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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)**

**DISCLOSEABLE TRANSACTION**

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

Reference is made to (a) the announcement of the Company dated 18 July 2019 in relation to the 2019 Tenancy Agreement entered into between (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) for the lease of the Premises for two years commencing on 1 January 2020; and (b) the announcement of the Company dated 8 November 2021 in relation to the 2021 Supplemental Tenancy Agreement entered into between Shenzhen Yingde (as tenant), Legend NS (as guarantor of Shenzhen Yingde), and Shenzhen Chuanghua (as landlord) to renew the 2019 Tenancy Agreement such that Shenzhen Yingde will continue to lease the Premises from Shenzhen Chuanghua after the expiry of the 2019 Tenancy Agreement and until 31 December 2023.

**THE 2023 SUPPLEMENTAL TENANCY AGREEMENT**

On 28 December 2023 (after trading hours), (i) Shenzhen Yingde (as tenant); (ii) Legend NS (as guarantor of Shenzhen Yingde); and (iii) Shenzhen Chuanghua (as landlord) entered into the 2023 Supplemental Tenancy Agreement to renew the 2021 Supplemental Tenancy Agreement such that Shenzhen Yingde will continue to lease the Premises from Shenzhen Chuanghua after expiry of the 2021 Supplemental Tenancy Agreement and until 30 June 2026.

**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 RMB15.15 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 2023 Supplemental Tenancy Agreement. As such, the transaction contemplated under the 2023 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 (as defined in the Listing Rules) in respect of the transactions contemplated under the 2023 Supplemental Tenancy Agreement based on the value of the right-of-use asset recognized by the Group pursuant to HKFRS 16 exceeds 5% but is less than 25%, the entering into of the 2023 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.

Reference is made to (a) the announcement of the Company dated 18 July 2019 in relation to the 2019 Tenancy

Agreement entered into between (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) for the lease of the Premises for two years commencing on 1 January 2020; and (b) the announcement of the Company dated 8 November 2021 in relation to the 2021 Supplemental Tenancy Agreement entered into between Shenzhen Yingde (as tenant), Legend NS (as guarantor of Shenzhen Yingde), and Shenzhen Chuanghua (as landlord) to renew the 2019 Tenancy Agreement such that Shenzhen Yingde will continue to lease the Premises from Shenzhen Chuanghua after the expiry of the 2019 Tenancy Agreement and until 31 December 2023.

## **THE 2023 SUPPLEMENTAL TENANCY AGREEMENT**

On 28 December 2023 (after trading hours), (i) Shenzhen Yingde (as tenant); (ii) Legend NS (as guarantor of Shenzhen Yingde); and (iii) Shenzhen Chuanghua (as landlord) entered into the 2023 Supplemental Tenancy Agreement to renew the 2021 Supplemental Tenancy Agreement such that Shenzhen Yingde will continue to lease the Premises from Shenzhen Chuanghua after expiry of the 2021 Supplemental Tenancy Agreement and until 30 June 2026.

The 2021 Supplemental Tenancy Agreement will expire on 31 December 2023 and the 2023 Supplemental Tenancy Agreement is entered into for the extension of term of tenancy for thirty months until 30 June 2026. The principal terms of the 2023 Supplemental Tenancy Agreement are set out below:

Date	:	28 December 2023 (after trading hours)
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	:	Parts of 1/F & 3/F to 6/F of Elite Building* (億利達精英綜合樓), situated in Nanshan Avenue, Nanshan District, Shenzhen, the PRC
Total rentable area	:	7,079 sq.m.
Term	:	Thirty months commencing on 1 January 2024 until 30 June 2026.
Total consideration payable	:	The total rental payable under the 2023 Supplemental Tenancy Agreement is approximately RMB 16.10 million for the entire term (exclusive of property management fees).
Payment term	:	The rental of RMB 536,588 shall be payable monthly.
Other terms	:	Unless otherwise stated in the 2023 Supplemental Tenancy Agreement, all the terms and conditions of the 2019 Tenancy Agreement remain unchanged and in full force and effect.

*For more details on the 2019 Tenancy Agreement, 2021 Supplemental Tenancy Agreement and/or the Premises, please refer to the announcements of the Company dated 18 July 2019 and 8 November 2021.*

The value of the right-of-use asset to be recognised by the Company under the 2023 Supplemental Tenancy Agreement would be approximately RMB15.15 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 2023 Supplemental Tenancy Agreement.

The Group is principally engaged in accommodation operations, provision of accommodation consultations and accommodation facilities management services and other related business.

Legend NS is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding 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 liability. 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 Elite China Limited (億利達中國發展有限公司) which is owned as to 99.99% by Elite Industrial Holdings Limited (億利達工業發展集團有限公司) and 0.01% by Liu Yong Ling; (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 (劉永齡基金會有限公司); (iii) Liu Yong Ling Foundation Limited is a Hong Kong company limited by guarantee; and (iv) each of the aforesaid parties is an Independent Third Party.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE 2023 SUPPLEMENTAL TENANCY AGREEMENT**

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 2021 Supplemental Tenancy Agreement will expire on 31 December 2023, the Group intends to continue to lease the Premises for its accommodation business in Nanshan District by entering into the 2023 Supplemental Tenancy Agreement with Shenzhen Chuanghua.

The terms of the 2023 Supplemental Tenancy Agreement were determined after arm's length negotiations between Shenzhen Yingde, Legend NS and Shenzhen Chuanghua and the rental per month under the 2023 Supplemental Tenancy Agreement are same as those in the 2019 Tenancy Agreement and 2021 Supplemental Tenancy Agreement. The rental and other amounts payable by Shenzhen Yingde under the 2023 Supplemental Tenancy Agreement are expected to be financed by the internal resources of the Group. The Directors consider that the terms of the 2023 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 RMB15.15 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 2023 Supplemental Tenancy Agreement. As such, the transaction contemplated under the 2023 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 (as defined in the Listing Rules) in respect of the transactions contemplated under the 2023 Supplemental Tenancy Agreement based on the value of the right-of-use asset recognized by the Group pursuant to HKFRS 16 exceeds 5% but is less than 25%, the entering into of the 2023 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”	Legend Strategy Nanshan Hotel Limited (枋濬南山酒店有限公司), being an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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 Elite Building* (億利達精英綜合樓), 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”	Shenzhen Chuanghua Co-operation Co., Ltd.* (深圳創華合作有限公司), being the landlord of the Premises
“Shenzhen Yingde”	Shenzhen Yingde Tourists Co., Ltd.* (深圳盈的旅業有限公司), 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
“2019 Tenancy Agreement”	an agreement dated 18 July 2019 entered into between Shenzhen Yingde (as tenant), Legend NS (as guarantor of Shenzhen Yingde) and Shenzhen Chuanghua (as landlord) in respect of the tenancy of the Premises
“2021 Supplemental Tenancy Agreement”	an agreement dated 8 November 2021 entered into between Shenzhen Yingde (as tenant), Legend NS (as guarantor of Shenzhen Yingde) and Shenzhen Chuanghua (as landlord), to renew the 2019 Tenancy Agreement in respect of the tenancy of the Premises
“2023 Supplemental Tenancy Agreement”	an agreement dated 28 December 2023 entered into between Shenzhen Yingde (as tenant), Legend NS (as guarantor of Shenzhen Yingde) and Shenzhen Chuanghua (as landlord), to renew the 2021 Supplemental Tenancy Agreement in respect of the tenancy of the Premises

*\* for identification purpose only*

By order of the Board  
**Legend Strategy International Holdings**  
**Group Company Limited**  
**Yuan Fuer**  
Chairman

Hong Kong, 28 December 2023

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

*Executive Director:*

Mr. Chung Tin Yan (*Chief Executive Officer*)

*Non-executive Directors:*

Mr. Yuan Fuer (*Chairman*)

Mr. Hu Xinglong

*Independent non-executive Directors:*

Mr. Wu Jilin

Mr. Du Hongwei

Mr. Lam Cheung Shing Richard