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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 LOAN

PROVISION OF MORTGAGE LOAN

On 26 July 2022, Legend Credit and the Co-Lenders entered into the Loan Agreement with the Borrowers and the Guarantor, pursuant to which, Legend Credit and the Co-Lenders agreed to lend to the Borrowers the Loan in the principal amount of HK\$140,000,000 for a repayment term of 12 months.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the amount of the Loan exceeds 5% but is less than 25%, the grant of the Loan 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 26 July 2022, Legend Credit and the Co-Lenders entered into the Loan Agreement with the Borrowers and the Guarantor, pursuant to which, Legend Credit and the Co-Lenders agreed to lend to the Borrowers the Loan in the principal amount of HK\$140,000,000 for a repayment term of 12 months.

PRINCIPAL TERMS OF THE LOAN AGREEMENT

The principal terms of the Loan Agreement are summarised below:

Date of the Loan Agreement	:	26 July 2022
Lenders	:	(1) Legend Credit; (2) Oi Wah CL; (3) GICL; (4) Co-Lender A; and (5) Co-Lender B
Borrowers	:	The Borrowers
Guarantor	:	The Guarantor
Principal	:	HK\$140,000,000, as severally committed by Legend Credit, Oi Wah CL, GICL, Co-Lender A and Co-Lender B: (1) Legend Credit – HK\$31,250,000 (2) Oi Wah CL – HK\$31,250,000 (3) GICL – HK\$31,250,000 (4) Co-Lender A – HK\$31,250,000 (5) Co-Lender B – HK\$15,000,000
Interest rate	:	10% per annum Pursuant to the Co-Lend Deed, it is agreed that (i) the interest rate to be charged by Legend Credit, Oi Wah CL, GICL and Co-Lender A on the respective loan amounts contributed by them under the Loan shall be 9.04% per annum; and (ii) the interest rate to be charged by Co-Lender B on the loan amount contributed by it under the Loan shall be 18% per annum.
Term	:	12 months commencing on the drawdown date
Security	:	A first legal charge in respect of five commercial properties in Sha Tin with valuation conducted by an independent property valuer on 4 July 2022 with an aggregate amount of approximately HK\$201,904,000 as at 4 July 2022.
Repayment	:	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.
Early redemption	:	Interests and administrative fees of a total sum of HK\$7,000,000 is payable if the Loan is fully or partially repaid within 6 months from the drawdown date and the fees will be paid to each of the Lenders on the proportion of the loan amount.

Other terms of the Loan Agreement

Pursuant to the Loan Agreement, the Loan is guaranteed by the Guarantor. The mortgaged properties under the Loan Agreement are insured against fire risks with an insurance company approved by the Lenders.

CO-LEND DEED

Pursuant to the Co-Lend Deed, the Lenders agree that in the event of default by the Borrowers, the net proceeds received from the realisation of the collaterals provided by the Borrowers shall firstly be applied for repayment of the outstanding principal and interest due to Legend Credit, Oi Wah CL, GICL and Co-Lender A, in equal proportion. The remainder of the net proceeds, if any, shall then be applied for settlement of the outstanding principal and interest due to Co-Lender B.

INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN

The grant of the Loan is collateralised.

The collaterals provided by the Borrowers for the Loan are sufficient as the loan-to-value ratio of the mortgaged properties for the Loan is approximately 69.34% (loan-to-value ratio as a first legal charge to other independent mortgagees: approximately 53.86%, loan-to-value ratio as a first legal charge to Legend Credit: approximately 15.48%) based on the aggregate value of the mortgaged properties for the Loan as determined by an independent property valuer.

The advance in respect of the Loan on the part provided by the Group was also made on the basis of the Company's credit assessments made on (i) the collaterals provided by the Borrowers, which are at the prime sites in Hong Kong; and (ii) the relatively short term nature of the advance. After having taken into account the factors as disclosed above in assessing the risks of the advance, the Company considers that the credit risks involved in the advance to the Borrowers are relatively low.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LOAN AGREEMENT

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 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 securities provided and the amount of the Loan. The Loan will be funded by internal resources of the Group. The grant of the Loan will provide additional interest income to the Group.

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

LISTING RULES IMPLICATIONS

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WAIVER APPLICATION AND GRANT OF WAIVER

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.58(2) of the Listing Rules (the “**Waiver**”), which requires the disclosure on the identity of the Borrowers and their ultimate beneficial owner, based on the following reasons:

- (i) the grant of the Loan is not regarded as a material transaction of the Company as compared to the Company’s overall financial position;
- (ii) the Company has practical difficulties in complying with the aforesaid disclosure requirement as the Borrowers and their ultimate beneficial owner would not consent to the disclosure of their identities in this announcement;
- (iii) the disclosure on the identity of the Borrowers and their ultimate beneficial owner does not shed light on their financial standing or repayment abilities and will serve little purpose in assisting the Shareholders and potential investors to evaluate the creditworthiness of the Borrowers and the risks and exposure of the Loan; and
- (iv) the Company has made alternative disclosures in this announcement, including but not limited to the details of the collaterals and the loan-to-value ratio of the collaterals in respect of the Loan, which would be much more meaningful for the Shareholders and potential investors in assessing the risks and exposure of the Loan as well as the repayment abilities of the Borrowers.

As at the date hereof, the Stock Exchange has granted the Waiver to the Company.

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 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.

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 Co-Lenders

Oi Wah CL is a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by Oi Wah Pawnshop Credit Holdings Limited, which is a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1319). Oi Wah CL is a licensed money lender under the Money Lenders Ordinance and its principal business is money lending.

GICL is a company incorporated in Hong Kong with limited liability and is indirectly wholly-owned by Global International Credit Group Limited, which is a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1669). GICL principally engages in money lending business of providing property mortgage loans and personal loans in Hong Kong under the Money Lenders Ordinance.

Co-Lender A is a company incorporated in Hong Kong with limited liability and is ultimately owned as to 60% and 40% by Individual A and two other individuals, respectively. Co-Lender A is a licensed money lender under the Money Lenders Ordinance and its principal business is money lending.

Co-Lender B is a company incorporated in Hong Kong with limited liability and is directly wholly-owned by Individual B. Co-Lender B is a licensed money lender under the Money Lenders Ordinance and its principal business is money lending.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Co-Lenders and their respective ultimate beneficial owners is an Independent Third Party.

Information on the Borrowers and the Guarantor

Each of the Borrowers is a company incorporated in Hong Kong with limited liability and principally engages in the business of property investment. Each of the Borrowers is wholly-owned by the Holding Company, which in turn is directly wholly-owned by the Guarantor.

The Guarantor is an individual, an executive director and controlling shareholder of a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Stock Exchange and principally engages in jewellery manufacturing and trading.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Borrowers and their ultimate beneficial owner 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”	a borrower being a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Borrower B”	a borrower being a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Borrower C”	a borrower being a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Borrower D”	a borrower being a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Borrower E”	a borrower being a company incorporated in Hong Kong with limited liability and an Independent Third Party
“Borrowers”	collectively, Borrower A, Borrower B, Borrower C, Borrower D and Borrower E
“Co-Lender A”	Asia Pacific Finance & Fund Management Co Limited, a company incorporated in Hong Kong with limited liability
“Co-Lender B”	Easy Lender Limited, a company incorporated in Hong Kong with limited liability
“Co-Lenders”	collectively, Oi Wah CL, GICL, Co-Lender A and Co-Lender B
“Co-Lend Deed”	the Co-Lend Deed dated 26 July 2022 entered into among Legend Credit and the Co-Lenders in relation to the Loan
“Company”	Legend Upstar Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 459)
“Directors”	the directors of the Company

“GICL”	Global International Credit Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Global International Credit Group Limited, which is a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1669)
“Group”	the Company and its subsidiaries
“Guarantor”	the guarantor under the Loan Agreement, being an individual, the ultimate beneficial owner of the Borrowers and an Independent Third Party
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Holding Company”	a company incorporated in Hong Kong with limited liability and an Independent Third Party
“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)
“Individual A”	Kwok Ping Sun
“Individual B”	Yu Che Tor, Stephen
“Legend Credit”	Legend Credit Limited, a limited liability company incorporated under the laws of Hong Kong and 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
“Lenders”	collectively, Legend Credit, Oi Wah CL, GICL, Co-Lender A and Co-Lender B
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the mortgage loan in the principal amount of HK\$140,000,000 granted by Legend Credit and the Co-Lenders to the Borrowers pursuant to the Loan Agreement

“Loan Agreement”	the loan agreement dated 26 July 2022 entered into among Legend Credit, the Co-Lenders, the Borrowers and the Guarantor
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)
“Oi Wah CL”	Oi Wah Credit Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Oi Wah Pawnshop Credit Holdings Limited, which is a company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1319)
“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
“Shareholders”	holders of shares of the Company
“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, 26 July 2022

As at the date of this announcement, the Board comprises eight 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 four are Independent Non-Executive Directors, namely Mr. SHA Pau, Eric, Mr. HO Kwan Tat, Ted, Mr. WONG Chung Kwong and Mr. LI Wai Keung.