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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)

## **DISCLOSEABLE TRANSACTION PROVISION OF MORTGAGE LOANS**

### **PROVISION OF MORTGAGE LOANS**

On 21 September 2023, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into Mortgage Loan Agreement A with Borrower A and Mortgagor A, pursuant to which, Legend Credit agreed to lend to Borrower A Loan A in the principal amount of HK\$5,000,000 at an effective interest rate of 9.5% per annum for a repayment term of 12 months.

On 13 November 2023, Legend Credit entered into Mortgage Loan Agreement B with the Borrowers and the Mortgagors, pursuant to which, Legend Credit agreed to lend to the Borrowers Loan B in the principal amount of HK\$25,000,000 at an effective interest rate of 9.55% per annum for a repayment term of 12 months.

### **LISTING RULES IMPLICATIONS**

The aggregate principal amount of the Loans as at the date of this announcement is HK\$30,000,000. Since the Borrowers are associated with each other and Mortgage Loan Agreement A and Mortgage Loan Agreement B were entered into within a 12-month period, the transactions contemplated under Mortgage Loan Agreement A and Mortgage Loan Agreement B are required to be aggregated under Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of (i) Loan A on a standalone basis is below 5%; (ii) Loan B on a standalone basis exceeds 5% but all are less than 25%; and (iii) the Loans on an aggregate basis exceeds 5% but all are less than 25%, the grant of the Loans on an aggregate basis constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **BACKGROUND**

On 21 September 2023, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into Mortgage Loan Agreement A with Borrower A and Mortgagor A, pursuant to which, Legend Credit agreed to lend to Borrower A Loan A in the principal amount of HK\$5,000,000 at an effective interest rate of 9.5% per annum for a repayment term of 12 months.

On 13 November 2023, Legend Credit entered into Mortgage Loan Agreement B with the Borrowers and the Mortgagors, pursuant to which, Legend Credit agreed to lend to the Borrowers Loan B in the principal amount of HK\$25,000,000 at an effective interest rate of 9.55% per annum for a repayment term of 12 months.

## **PRINCIPAL TERMS OF THE MORTGAGE LOAN AGREEMENTS**

### **Mortgage Loan Agreement A**

The principal terms of Mortgage Loan Agreement A are summarised below:

Date	:	21 September 2023
Lender	:	Legend Credit, an indirect wholly-owned subsidiary of the Company
Borrower	:	Borrower A
Mortgagor	:	Mortgagor A
Loan	:	in the principal amount of HK\$5,000,000
Effective interest rate	:	9.5% per annum (calculated based on 15% per annum for the first month after the date of loan drawdown and 9% per annum for the subsequent months)
Drawdown date	:	21 September 2023
Maturity date	:	21 September 2024
Repayment term	:	Loan A shall be repaid in 12 successive monthly instalments. Borrower A 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 of Loan A) that numerically corresponds to the drawdown date of Loan A, 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 : Borrower A may repay the principal amount of Loan A and all accrued interest in full or partially ahead of the maturity date of Loan A by giving prior written notice to Legend Credit.
- Default rate : 9.5% per annum on a day-to-day basis on any sum which is not paid when due.
- Security : (i) a first legal charge/mortgage and rental assignment in respect of one residential property located in Sham Shui Po, Hong Kong; and  
(ii) a first legal charge/mortgage in respect of three residential properties respectively located in Tsim Sha Tsui, Sham Shui Po and Tuen Mun, Hong Kong, with an aggregate valuation of approximately HK\$17,400,000 conducted by an independent property valuer on 23 August 2023 engaged by the Company.

### **Mortgage Loan Agreement B**

The principal terms of Mortgage Loan Agreement B are summarised below:

- Date : 13 November 2023
- Lender : Legend Credit, an indirect wholly-owned subsidiary of the Company
- Borrowers : the Borrowers
- Mortgagors : the Mortgagors
- Loan : in the principal amount of HK\$25,000,000
- Effective interest rate : 9.55% per annum (calculated based on 12.85% per annum for the first month after the date of loan drawdown and 9.25% per annum for the subsequent months)
- Drawdown date : 13 November 2023
- Maturity date : 13 November 2024
- Repayment term : Loan B 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 of Loan B) that numerically corresponds to the drawdown date of Loan B, 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 Loan B and all accrued interest in full or partially ahead of the maturity date of Loan B by giving prior written notice to Legend Credit.
- Default rate : 9.55% per annum on a day-to-day basis on any sum which is not paid when due.
- Security : (i) a first legal charge/mortgage and rental assignment in respect of a shop located in Tsim Sha Tsui, Hong Kong and two residential properties respectively located in Ma Wan and To Kwa Wan, Hong Kong; and  
(ii) a first legal charge/mortgage in respect of three residential properties located in Ma Wan, Hong Kong, and two residential properties respectively located in Tsim Sha Tsui and Yau Ma Tei, Hong Kong,  
with an aggregate valuation of approximately HK\$66,600,000 conducted by an independent property valuer on 19 October 2023 engaged by the Company.

## **REASONS FOR AND THE BENEFITS OF ENTERING INTO OF THE MORTGAGE LOAN AGREEMENTS**

The provision of the Loans were transactions carried out as part of the ordinary and usual course of business activities of the Group. The terms of the Mortgage Loan Agreements (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 securities provided and the amount of the Loans. The Loans would be funded by internal resources of the Group.

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

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

## **LISTING RULES IMPLICATIONS**

The aggregate principal amount of the Loans as at the date of this announcement is HK\$30,000,000. Since the Borrowers are associated with each other and Mortgage Loan Agreement A and Mortgage Loan Agreement B were entered into within a 12-month period, the transactions contemplated under Mortgage Loan Agreement A and Mortgage Loan Agreement B are required to be aggregated under Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of (i) Loan A on a standalone basis is below 5%; (ii) Loan B on a standalone basis exceeds 5% but all are less than 25%; and (iii) the Loans on an aggregate basis exceeds 5% but all are less than 25%, the grant of the Loans on an aggregate basis constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **GENERAL INFORMATION**

### **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.

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**

Borrower A, who is also Mortgagor A, is an individual who principally engages in art collection and investment. Borrower A is the sole owner of the properties mortgaged to Legend Credit under Mortgage A as securities for Loan A, and the sole owner of seven of the properties mortgaged to Legend Credit under Mortgage B as securities for Loan B.

Borrower B, who is also Mortgagor B, is a company incorporated in Hong Kong with limited liability and is principally engaged in property holding. Borrower B is the sole owner of one of the properties mortgaged to Legend Credit under Mortgage B as securities for Loan B. Borrower A is a director and the ultimate beneficial owner of Borrower B.

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.

## DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Borrower A”	Mr. HUI George, the borrower under Mortgage Loan Agreement A and one of the borrowers under Mortgage Loan Agreement B, and an Independent Third Party
“Borrower B”	Smart Place Limited, a company incorporated in Hong Kong with limited liability, one of the borrowers under Mortgage Loan Agreement B, and an Independent Third Party
“Borrowers”	Borrower A and Borrower B
“Company”	Legend Upstar Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 459)
“Directors”	the directors 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) or company(ies) which is/are third party(ies) independent of and not connected with the Company and its connected persons (as defined in the Listing Rules)
“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. 0174/2023), and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan A”	the mortgage loan in the principal amount of HK\$5,000,000 granted by Legend Credit to Borrower A pursuant to Mortgage Loan Agreement A

“Loan B”	the mortgage loan in the principal amount of HK\$25,000,000 granted by Legend Credit to the Borrowers pursuant to Mortgage Loan Agreement B
“Loans”	Loan A and Loan B
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“Mortgage A”	the mortgage created by Mortgagor A in favour of Legend Credit over the properties to secure the obligations of Borrower A under Mortgage Loan Agreement A
“Mortgage B”	the mortgage created by the Mortgagors in favour of Legend Credit over the properties to secure the obligations of the Borrowers under Mortgage Loan Agreement B
“Mortgage Loan Agreement A”	the mortgage loan agreement dated 21 September 2023 entered into among Legend Credit, Borrower A and Mortgagor A
“Mortgage Loan Agreement B”	the mortgage loan agreement dated 13 November 2023 entered into among Legend Credit, the Borrowers and the Mortgagors
“Mortgage Loan Agreements”	Mortgage Loan Agreement A and Mortgage Loan Agreement B
“Mortgagor A”	Borrower A, the mortgagor under Mortgage Loan Agreement A and one of the mortgagors under Mortgage Loan Agreement B
“Mortgagor B”	Borrower B, one of the mortgagors under Mortgage Loan Agreement B
“Mortgagors”	Mortgagor A and Mortgagor B
“PRC”	the People’s Republic of China which, for the sole purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent.

By Order of the Board  
**Legend Upstar Holdings Limited**  
**MUI Ngar May, Joel**  
*Company Secretary*

Hong Kong, 13 November 2023

*As at the date of this announcement, the Board comprises seven Directors, of which four are Executive Directors, namely Mr. WONG Kin Yip, Freddie, Ms. WONG Ching Yi, Angela, Mr. LO Chin Ho, Tony and Mr. WONG Alexander Yiu Ming; and three are Independent Non-Executive Directors, namely Mr. SHA Pau, Eric, Mr. WONG Chung Kwong and Mr. LI Wai Keung.*