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If you are in any doubt as to any aspect about this circular or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Legend Upstar Holdings Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Legend Upstar Holdings Limited

駿 聯 控 股 有 限 公 司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 459)

**MAJOR TRANSACTION
PROVISION OF MORTGAGE LOAN**

Unless the context otherwise requires, all capitalised terms used in this circular have the meanings set out in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 4 to 8 of this circular.

The Company has obtained an irrevocable and unconditional written approval for the Loan Transaction from a Shareholder holding more than 50% of the issued share capital of the Company. Accordingly, no general meeting of Shareholders will be convened to approve the Loan Transaction pursuant to Rule 14.44 of the Listing Rules. This circular is being despatched to the Shareholders for information only.

23 November 2022

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Borrower A”	Mr. ZHENG Yaqin, one of the borrowers under the Mortgage Loan Agreement, being an Independent Third Party
“Borrower B”	Ms. CHEN Yanying, one of the borrowers under the Mortgage Loan Agreement, being an Independent Third Party
“Borrower C”	Mr. ZHENG Siming, one of the borrowers under the Mortgage Loan Agreement, being an Independent Third Party
“Borrowers”	collectively, Borrower A, Borrower B and Borrower C
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Legend Upstar Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 459)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of and not connected with the Company and its connected persons (as defined under the Listing Rules)

DEFINITIONS

“Latest Practicable Date”	18 November 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Legend Credit”	Legend Credit Limited, a limited liability company incorporated under the laws of Hong Kong which is a licensed money lender under the Money Lenders Ordinance (Money Lender’s Licence No. 0187/2022), and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the mortgage loan in the principal amount of HK\$55,000,000 granted by Legend Credit to the Borrowers pursuant to the Mortgage Loan Agreement
“Loan Transaction”	the grant of the Loan under the Mortgage Loan Agreement
“Macau”	the Macau Special Administrative Region of the PRC
“Main Board”	Main Board of the Stock Exchange (excluding the option market) operated by the Stock Exchange
“Midland”	Midland Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1200)
“Midland Group”	Midland and its subsidiaries
“Model Code”	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“Mortgage”	the mortgage created by the Mortgagors in favour of Legend Credit over the property to secure the obligations of the Borrowers under the Mortgage Loan Agreement
“Mortgage Loan Agreement”	the mortgage loan agreement dated 17 October 2022 entered into among Legend Credit, the Borrowers and the Mortgagors

DEFINITIONS

“Mortgagors”	the Borrowers, the mortgagors under the Mortgage Loan Agreement, being the tenants in common of the property secured under the Mortgage and each of them is referred to as a Mortgagor
“Mr. WONG”	Mr. WONG Kin Yip, Freddie, the Chairman, an executive Director and a controlling Shareholder
“PRC”	the People’s Republic of China which, for the sole purpose of this circular, excludes Hong Kong, Macau and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Option(s)”	share option(s) granted pursuant to the share option scheme adopted by the Company on 18 June 2020
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

LETTER FROM THE BOARD



Legend Upstar Holdings Limited

駿聯控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 459)

Executive Directors:

Mr. WONG Kin Yip, Freddie (*Chairman*)

Ms. WONG Ching Yi, Angela

Mr. LO Chin Ho, Tony

Mr. WONG Alexander Yiu Ming

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Independent Non-executive Directors:

Mr. SHA Pau, Eric

Mr. HO Kwan Tat, Ted

Mr. WONG Chung Kwong

Mr. LI Wai Keung

Head Office and Principal Place of

Business in Hong Kong:

Rooms 2505-8, 25th Floor

World-Wide House

19 Des Voeux Road Central

Hong Kong

23 November 2022

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION PROVISION OF MORTGAGE LOAN

INTRODUCTION

Reference is made to the announcement of the Company dated 17 October 2022 in relation to the Loan Transaction.

The purpose of this circular is to provide you with details of the Loan Transaction and other information as required under the Listing Rules.

PROVISION OF MORTGAGE LOAN

On 17 October 2022, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into the Mortgage Loan Agreement with the Borrowers and the Mortgagors, pursuant to which, Legend Credit agreed to lend to the Borrowers the Loan in the principal amount of HK\$55,000,000 at an effective interest rate of 9.25% per annum for a repayment term of 12 months.

LETTER FROM THE BOARD

The principal terms of the Mortgage Loan Agreement are summarised as follows:

Date	:	17 October 2022
Lender	:	Legend Credit, an indirect wholly-owned subsidiary of the Company
Borrower	:	the Borrowers
Mortgagor	:	the Mortgagors
Loan	:	in the principal amount of HK\$55,000,000
Effective interest rate	:	9.25% per annum
Drawdown date	:	1 November 2022
Maturity date	:	1 November 2023
Repayment term	:	The Loan shall be repaid in 12 successive monthly instalments. The Borrowers shall repay the interests on a monthly basis with the principal amount to be repaid at loan maturity.
Repayment date	:	The date in each calendar month (subsequent to the calendar month of drawdown) that numerically corresponds to the drawdown date, or (if there is no such date in a calendar month) the last day of the calendar month. If any repayment date falls on a Saturday, Sunday or public holiday, payment shall be made on the next business day.
Early repayment	:	The Borrowers may repay the principal amount of the Loan and all accrued interest in full or partially ahead of the maturity date of the Loan by giving prior written notice to Legend Credit.
Default rate	:	9.25% per annum on a day-to-day basis on any sum which is not paid when due.
Security	:	A first legal charge/Mortgage in respect of a residential property located in Mong Kok, Hong Kong with a valuation of approximately HK\$74,000,000 conducted by an independent property valuer on 7 September 2022 engaged by the Company.

LETTER FROM THE BOARD

FINANCIAL EFFECTS OF THE LOAN TRANSACTION

Assets and liabilities

The proceeds from the Loan in the amount of HK\$55,000,000 will be used to fully settle the outstanding principal of HK\$55,000,000 granted by Legend Credit to the Borrowers under the previous loan agreement. Details of the previous loan agreement were disclosed in the Company's announcement dated 26 October 2021. There will not be any changes in the loan receivables and cash and cash equivalents of the Group after entering into the Loan Transaction. The provision of the Loan is not expected to have any material impact on the net asset value of the Group.

Earnings

Additional interest income will be derived from the Loan and contributed as revenue of the Group.

Save as the abovementioned, the Directors consider that the Loan Transaction will not have any other material effect on the total assets, total liabilities and earnings of the Group.

REASONS FOR AND BENEFITS OF THE LOAN TRANSACTION

The provision of the Loan was a transaction carried out as part of the ordinary and usual course of business activities of the Group. The terms of the Mortgage Loan Agreement (including but not limited to the interest rate) were arrived at by the parties after arm's length negotiations, with reference to the prevailing commercial practice, the security provided and the amount of the Loan. The Loan will be funded by internal resources of the Group.

The grant of the Loan was made based on the Company's credit assessments on the financial strength and repayment ability of the Borrowers and the security provided by the Borrowers. After having taken into account the factors as mentioned above, the Company considers that the credit risks of granting the Loan to the Borrowers are relatively low. The grant of the Loan will provide additional interest income to the Group.

The Directors consider that the terms of the Mortgage Loan Agreement are on normal commercial terms and are fair and reasonable and the entering into of the Mortgage Loan Agreement is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

Information on the Group and Legend Credit

The Company is an investment holding company and the principal business activities of the Group are provision of property agency services in respect of commercial and industrial properties and shops, properties investment, credit business and securities investment in Hong Kong.

LETTER FROM THE BOARD

Legend Credit, an indirect wholly-owned subsidiary of the Company, is a limited liability company incorporated under the laws of Hong Kong and is a licensed money lender under the Money Lenders Ordinance and its principal business is money lending.

Information on the Borrowers and the Mortgagors

Each of the Borrowers, who is also a Mortgagor, is an individual. The Borrowers are merchants who are principally engaged in property development in the PRC, and are of father, mother and son relationship. The Borrowers are tenants in common of the property mortgaged to Legend Credit as security of the Loan. The Borrowers are our previous customers with no default record.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Borrowers is an Independent Third Party.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the amount of the Loan exceeds 25% but all are less than 100% under Rule 14.07 of the Listing Rules, the Loan Transaction constitutes a major transaction of the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

WRITTEN SHAREHOLDER'S APPROVAL

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, no Shareholder has any material interest in the Loan Transaction and accordingly no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the Loan Transaction. The Company has obtained the written approval for the Loan Transaction from Wealth Builder Holdings Limited, the controlling Shareholder holding 1,016,873,428 Shares as at the date of this circular (representing approximately 56.33% of the issued share capital of the Company) carrying rights to vote at a general meeting of the Company, and such written approval is accepted in lieu of holding a general meeting pursuant to Rule 14.44 of the Listing Rules. As such, no general meeting of the Company will be convened to approve the Loan Transaction.

RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the Loan Transaction is carried out on normal commercial terms, and the terms of the Mortgage Loan Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board (including the independent non-executive Directors) would recommend the Shareholders to vote in favour of the relevant resolution regarding the Loan Transaction if the Company were to convene an extraordinary general meeting for the approval of the Loan Transaction.

LETTER FROM THE BOARD

ADDITIONAL INFORMATION

Your attention is drawn to the information as set out in the appendices to this circular.

Yours faithfully,
By order of the Board
Legend Upstar Holdings Limited
WONG Alexander Yiu Ming
Executive Director

1. FINANCIAL INFORMATION

The audited consolidated financial statements of the Group for the last three financial years ended 31 December 2019, 2020 and 2021 were disclosed in the annual reports of the Company for each of the three years ended 31 December 2019 (the “**2019 Annual Report**”) (pages 58 to 121), 2020 (the “**2020 Annual Report**”) (pages 56 to 113) and 2021 (the “**2021 Annual Report**”) (pages 60 to 117), respectively. The unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2022 is set out from pages 19 to 50 in the interim report of the Company for the six months ended 30 June 2022 (the “**2022 Interim Report**”). The aforementioned financial information of the Group has been published on both the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.legendupstarholdings.com). Please refer to the hyperlinks as stated below:

- (a) 2019 Annual Report which was posted on the Stock Exchange’s website on 27 April 2020 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0427/2020042700923.pdf>);
- (b) 2020 Annual Report which was posted on the Stock Exchange’s website on 28 April 2021 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0428/2021042801005.pdf>);
- (c) 2021 Annual Report which was posted on the Stock Exchange’s website on 28 April 2022 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0428/2022042802617.pdf>); and
- (d) 2022 Interim Report which was posted on the Stock Exchange’s website on 28 September 2022 (<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0928/2022092800582.pdf>).

2. INDEBTEDNESS STATEMENT

As at the close of business on 30 September 2022, being the latest practicable date for the purpose of the indebtedness statement in this circular, the Group had outstanding bank borrowings of approximately HK\$506,290,000 which were secured by certain investment properties held by the Group and corporate guarantee provided by the Company.

The Group leases various properties for the use of office and branches. As at 30 September 2022, the lease liabilities of the Group were approximately HK\$46,333,000, which approximately HK\$23,564,000 would be due within one year and approximately HK\$22,769,000 would be due after one year.

As at 30 September 2022, the amount due to non-controlling interests by the Group was approximately HK\$420,000.

The Group has been involved in certain claims/litigations in respect of their property agency services, including a number of cases in which third party customers alleged that certain Group employees, when advising customers, had made misrepresentations about the properties that the customers intended to acquire. Among which, a trial case with a claim of HK\$120,600,000 has commenced. The judgement of this case is expected to be handed down in May 2023. After seeking legal advice, the management is of the opinion that either

an adequate provision has been made in the consolidated financial statements of the Company's latest published audited accounts to cover any potential liabilities or that no provision is required as based on the current facts and evidence there is no indication that an outflow of economic resources is probable.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of the business of the Group, as at the close of business on 30 September 2022, the Group did not have any (i) debt securities issued and outstanding, or authorised or otherwise created but unissued; (ii) term loans, other borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments; (iii) mortgages and charges; or (iv) any material contingent liabilities, lease liabilities or guarantees.

3. WORKING CAPITAL

The Directors, after due and careful enquiry, taking into account the financial resources available to the Group (including internally generated funds and borrowing facilities) and the impact of the Loan Transaction, are of the opinion that the Group has sufficient working capital for its present requirements for at least the next 12 months from the date of this circular.

The Company has obtained the relevant letter as required under Rule 14.66(12) of the Listing Rules.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the provision of property agency services in respect of commercial and industrial properties and shops, properties investment, credit business and securities investment in Hong Kong.

During the six months ended 30 June 2022 (the “**Interim Period**”), the Group recorded a decline in financial results which was mainly attributable to the adverse market conditions caused by the outbreak of the fifth wave of the COVID-19 pandemic in Hong Kong, and the interest rate hikes triggered by the fear of worldwide inflation and the Russo-Ukraine conflict. These internal concerns and external issues took a toll on the local economy and led to a drop in the transaction value and volume of non-residential properties in Hong Kong.

Furthermore, the Group's diversification strategy has continued to pay off, with both Legend Credit, the money lending unit of the Group and their property investment businesses registering an increase in profit during the Interim Period, which helped augment the income of the Group in the first half of 2022. The name change from “Midland IC&I Limited” to “Legend Upstar Holdings Limited” and the Chinese name of the Company from “美聯工商舖有限公司” to “駿聯控股有限公司” also helped to better reflect the Group's different principal business activities, corporate structure, strategic business plan and future development direction, benefitting the future business development of the Group.

5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save as disclosed in part (d) of the paragraph headed “1. FINANCIAL INFORMATION” and the paragraph headed “4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP” above, the Directors confirmed that there has been no material adverse change in the financial or trading position or outlook of the Group since 31 December 2021, being the date to which the latest published audited consolidated financial statements of the Group were made up.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

Interest of the Directors

As at the Latest Practicable Date, interests of the Directors and the chief executive of the Company and their respective associates in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were deemed or taken to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code to be notified to the Company and the Stock Exchange were as follows:

i. Long position in the Shares and underlying Shares

Name of Directors	Number of	Number of	Total	Approximate percentage of the issued voting shares of the Company
	Shares	underlying Shares		
	Corporate interest/ Interest of controlled corporations	Personal interest/ Beneficial owner <i>(Note 1)</i>		
Mr. WONG	1,016,873,428 <i>(Note 2)</i>	18,000,000	1,034,873,428	57.32%
Ms. WONG Ching Yi, Angela	–	18,000,000	18,000,000	1%
Mr. WONG Alexander Yiu Ming	–	18,000,000	18,000,000	1%

Notes:

- (1) These underlying Shares (being physically settled unlisted derivatives) were held by the Director(s) by virtue of the interests in the Share Options granted to him/her. Particulars of such underlying Shares are disclosed in the sub-section headed “iii. Underlying Shares – Share Options” below.
- (2) Such Shares were held by Wealth Builder Holdings Limited (“**Wealth Builder**”) which was indirectly wholly-owned by Mr. WONG through his wholly-owned company, namely Luck Gain Holdings Limited (“**Luck Gain**”).

ii. Long position in the shares and underlying shares of the associated corporation of the Company

Name of associated corporations	Name of Directors	Capacity/Nature	Approximate percentage of the issued voting shares of the	
			Number of ordinary shares	associated corporation
Wealth Builder	Mr. WONG	Interest of controlled corporation/ Corporate interest <i>(Note)</i>	1	100%
Powerful Surge Group Limited	Ms. WONG Ching Yi, Angela	Beneficial owner/ Personal interest	5	5%

Note: Such share was held by Luck Gain which was directly wholly-owned by Mr. WONG.

iii. Underlying Shares – Share Options

Share Options, which were unlisted and physically settled, to subscribe for Shares were beneficially held by certain Directors.

Name of Directors	Number of Share Options as at the Latest Practicable Date	Date of grant <i>(Note)</i>	Exercise price per Share <i>(HK\$)</i>	Exercisable period
Mr. WONG	18,000,000	3 January 2022	0.128	3 January 2023 – 2 January 2030
Ms. WONG Ching Yi, Angela	18,000,000	3 January 2022	0.128	3 January 2023 – 2 January 2030
Mr. WONG Alexander Yiu Ming	18,000,000	3 January 2022	0.128	3 January 2023 – 2 January 2030

Note: All the options granted were subject to a vesting period from the date of grant until the commencement of the exercisable period.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company nor their associates had registered an interest or short position in any shares or underlying shares and/or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which

were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions in which would be taken or deemed to have under such provisions of the SFO) or that was required to be recorded in the register kept by the Company pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange, pursuant to the Model Code.

As at the Latest Practicable Date, Mr. WONG and Ms. WONG Ching Yi, Angela (an executive Director) were directors of Wealth Builder and Luck Gain, all being companies which had an interest in the Shares as disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO. Save as disclosed above, as at the Latest Practicable Date, none of the Directors or proposed directors of the Company (if any) was a director or employee of a company which had, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. OTHER DIRECTOR'S INTERESTS

(a) Service contracts

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which was not determinable by the relevant member of the Group within one year without payment of compensation, other than statutory compensation.

(b) Interests in competing businesses

As at the Latest Practicable Date, Mr. WONG is the chairman and executive director of Midland and is a controlling shareholder of Midland, and Ms. WONG Ching Yi, Angela held executive directorships in the Midland Group. The Midland Group is principally engaged in the provision of property agency services in respect of residential properties in Hong Kong, Macau and the PRC, property leasing, immigration consultancy services and money lending services.

As the Board is independent of the board of directors of Midland and none of the above Directors can control the Board and the Board has a significant number of disinterested independent non-executive Directors, the Group is capable of carrying on its businesses independently of, and at arm's length from, the business of the Midland Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor their respective close associates had any interest in any business which compete or is likely to compete, either directly or indirectly, with the business of the Group.

(c) Interests in assets

A tenancy agreement was made on 11 July 2022 between Bright Eastern Limited, an indirect wholly-owned subsidiary of the Company, as landlord and Midland Corporate Leasing (XV) Limited, an indirect wholly-owned subsidiary of Midland (of which Mr. WONG is a controlling shareholder), as tenant whereby the landlord agreed to let the premises located at Shop No. 6 on Ground Floor, Cambridge Court, Nos. 84A-84H & 84J-84M Waterloo Road, Kowloon, Hong Kong for a term of two years from 15 July 2022 to 14 July 2024 at a monthly rental of HK\$98,000 with a rent-free period of 1 month. Further details are set out in the announcement of the Company dated 11 July 2022.

A tenancy agreement was made on 18 March 2022 between Teamway Group Limited, an indirect wholly-owned subsidiary of the Company, as landlord and Union Honor Limited, an indirect wholly-owned subsidiary of Midland (of which Mr. WONG is a controlling shareholder), as tenant whereby the landlord agreed to let the premises located at the Whole of 21st Floor, Ford Glory Plaza, No. 37 Wing Hong Street, Kowloon, Hong Kong for a term of one year from 19 March 2022 to 18 March 2023 at a monthly rental of HK\$205,000 without rent-free period. Further details are set out in the announcement of the Company dated 11 July 2022.

A tenancy agreement was made on 28 April 2022 between Midland Alliance Limited, an indirect wholly-owned subsidiary of the Company, as tenant and Shun Yik International Limited, a company wholly-owned by Mr. WONG, as landlord whereby the landlord agreed to let the premises located at Office Nos. 11-17, 7th Floor, Tower B, New Mandarin Plaza, 14 Science Museum Road, Kowloon, Hong Kong for a term of one year from 1 May 2022 to 30 April 2023 at a monthly rental of HK\$220,000 without rent-free period. Further details are set out in the announcement of the Company dated 28 April 2022.

A licence agreement was made on 19 November 2021 between Crown Lucky Investment Limited, an indirect wholly-owned subsidiary of the Company, as licensee and Moral Winner Investment Limited, a company wholly-owned by Mr. WONG, as licensor whereby the licensor agreed to grant a licence to the licensee to install signage at the designated space of the external wall facing Shanghai Street of the building known as “No. 33 Argyle” at No. 33 Argyle Street, Kowloon, Hong Kong, for a term of one year from 1 December 2021 to 30 November 2022 at a monthly fee of HK\$73,000. Further details are set out in the announcement of the Company dated 28 April 2022.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by, or leased to, any member of the Group, or were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2021 (being the date of which the latest published audited consolidated financial statements of the Group were made up).

(d) Interests in contract or arrangement

A cross referral services framework agreement was made on 8 February 2021 between the Company and Midland (of which Mr. WONG is the chairman, an executive director and a controlling shareholder), in relation to cross referral services provided between the relevant members of the Group and of the Midland Group for the period from 16 November 2020 to 15 November 2023, whereby the Midland Group may refer estate agency business in respect of industrial and commercial properties and shops in Hong Kong, Macau and the PRC to the relevant members of the Group from time to time, and the Group may refer estate agency business in respect of residential properties in Hong Kong, Macau and the PRC to the relevant members of the Midland Group from time to time (the “**Cross Referral Transactions**”). The Cross Referral Transactions are conducted on a case-by-case basis and on normal commercial terms. Further details are set out in the announcement of the Company dated 8 February 2021 and the circular of the Company dated 15 March 2021.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors had any material interest in any contracts or arrangements subsisting at the Latest Practicable Date which was significant in relation to the business of the Group.

5. MATERIAL CONTRACTS

No material contracts, not being contracts entered into in the ordinary course of business of the Group, had been entered into by any member of the Group within two years immediately preceding the date of this circular.

6. LITIGATION

The Group has been involved in certain claims/litigations in respect of their property agency services, including a number of cases in which third party customers alleged that certain Group employees, when advising customers, had made misrepresentations about the properties that the customers intended to acquire. Among which, a trial case with a claim of HK\$120,600,000 has commenced. The judgement of this case is expected to be handed down in May 2023. After seeking legal advice, the management is of the opinion that either an adequate provision has been made in the consolidated financial statements of the Company’s latest published audited accounts to cover any potential liabilities or that no provision is required as based on the current facts and evidence there is no indication that an outflow of economic resources is probable.

Save as disclosed above, as at the Latest Practicable Date, to the best of the Directors’ knowledge, information and belief, no member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

7. GENERAL

- (a) In the event of inconsistency, the English text of this circular shall prevail over its respective Chinese text.
- (b) The secretary of the Company is Ms. MUI Ngar May, Joel. She is an associate member of both The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) and has over 15 years of experience in the company secretarial field.
- (c) The head office and principal place of business in Hong Kong of the Company is at Rooms 2505-8, 25th Floor, World-Wide House, 19 Des Voeux Road Central, Hong Kong. The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (d) The principal share registrar and transfer office of the Company in the Cayman Islands is Conyers Trust Company (Cayman) Limited at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (e) The branch share registrar and transfer office of the Company in Hong Kong is Tricor Tengis Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.

8. DOCUMENTS ON DISPLAY

A copy of the Mortgage Loan Agreement will be on display on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.legendupstarholdings.com) for a period of 14 days from the date of this circular.

As the Mortgage Loan Agreement contains certain personal information, being the identification document numbers and residential addresses of the Borrowers (who are also the Mortgagors), (the “**Personal Information**”), the Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14.66(10) and paragraph 43(2)(c) of Appendix 1B to the Listing Rules by redacting the Personal Information in the Mortgage Loan Agreement to be displayed on the websites of the Stock Exchange and the Company based on the following grounds:-

- (i) as the Personal Information is considered to be personal data which is currently not available in the public domain and the Borrowers refused to give consents for disclosure of the Personal Information on the websites of the Company and the Stock Exchange, such public disclosure may constitute a possible breach of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong); and
- (ii) given the identities of the Borrowers and other terms of the Loan Transaction will be disclosed to the public by displaying the Mortgage Loan Agreement on the websites of the Company and the Stock Exchange, the Company is of the view

that the Personal Information is (a) of minor importance only and is not such as will influence assessment of the assets and liabilities, financial position, profits and losses and prospects of the Company and the impact of the Loan Transaction; and (b) the omission of which is not likely to mislead investors with regard to the facts and circumstances, knowledge of which is essential for the informed assessment of the Company's securities and the Loan Transaction.