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LEGEND STRATEGY INTERNATIONAL HOLDINGS GROUP COMPANY LIMITED

枋濟國際集團控股有限公司

(a company incorporated in the Cayman Islands with limited liability)

(Stock Code: 1355)

DISCLOSEABLE TRANSACTION

RENEWAL OF TENANCY IN RESPECT OF PREMISES IN SHENZHEN, THE PRC

THE SUPPLEMENTAL TENANCY AGREEMENT

The Directors are pleased to announce that on 8 November 2021 (after the trading hours of the Stock Exchange), (i) Shenzhen Yingde, being an indirect wholly-owned subsidiary of the Company (as tenant) (ii) Legend NS, being an indirect wholly-owned subsidiary of the Company (as guarantor of Shenzhen Yingde); and (iii) Shenzhen Chuanghua (as landlord) entered into the Supplemental Tenancy Agreement to renew the 2019 Tenancy Agreement such that Shenzhen Yingde will continue to lease the Premises from Shenzhen Chuanghua after expiry of the 2019 Tenancy Agreement and until 31 December 2023.

LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16, the Group, as tenant, shall recognize an asset representing its right to use the Premises in the amount of approximately RMB12.3 million calculated with reference to the present value of the fixed rental payments as discounted using a discount rate which is equivalent to the Company's incremental borrowing. As such, the transaction contemplated under the Supplemental Tenancy Agreement will be regarded as an acquisition of asset by the Group for the purpose of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Supplemental Tenancy Agreement exceeds 5% but is less than 25%, the entering into of the Supplemental Tenancy Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

ENTERING INTO OF THE SUPPLEMENTAL TENANCY AGREEMENT

The 2019 Tenancy Agreement will expire on 31 December 2021 and the Supplemental Tenancy Agreement is entered into for the extension of term of tenancy for two years until 31 December 2023. The principal terms of the 2019 Tenancy Agreement (as amended and supplemented by the Supplemental Tenancy Agreement) are set out below:

The 2019 Tenancy Agreement (as amended and supplemented by the Supplemental Tenancy Agreement)

Date	:	8 November 2021 (after trading hours of the Stock Exchange)
Parties	:	(i) Shenzhen Yingde, as tenant; (ii) Legend NS, as guarantor of Shenzhen Yingde; and (iii) Shenzhen Chuanghua, as landlord To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Shenzhen Chuanghua and its ultimate beneficial owners are Independent Third Parties.
The Premises	:	Part of 1/F & 3/F to 6/F of Elite Building situated in Nanshan Avenue, Nanshan District, Shenzhen, the PRC
Total rentable area	:	Approximately 7,079 sq.m. pursuant to the 2019 Tenancy Agreement.
Term	:	Two years until 31 December 2023
Total consideration payable	:	The total rental payable under the Supplemental Tenancy Agreement is approximately RMB 12.9 million for the entire term (exclusive of property management fees).
Payment term	:	The rental and property management fee shall be payable monthly in advance no later than the tenth day of each month.
Deposit	:	Parties has agreed that the deposit previously placed by Shenzhen Yingde in the amount of RMB1,073,176 pursuant to the 2019 Tenancy Agreement will be regarded as deposit under the Supplemental Tenancy Agreement as guarantee of the due performance and observance by Shenzhen Yingde of its obligations throughout the extended term of the tenancy. The deposit is refundable without interests.

For more details on the 2019 Tenancy Agreement and/or the Premises, please refer to the announcement of the Company dated 18 July 2019.

The value of the right-of-use asset to be recognised by the Company under the Supplemental Tenancy Agreement would be approximately RMB12.3 million which is the present value of aggregated lease payments in accordance with HKFRS 16. A discount rate of 4.75% per annum is applied to compute the present value of aggregate lease payments under the Supplemental Tenancy Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL TENANCY AGREEMENT

The Group is principally engaged in accommodation operations, provision of accommodation consultations and accommodation facilities management services and other related business. The Group is also involved in the money lending business. As at the date of this announcement, the Group had five leased-and operated accommodation projects under operation in the PRC.

Legend NS is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holdings as at the date of this announcement.

Shenzhen Yingde is wholly owned by Legend NS and, thus an indirect wholly-owned subsidiary of the Company, and is principally engaged in accommodation operations, provision of accommodation consultations and accommodation facilities management services and other related business as at the date of this announcement.

Shenzhen Chuanghua is a company established in the PRC with limited liabilities. The scope of business of Shenzhen Chuanghua includes production, processing and operation of certain electrical/telecommunication devices and machineries, operation of carpark and lease of self-owned properties. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) Shenzhen Chuanghua is wholly-owned by 億利達中國發展有限公司 (Elite China Limited) which is owned as to 99.99% by 億利達工業發展有限公司 (Elite Industrial Holdings Limited) and 0.01% by Liu Yong Ling respectively; (ii) Elite Industrial Holdings Limited is owned as to 1.4% by Liu Yong Ling, 0.6% by Kie Hwie Joe and 98.0% by Liu Yong Ling Foundation Limited respectively; (iii) each of the aforesaid parties is an Independent Third Party.

The Group has been operating its accommodation business in the Premises, Nanshan District, Shenzhen, the PRC for over ten years currently providing 189 rooms. The Premises is located near the subway exit of Nanshan Station of Shenzhen Metro Line No. 11 and in the proximity of the Coastal City Commercial Area, Shenzhen Book Mall (Nanshan), Shenzhen Bay Sports Centre Stadium and theme parks such as the Window of the World, Overseas Chinese Town Harbour and the Sea World. As the 2019 Tenancy Agreement will expire on 31 December 2021 and the Group intends to continue to lease the Premises for its accommodation business in Nanshan District by entering into the Supplemental Tenancy Agreement with Shenzhen Chuanghua.

The terms of the Supplemental Tenancy Agreement were determined after arm's length negotiations between the Shenzhen Yingde, Legend NS and Shenzhen Chuanghua and the rents and property management fee under the Supplemental Tenancy Agreement are same as those in the 2019 Tenancy Agreement. The rental and other amounts payable by Shenzhen Yingde under the Supplemental Tenancy Agreement are expected to be financed by the internal resources of the Group. The Directors consider that the terms of the Supplemental Tenancy Agreement are on normal commercial terms and fair and reasonable and in ordinary and usual course of business of the Group and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

Pursuant to HKFRS 16, the Group, as tenant, shall recognize an asset representing its right to use the Premises in the amount of approximately RMB12.3 million calculated with reference to the present value of the fixed rental payments as discounted using a discount rate which is equivalent to the Company's incremental borrowing rate during the extended term of the tenancy of the Premises pursuant to the Supplemental Tenancy Agreement. As such, the transaction contemplated under the

Supplemental Tenancy Agreement will be regarded as an acquisition of asset by the Group for the purpose of the Listing Rules.

As the highest applicable percentage ratio in respect of the transactions contemplated under the Supplemental Tenancy Agreement exceeds 5% but is less than 25%, the entering into of the Supplemental Tenancy Agreement constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the following expressions shall have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	Legend Strategy International Holdings Group Company Limited (枋濬國際集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on Main Board of the Stock Exchange (stock code: 1355)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	the independent third party(ies) who is/are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, independent of the Company and its connected person(s)
“Legend NS”	枋濬南山酒店有限公司 (Legend Strategy Nanshan Hotel Limited), being an indirect wholly owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, and for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Premises”	Parts of 1/F & 3/F to 6/F of a premises named 億利達精英綜合樓 (transliterated as Elite Building for identification purpose), situated in Nanshan Avenue, Nanshan District, Shenzhen, the PRC
“RMB”	Renminbi, the lawful currency of the PRC

“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	share(s) of HK\$0.01 each in the share capital of the Company
“Shenzhen Chuanghua”	深圳創華合作有限公司 (transliterated as Shenzhen Chuanghua Co-operation Co., Ltd.) for identification purpose, being the landlord of the Premises
“Shenzhen Yingde”	深圳盈的旅業有限公司 (transliterated as Shenzhen Yingde Tourists Co., Ltd. for identification purpose), being an indirect wholly-owned subsidiary of the Company and the tenant of the Premises
“sq.m.”	square meters
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Tenancy Agreement”	an agreement dated [8] November 2021 entered into between Shenzhen Yingde (as tenant), Shenzhen Chuanghua (as landlord) and Legend NS (as guarantor of Shenzhen Yingde), to renew the 2019 Tenancy Agreement in respect of the tenancy of the Premises
“2019 Tenancy Agreement”	an agreement dated 18 July 2019 entered into between Shenzhen Yingde (as tenant), Shenzhen Chuanghua (as landlord) and Legend NS (as guarantor of Shenzhen Yingde) in respect of the tenancy of the Premises

For and on behalf of the Board
**Legend Strategy International Holdings Group
Company Limited**
Yuan Fuer
Chairman

Hong Kong, 8 November 2021

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Chen Wu (*Chief Executive Officer*)

Mr. Chung Tin Yan

Non-executive Directors:

Mr. Yuan Fuer (*Chairman*)

Mr. Hu Xinglong

Independent non-executive Directors:

Mr. Wu Jilin

Mr. Du Hongwei

Ms. Li Zhou