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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 22 August 2023, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into the Mortgage Loan Agreement with the Borrower, the Mortgagor and the Guarantors, pursuant to which, Legend Credit agreed to lend to the Borrower the Loan in the principal amount of HK\$37,000,000 at an effective interest rate of 12% per annum for a repayment term of 12 months.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the amount of the Loan exceeds 5% but all are 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 22 August 2023, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into the Mortgage Loan Agreement with the Borrower, the Mortgagor and the Guarantors, pursuant to which, Legend Credit agreed to lend to the Borrower the Loan in the principal amount of HK\$37,000,000 at an effective interest rate of 12% per annum for a repayment term of 12 months.

PRINCIPAL TERMS OF THE MORTGAGE LOAN AGREEMENT

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

Date	:	22 August 2023
Lender	:	Legend Credit, an indirect wholly-owned subsidiary of the Company
Borrower	:	the Borrower
Mortgagor	:	the Mortgagor
Guarantors	:	the Guarantors
Loan	:	in the principal amount of HK\$37,000,000
Effective interest rate	:	12% per annum
Drawdown date	:	31 August 2023
Maturity date	:	31 August 2024
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 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 or partially ahead of the maturity date of the Loan by giving at least one month's prior written notice to Legend Credit. If full or partial prepayment is made by the Borrower before the due date of the 6th instalment, the Borrower shall pay a sum equivalent to 2% of the prepaid amount as early repayment fee to Legend Credit together with the said prepayment. Legend Credit agrees to waive the said early repayment fee if the total partial repayment does not exceed HK\$10,000,000. If the total partial prepayment made by the Borrower before the due date of the 6th instalment exceeds HK\$10,000,000, a sum equivalent to 2% of such exceeded amount will be charged as early repayment fee and payable to Legend Credit together with the exceeded amount.
Default rate	:	17% per annum on a day-to-day basis on any sum which is not paid when due.
Security	:	A first legal charge/Mortgage and rental assignment in respect of thirty-five car parking spaces and two amenity areas located in Mid-Levels, Hong Kong with an aggregate valuation of approximately HK\$54,000,000 conducted by an independent property valuer on 30 June 2023 engaged by the Company.

REASONS FOR AND THE BENEFITS OF ENTERING INTO OF THE MORTGAGE 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 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 securities 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 Group's credit assessments on the financial strength and repayment ability of the Borrower and the securities provided by the Borrower. After having taken into account the factors as mentioned above, the Group 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 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 its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the amount of the Loan exceeds 5% but all are 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.

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 Guarantors

The Borrower, who is also the Mortgagor, is a company incorporated in Hong Kong with limited liability and is principally engaged in property holding. The Borrower is the purchaser of the properties mortgaged to Legend Credit as securities of the Loan, for which the completion of purchase of such properties shall take place on the drawdown date of the Loan. The Borrower is directly owned as to 25% by each of the Guarantors, where all of them are directors of the Borrower.

The Guarantors are four individuals. Guarantor A is principally engaged in rental management of market stalls, and meat wholesale and retail business. Guarantor B is principally engaged in the architecture industry. Guarantor C is principally engaged in fish wholesale and retail business. Guarantor D is principally engaged in interior design and furniture wholesale business.

The Guarantors 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 and the Guarantors 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”	Oasis Resource Company Limited, a company incorporated in Hong Kong with limited liability, the borrower under the Mortgage Loan Agreement, being 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
“Group”	the Company and its subsidiaries
“Guarantor A”	Mr. LAM Kwok Leung Peter, one of the Guarantors under the Mortgage Loan Agreement, an Independent Third Party
“Guarantor B”	Mr. POON Kai Kit Joe, one of the Guarantors under the Mortgage Loan Agreement, an Independent Third Party
“Guarantor C”	Mr. MUI Hay Pui, one of the Guarantors under the Mortgage Loan Agreement, an Independent Third Party
“Guarantor D”	Mr. WONG Pao, one of the Guarantors under the Mortgage Loan Agreement, an Independent Third Party
“Guarantors”	collectively, Guarantor A, Guarantor B, Guarantor C and Guarantor D
“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”	the mortgage loan in the principal amount of HK\$37,000,000 granted by Legend Credit to the Borrower pursuant to the Mortgage Loan 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 properties to secure the obligations of the Borrower under the Mortgage Loan Agreement
“Mortgage Loan Agreement”	the mortgage loan agreement dated 22 August 2023 entered into among Legend Credit, the Borrower, the Mortgagor and the Guarantors
“Mortgagor”	the Borrower, the mortgagor under the Mortgage Loan Agreement, being the purchaser of the properties 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 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, 22 August 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.