequate research and development activities are undertaken, or that the research and development activities that are undertaken will be successful, resulting in an adverse impact on the Company.

(9) Environmental

The Company's business activities are not subject to any industry specific or unusual company environmental regulations or laws. However, this does not preclude the possibility of legislation being passed in the future which may adversely affect the operations of the Company.

(10) Credit Risk

The Company relies on the ability of its customers to meet the payments under the credit terms specified in the contracts of sale. Whilst the Directors have no reason to believe that the Company's customers are or will be unable to meet their payment obligations, there can be no assurance that circumstances might arise which would adversely affect the ability of those customers to do so.

(11) Retention of key business relationships

The Company operates in the competitive international market for sale of computer memory and other products. In this market it competes with companies of varying size and financial capacity. The Company relies significantly on several strategic relationships with other entities in the international computer technology industry, including customers, suppliers and equity partners in overseas businesses. There can be no assurance that its existing relationships will continue to be maintained or that new ones will be successfully formed. The Company could be adversely affected by changes to such relationships or difficulties in forming new ones. Any circumstance which causes the early termination or non-renewal of one or more of these key relationships or agreements could adversely impact the Company, its business, operating results and prospects.

(12) **Permits and Licences**

Legend's production and distribution activities are dependent on the grant of appropriate licences, concessions, leases, permits, planning and regulatory consents which may be withdrawn or made subject to conditions. Although the Company believes that the licences, consents and permits it holds will be renewed, if required, according to current applicable laws, there can be no assurance that they will be renewed or as to the terms of any such renewal.

(13) **Sovereign Risk**

Although the Directors consider that the countries that the Company has dealings with are stable, it is not possible to guarantee that the current investment climate will continue if social or political upheaval or a change in leadership occurs. Possible sovereign risks include changes in the taxation rate or in current taxation concessions and changes in the ability to enforce legal rights.

(14) **Intellectual Property**

The Company has certain rights to intellectual property, including brand names, domain names, trade marks, processing technology, product knowledge and other intellectual property. The Company relies upon various laws, agreements and security measures to protect its intellectual property rights. However, the unauthorised disclosure or use of information relating to its intellectual property may have an adverse impact on the Company's financial performance and the price of its Shares.

(15) **Mergers and Acquisitions**

The Company may in the future pursue merger and acquisition strategies as part of the expansion of its business, if an appropriate opportunity becomes available. In addition, the Company may establish additional business operations in foreign countries, including manufacturing facilities.

Such strategies involve exposure to losses where the value to the Company of the assets acquired, having regard to their fair market value and their ability to generate profits for the Company, exceed the prices paid for those assets. In addition, operations in foreign countries carry substantial risks, including a greater risk of managerial failure, and the forfeiture of assets.

The Company's ability to pursue its merger and acquisition strategies depends upon the Company being able to identify businesses or companies for sale that the Company considers generates, or has the potential to generate, a rate of return for the Company that is adequate having regard to the associated risks being assumed through the acquisition.

The Company's inability to identify such businesses, or the acquisition of businesses that generate losses or a lower than expected rate of return, having regard to various factors including the acquisition price, could dilute shareholder returns, and result in the return to investors from an investment in the Company being lower than the returns achieved from the existing business.

(16) Financing

The development of the Company's business depends upon the Company's ability to obtain financing of its operations, through private placement financing, public financing, sale of assets, borrowings or other means. There is no assurance that the Company will be successful in obtaining finance to satisfy its on-going capital requirements.

In the event that the fund raising wholly or partly failed during the timetable specified, the Company would be required to rely upon reserves and its ability to attract alternative funding arrangements.

(17) Taxation

The Company is subject to various forms of taxation, of which income tax and the goods and services tax are expected to have the most significant impact. There is an ongoing risk that changes to taxation legislation may adversely impact revenues or expenditures, and therefore the financial performance of the Company.

(18) Contractual Risks and Other Legal Risks

The Company enters into contracts with various parties as part of its business activities. In the event the other parties fail to meet their contractual obligations the Company's financial performance and position may be adversely impacted.

All agreements entered into by the Company are subject to interpretation. There is no guarantee that the Company will be able to enforce all its rights under its agreements with third parties.

The introduction of new legislation or amendments to existing legislation by governments, developments in existing common law,

or the respective interpretation of the legal requirements in any of the legal jurisdictions which govern the Company's operations or contractual obligations, could impact adversely on the assets, operations and therefore on the financial performance and share price of the Company.

(19) Nature of Investment Risks

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance and position of the Company and the value of the Shares offered under this Prospectus.

(20) Other Business Risks

The Company conducts an extensive and expanding business operation in the technology industry in many countries. As such, it is exposed to a broad range of other risks that are encountered by many businesses, including in the areas of:

- (a) Occupational health and safety issues;
- (b) Labour disputes;
- (c) Misappropriation of assets;
- (d) Staff workload and capacity issues;
- (e) Stock obsolescence;
- (f) Product liability issues;
- (g) Sub-standard quality inventories purchased and manufactured;
- (h) Transport delays;
- (i) Accounting and management issues, particularly in relation to foreign operations; and
- (j) Systems, risk management and internal control deficiencies, failures, limitations and inappropriate remedial action.

Investors should note that the Shares offered pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of the Shares.

3.11 Expenses of the Offer

The following table sets out the estimated expenses of the Offer assuming that the Offer is fully subscribed:

Expense	Amount (inclusive of GST)
Broker Fees and Commission	\$244,898
ASIC Fees	\$2,010
ASX Fees	\$8,467
Legal, advisers costs and other expenses	\$23,000
Total Estimated Costs	\$278,375

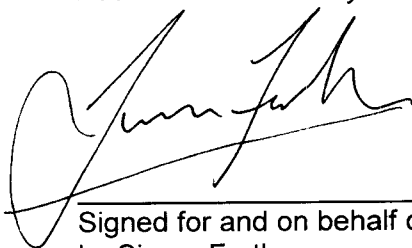
4. **Directors' Statement**

The Directors report that, in their opinion, there have not been any circumstances that have materially affected or will materially affect the value of the assets of the Company, except as disclosed in this Prospectus.

The Directors state that they have made all reasonable enquiries and on that basis have reasonable grounds to believe that any statements made by the Directors in this Prospectus are not misleading or deceptive and in that respect to any other statements made in this Prospectus by persons other than Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe that persons making the statement or statements were competent to make such statements, those persons having given their consent to the statements being included in this Prospectus in the form and context in which they appear and have not withdrawn that consent before lodgement of this Prospectus with ASIC. All the Directors of the Company consent to the lodgement of this Prospectus with the ASIC.

This Prospectus is issued by Legend Corporation Limited. The issue of this Prospectus has been authorised by the Directors and this Prospectus has been signed by Simon Forth on behalf of the Directors.

Dated: 29 May 2006

A handwritten signature in black ink, appearing to read 'Simon Forth', is written over a horizontal line.

Signed for and on behalf of Legend Corporation Limited
by Simon Forth

5. Glossary

\$	means Australian dollars. All amounts in this Prospectus are in Australian dollars unless otherwise stated.
Allotment One	means the issue and allotment of 4,411,000 Shares at \$0.70 per Share
Allotment Two	means the issue and allotment of 1,950,000 Shares at \$0.70 per Share subject to Shareholder approval being obtained at the General Meeting
Applicant	means a person who submits an Application Form to Hartleys.
Application	means a valid application for Shares under this Prospectus.
Application Form	means the application form accompanying this Prospectus.
Application Monies	means the Issue Price multiplied by the number of Shares subscribed for.
ASIC	means the Australian Securities and Investments Commission.
ASX	means Australian Stock Exchange Limited (ACN 008 624 691).
ASTC	means the ASX Settlement and Transfer Corporation Pty Ltd.
Board	means the board of Directors as constituted from time to time.
Broker	means Hartleys.
Business Day	means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
Cabac	means Cable Accessories (Holdings) Pty Ltd ACN 003 213 358.
CHESS	means the Clearing House Electronic Sub-register System.
Closing Date	means 16 June 2006 or such other date as determined by the Directors of the Company in consultation with Hartleys.
Constitution	means the constitution of the Company.
Corporations Act	means the <i>Corporations Act 2001</i> (Cth).
Directors	means the directors of the Company.
EBIT	means earnings before interest and tax.
Employee Share Plan	means the employee share plan implemented by the Company prior to its initial public offering and the subject of resolution 3 at the General Meeting
Exempt Offeree	<p>an exempt offeree means:</p> <ul style="list-style-type: none"> • a "sophisticated investor" within the meaning of section 708(8) of the Corporations Act; • a "professional investor" within the meaning of section 708(11) of the Corporations Act; • an offeree receiving the Placement Offer through a financial services licensee within the meaning of section 708(10) of

	<p>the Corporations Act; or</p> <ul style="list-style-type: none"> an otherwise “exempt” investor within any meaning contained in section 708 of the Corporations Act.
General Meeting	means the general meeting to be held on 26 June 2006 for the purpose of, amongst other things, ratification of the issue of Shares pursuant to the Placement Offer and Allotment One, and approval for the issue of Shares under Allotment Two.
Grant Thornton SA	means Grant Thornton South Australian Partnership.
Grant Thornton NSW	means Grant Thornton Services (NSW) Pty Ltd ACN 001 218 015.
Legend or the Company	means Legend Corporation Limited ABN 69 102 631 087.
Hartleys	means Hartleys Limited ABN 33 104 195 057, the corporate adviser and Broker to the Offer.
Issue Price	means \$0.70, being the amount payable for each Share.
Listing Rules	means the official listing rules of ASX and any other rules of ASX which apply while the Company is a listed company, each as amended or replaced from time to time except to the extent of any express written waiver by ASX.
Official List	means the official list of ASX.
Official Quotation	has the same meaning as quotation in the ASX Listing Rules.
Offer or Issue	means the offer of Shares pursuant to this Prospectus.
Offer Period	means the period between the Opening Date and the Closing Date.
Opening Date	means the commencement of the Offer.
Placement Offer	means the offer to Exempt Offerees of up to 9,389,000 Shares at \$0.70 per Share to raise \$6,572,300.
Prospectus	means this prospectus and any supplementary or replacement prospectus.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholders	means those shareholders of the Company whose details appear on the Company's register of shareholders as at the date of this Prospectus.
Share Purchase Agreement	means the share purchase agreement entered into between the Company and the shareholders of Cable Accessories (Holdings) Pty Ltd ACN 003 213 358 for the acquisition of 100% of the shares in Cabac, further details of which are set out in Section 3.3 of this Prospectus.
Share Registry	means Security Transfer Registrars Pty Ltd.

APPLICATION FORMS

Please complete all parts of the Application Form using BLOCK LETTERS. Use correct forms of registrable name (see below). Applications using the wrong form of name may be rejected. Current CHES participants should complete their name and address in the same format as they are presently registered in the CHES system.

Insert the number of Shares you wish to apply for. The Application must be for a minimum of 2000 Shares and thereafter in multiples of 500 Shares. The Applicant(s) agree(s) upon and subject to the terms of the Prospectus to take any number of Shares equal to or less than the number of Shares indicated on the Application Form that may be allotted to the Applicants pursuant to the Prospectus and declare(s) that all details of statements made are complete and accurate. No notice of acceptance of the Application will be provided by the Company prior to the allotment of Shares. Applicants agree to be bound upon acceptance by the Company of the Application.

Please provide us with a telephone contact number (including the person responsible in the case of an Application by a company) so that we can contact you promptly if there is a query in your Application Form. If your Application Form is not completed correctly, it may still be treated as valid. There is no requirement to sign the Application Form. The Company's decision as to whether to treat your Application as valid, and how to construe, amend or complete it, shall be final. A paper copy of the Prospectus, any supplementary prospectus and the Application Form will be provided to you, at no charge, upon request by telephoning the Company (08) 8401 9888 or Hartleys on (08) 9268 2888. Applications for Shares will only be accepted if made on an Application Form issued together with the Prospectus.

PAYMENT

Applications for Shares must be accompanied by the Application Monies of 70 cents per Share (in Australian currency). Cheques should be made payable to **LEGEND CORPORATION LIMITED – Subscription Account** and crossed "Not Negotiable".

LODGING OF APPLICATIONS

Completed Application Forms and cheques must be:

Posted to:
Hartleys Limited
GPO 2777
Perth WA 6000

OR

Delivered to:
Hartleys Limited
Level 6
141 St Georges Terrace
Perth WA 6000

Applications for Allotment One must be received by no later than 5.00pm WST on 31 May 2006.

Applications for Allotment Two must be received by no later than 5.00pm WST on 16 June 2006.

TAX FILE NUMBERS

The collection of tax file number ("TFN") information is authorised and the tax laws and the Privacy Act strictly regulate its use and disclosure. Please note that it is not against the law not to provide your TFN or claim an exemption, however, if you do not provide your TFN or claim an exemption, you should be aware that tax will be taken out of any unfranked dividend distribution at the maximum tax rate.

If you are completing the Application with one or more joint Applicants, and you do not wish to disclose your TFN or claim an exemption, a separate form may be obtained from the Australian Taxation Office to be used by you to provide this information to the Company. Certain persons are exempt from providing a TFN. For further information, please contact your taxation adviser or any Taxation Office.

CORRECT FORM OF REGISTRABLE TITLE

Note that only legal entities are allowed to hold securities. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to LEGEND CORPORATION LIMITED. At least one full given name and the surname are required for each natural person. The name of the beneficiary or any other non-registrable name may be included by way of an account designation if completed exactly as described in the example of the correct forms of registrable names below:

TYPE OF INVESTOR	CORRECT FORM OF REGISTRATION	INCORRECT FORM OF REGISTRATION
Individual <i>Use given names in full, not initials</i>	Mr John Alfred Smith	J A Smith
Company <i>Use the company's full title, not abbreviations</i>	ABC Pty Ltd	ABC P/L or ABC Co
Joint holdings <i>Use full and complete names</i>	Mr Peter Robert Williams & Ms Louise Susan Williams	Peter Robert & Louise S Williams
Trusts <i>Use trustee(s) personal name(s), Do not use the name of the trust</i>	Mrs Susan Jane Smith <Sue Smith Family A/C>	Sue Smith Family Trust
Deceased Estates <i>Use the executor(s) personal name(s)</i>	Ms Jane Mary Smith & Mr Frank William Smith <Estate John Smith A/C>	Estate of Late John Smith, or John Smith Deceased
Minor (a person under the age of 18) <i>Use the name of a responsible adult with an appropriate designation</i>	Mr John Alfred Smith <Peter Smith A/C>	Master Peter Smith
Partnerships <i>Use the partners' personal names. Do not use the name of the partnership</i>	Mr John Robert Smith & Mr Michael John Smith <John Smith and Son A/C>	John Smith and Son

