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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 18 April 2019, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into the Mortgage Loan Agreement with the Borrower, the Mortgagor and the Guarantor, pursuant to which, Legend Credit agreed to lend to the Borrower the Loan in the principal amount of HK\$8,800,000 at an effective interest rate of 10% per annum for a repayment term of 12 months.

On 23 April 2020, Legend Credit entered into the First Supplemental Agreement with the Borrower, the Mortgagor and the Guarantor, pursuant to which, Legend Credit agreed to extend the repayment term of the Loan to 18 months. On 22 October 2020, the Borrower has repaid part of the principal, being HK\$800,000, to Legend Credit and the outstanding principal amount was then reduced to HK\$8,000,000.

On 23 October 2020, Legend Credit entered into the Second Supplemental Agreement with the Borrower, the Mortgagor and the Guarantor, pursuant to which, Legend Credit agreed to extend the repayment term of the outstanding Loan to 30 months.

On 22 October 2021, Legend Credit entered into the Third Supplemental Agreement with the Borrower, the Mortgagor and the Guarantor, pursuant to which, Legend Credit agreed to extend the repayment term of the outstanding Loan to 42 months.

On 21 October 2022, Legend Credit entered into the Fourth Supplemental Agreement with the Borrower, the Mortgagor and the Guarantor, pursuant to which, Legend Credit agreed to extend the repayment term of the outstanding Loan to 54 months.

## **LISTING RULES IMPLICATIONS**

As each of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan on the date each of the Mortgage Loan Agreement, the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement was entered into was less than 5%, the grant of the Loan under the Mortgage Loan Agreement, the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules at the relevant material time.

As the repayment term of the outstanding Loan has been extended to 54 months by the entering into of the Fourth Supplemental Agreement, this constitutes material variation of terms under the Mortgage Loan Agreement (as amended and supplemented by the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement), and the Company shall re-comply with the relevant Listing Rules.

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the outstanding principal amount of the Loan on the date of the Fourth Supplemental Agreement exceeds 5% but is less than 25%, the grant of the Loan under the Fourth Supplemental Agreement 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 18 April 2019, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into the Mortgage Loan Agreement with the Borrower, the Mortgagor and the Guarantor, pursuant to which, Legend Credit agreed to lend to the Borrower the Loan in the principal amount of HK\$8,800,000 at an effective interest rate of 10% per annum for a repayment term of 12 months.

On 23 April 2020, Legend Credit entered into the First Supplemental Agreement with the Borrower, the Mortgagor and the Guarantor, pursuant to which, Legend Credit agreed to extend the repayment term of the Loan to 18 months. On 22 October 2020, the Borrower has repaid part of the principal, being HK\$800,000, to Legend Credit and the outstanding principal amount was then reduced to HK\$8,000,000.

On 23 October 2020, Legend Credit entered into the Second Supplemental Agreement with the Borrower, the Mortgagor and the Guarantor, pursuant to which, Legend Credit agreed to extend the repayment term of the outstanding Loan to 30 months.

On 22 October 2021, Legend Credit entered into the Third Supplemental Agreement with the Borrower, the Mortgagor and the Guarantor, pursuant to which, Legend Credit agreed to extend the repayment term of the outstanding Loan to 42 months.

On 21 October 2022, Legend Credit entered into the Fourth Supplemental Agreement with the Borrower, the Mortgagor and the Guarantor, pursuant to which, Legend Credit agreed to extend the repayment term of the outstanding Loan to 54 months.

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

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

|                         |  |
|-------------------------|--|
| Date                    | : 18 April 2019  |
| Lender                  | : Legend Credit, an indirect wholly-owned subsidiary of the Company  |
| Borrower                | : the Borrower   |
| Mortgagor               | : the Mortgagor  |
| Guarantor               | : the Guarantor  |
| Loan                    | : in the principal amount of HK\$8,800,000   |
| Effective interest rate | : 10% per annum  |
| Drawdown date           | : 23 April 2019  |
| Maturity date           | : 23 April 2020  |
| Repayment term          | : The Loan shall be repaid in 12 successive monthly instalments. The Borrower shall repay the interests on a monthly basis with the principal amount of the Loan 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 Borrower may repay the principal amount of the Loan and all accrued interest in full ahead of the maturity date of the Loan by giving at least one month's prior written notice to Legend Credit.  |
| Default rate            | : 10% 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 an industrial property located in Wong Chuk Hang, Hong Kong with a valuation of approximately HK\$11,000,000 conducted by an independent property valuer on 19 October 2022 engaged by the Company.  |

### **First Supplemental Agreement**

On 23 April 2020, the First Supplemental Agreement was entered into by Legend Credit, the Borrower, the Mortgagor and the Guarantor, pursuant to which the Mortgage Loan Agreement shall be supplemented and amended to the effect that the repayment term of the Loan shall be extended to 18 months.

Save as disclosed above, all other principal terms and conditions of the Mortgage Loan Agreement remain unchanged and in full force and effect.

### **Second Supplemental Agreement**

On 23 October 2020, the Second Supplemental Agreement was entered into by Legend Credit, the Borrower, the Mortgagor and the Guarantor, pursuant to which the Mortgage Loan Agreement (as amended and supplemented by the First Supplemental Agreement) shall be supplemented and amended to the effect that the repayment term of the Loan shall be extended to 30 months.

Save as disclosed above, all other principal terms and conditions of the Mortgage Loan Agreement (as amended and supplemented by the First Supplemental Agreement) remain unchanged and in full force and effect.

### **Third Supplemental Agreement**

On 22 October 2021, the Third Supplemental Agreement was entered into by Legend Credit, the Borrower, the Mortgagor and the Guarantor, pursuant to which the Mortgage Loan Agreement (as amended and supplemented by the First Supplemental Agreement and the Second Supplemental Agreement) shall be supplemented and amended to the effect that the repayment term of the Loan shall be extended to 42 months.

Save as disclosed above, all other principal terms and conditions of the Mortgage Loan Agreement (as amended and supplemented by the First Supplemental Agreement and the Second Supplemental Agreement) remain unchanged and in full force and effect.

### **Fourth Supplemental Agreement**

On 21 October 2022, the Fourth Supplemental Agreement was entered into by Legend Credit, the Borrower, the Mortgagor and the Guarantor, pursuant to which the Mortgage Loan Agreement (as amended and supplemented by the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement) shall be supplemented and amended to the effect that the repayment term of the Loan shall be extended to 54 months.

Save as disclosed above, all other principal terms and conditions of the Mortgage Loan Agreement (as amended and supplemented by the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement) remain unchanged and in full force and effect.

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

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 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 security provided and the amount of the Loan. The Loan are 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 Borrower and the security provided by the Borrower. After having taken into account the factors as mentioned above, the Company considers that the credit risks of granting the Loan to the Borrower are relatively low. The grant of the Loan will provide additional interest income to the Group.

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

## **LISTING RULES IMPLICATIONS**

As each of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Loan on the date each of the Mortgage Loan Agreement, the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement was entered into was less than 5%, the grant of the Loan under the Mortgage Loan Agreement, the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules at the relevant material time.

As the repayment term of the outstanding Loan has been extended to 54 months by the entering into of the Fourth Supplemental Agreement, this constitutes material variation of terms under the Mortgage Loan Agreement (as amended and supplemented by the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement), and the Company shall re-comply with the relevant Listing Rules.

As one of the applicable percentage ratios (as defined under the Listing Rules) in respect of the outstanding principal amount of the Loan on the date of the Fourth Supplemental Agreement exceeds 5% but is less than 25%, the grant of the Loan under the Fourth Supplemental Agreement 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 Borrower, the Mortgagor and the Guarantor**

The Borrower, who is also the Mortgagor, is a company incorporated in Hong Kong with limited liability which is principally engaged in the provision of printing services and is the sole owner of the property mortgaged to Legend Credit as security of the Loan. The Borrower is owned as to 85% and 15% by the Guarantor and Mr. HO Kar Tai, respectively, where both of them are directors of the Borrower and principally engaged in the provision of printing services. The Borrower is our previous customer with no default record.

The Guarantor is an individual who agreed to guarantee to Legend Credit the due observance and performance of the Borrower under the Mortgage Loan Agreement.

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, each of the Borrower, the Mortgagor, the Guarantor and their respective ultimate beneficial owners 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”                      | Gear Printing Limited, a company incorporated in Hong Kong with limited liability, the borrower under the Mortgage Loan Agreement, and an Independent Third Party  |
| “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   |
| “First Supplemental Agreement”  | the supplemental agreement relating to the Mortgage Loan Agreement dated 23 April 2020 entered into among Legend Credit, the Borrower, the Mortgagor and the Guarantor   |
| “Fourth Supplemental Agreement” | the supplemental agreement relating to the Mortgage Loan Agreement (as amended and supplemented by the First Supplemental Agreement, the Second Supplemental Agreement and the Third Supplemental Agreement) dated 21 October 2022 entered into among Legend Credit, the Borrower, the Mortgagor and the Guarantor |
| “Group”                         | the Company and its subsidiaries   |
| “Guarantor”                     | Mr. HO Ka Cheung, the guarantor under the Mortgage Loan Agreement, an Independent Third Party  |

|                                |  |
|--------------------------------|--|
| “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. 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\$8,800,000 granted by Legend Credit to the Borrower pursuant to the Mortgage Loan Agreement (as amended and supplemented by the First Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement and the Fourth Supplemental Agreement) |
| “Loan Agreements”              | collectively, the Mortgage Loan Agreement, the First Supplemental Agreement, the Second Supplemental Agreement, the Third Supplemental Agreement and the Fourth Supplemental Agreement   |
| “Money Lenders Ordinance”      | the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong)   |
| “Mortgage”                     | the mortgage created by the Mortgagor in favour of Legend Credit over the property to secure the obligations of the Borrower under the Mortgage Loan Agreement   |
| “Mortgage Loan Agreement”      | the mortgage loan agreement dated 18 April 2019 entered into among Legend Credit, the Borrower, the Mortgagor and the Guarantor  |
| “Mortgagor”                    | the Borrower, the mortgagor under the Mortgage Loan Agreement, being the sole owner of the property secured under the Mortgage   |
| “PRC”                          | the People’s Republic of China which, for the sole purpose of this announcement, excludes Hong Kong, the Macau Special Administration Region of the PRC and Taiwan   |



|                                 |  |
|---------------------------------|--|
| “Second Supplemental Agreement” | the supplemental agreement relating to the Mortgage Loan Agreement (as amended and supplemented by the First Supplemental Agreement) dated 23 October 2020 entered into among Legend Credit, the Borrower, the Mortgagor and the Guarantor                                       |
| “Stock Exchange”                | The Stock Exchange of Hong Kong Limited  |
| “Third Supplemental Agreement”  | the supplemental agreement relating to the Mortgage Loan Agreement (as amended and supplemented by the First Supplemental Agreement and the Second Supplemental Agreement) dated 22 October 2021 entered into among Legend Credit, the Borrower, the Mortgagor and the Guarantor |
| “%”                             | per cent.  |

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

Hong Kong, 21 October 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.*