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**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)*

**(Stock Code: 1355)**

**INSIDE INFORMATION**

**LETTER OF INTENT FOR LEASE OF PREMISES IN THE PRC**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

**LETTER OF INTENT**

On 24 December 2021 (after trading hours of the Stock Exchange), Shenzhen Legend (an indirect wholly-owned subsidiary of the Company) and Shenzhen Zhaohua entered into the Letter of Intent pursuant to which Shenzhen Legend may lease a premises under development in Shenzhen, the PRC (the “**Premises**”) from the Shenzhen Zhaohua for its accommodation operation.

The principal terms of the Letter of Intent are set out below:

- Date** : 24 December 2021 (after trading hours of the Stock Exchange)
- Parties** : (i) Shenzhen Legend (as tenant); and  
(ii) Shenzhen Zhaohua (as landlord)
- Premises** : Certain portion of a premises under development in close proximity to Shenzhen World Exhibition & Convention Center (深圳國際會展中心), the PRC with expected rentable area of approximately 10,000 sq.m..

- Term** : Initially 15 years from the date on which Shenzhen Legend occupies the Premises which is current expected to be around the fourth quarter of 2022.
- Rent** : The monthly rents will be determined based on a fixed rate and certain percentage of revenue of Shenzhen Legend whichever is higher (all tax and property management fee inclusive)
- Rent free period** : 12 months from the date on which Shenzhen Legend occupies the Premises subject to terms of any definitive agreement.
- Earnest money** : Within 10 business day upon signing of the Letter of Intent, Shenzhen Legend shall pay a sum of RMB800,000, being the earnest money of the possible lease (the “**Earnest Money**”), to Shenzhen Zhaohua. In the event any definitive agreement in respect of the lease of the Premises is entered into by both parties, the Earnest Money would become the part of the rental deposit. The Earnest Money was determined after arm’s length negotiations between the parties and is refundable. The Company intends to finance the Earnest Money by its internal resources.
- Exclusivity** : Shenzhen Zhaohua agreed that within the 90 days of signing the Letter of Intent, it will not liaise or enter into any legal documents with any parties other than Shenzhen Legend in relation to the sales and lease of and co-operation in the Premises.
- Non-legally binding** : Save for the provisions of the Letter of Intent in relation to Earnest money, exclusivity, confidential information, the Letter of Intent is not legally binding.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE LETTER OF INTENT**

The Company 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, the Company has five leased-and-operated accommodation projects under operation in Shenzhen, Huizhou, Chengdu and Wuhan, the PRC.

Shenzhen Zhaohua is a company established in the PRC with limited liability and owned as to approximately 50% by each of (i) 招商局蛇口工業區控股股份有限公司 (China Merchants Shekou Industrial Zone Holdings Co., Ltd.), a non-wholly owned subsidiary of 招商局集團有限公司 (China Merchants Group Limited) which is a state-owned enterprise; and (ii) 深圳華僑城股份有限公司 (Shenzhen Overseas Chinese Town Co., Ltd.), a non-wholly owned subsidiary of 華僑城集團有限公司 (Overseas Chinese Town Group Co., Ltd.) which is a state-owned enterprise. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Shenzhen Zhaohua and the its aforesaid parent companies are the Independent Third Parties.

The Group intends to expand the coverage of its accommodation business and has been exploring suitable places. As the Premises will be constructed in close proximity to Shenzhen World Exhibition & Convention Center (深圳國際會展中心) and Shenzhen Baoan International Airport, the Company considers the possible lease of the brand new Premises as an appealing opportunity to expand its accommodation business.

The Board wishes to emphasise that the Group is still in the course of negotiation with Shenzhen Zhaohua on the principal terms of the possible lease. Therefore, the Letter of Intent may or may not lead to the entering into of the definitive agreement with Shenzhen Zhaohua and the final terms of the definitive agreement, if any, in respect of the possible lease may deviate from those set out in the Letter of Intent. If the possible lease materializes, the transaction may constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules. Further announcement will be made by the Company as and when appropriate.

**As the Letter of Intent is not legally binding, the Group may or may not proceed the possible lease under the Letter of Intent. Further, as no legally binding agreement with respect to the possible lease has been entered into, the transaction contemplated thereunder may or may not proceed. Shareholders and possible investors of the Company are reminded to exercise caution when dealing in the Shares.**

## 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) who is(are) third party(ies) independent of the Company and connected persons of the Company

“Letter of Intent”	a non-legally binding letter of intent dated 24 December 2021 entered into between Shenzhen Legend and Shenzhen Zhaohua in relation to the possible lease of the Premises
“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
“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 Legend”	深圳枋浚酒店管理有限公司(transliterated as Shenzhen Legend Hotel Management Limited for identification purpose), an indirect wholly-owned subsidiary of the Company
“Shenzhen Zhaohua”	深圳市招華會展實業有限公司 (transliterated as Shenzhen Zhaohua Exhibition Industrial Limited for identification purpose)
“sq.m.”	square meter
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board

**Legend Strategy International Holdings Group**

**Company Limited**

**Yuan Fuer**

*Chairman*

Hong Kong, 24 December 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