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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 2 April 2024, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into the Mortgage Loan Agreement with the Borrowers and the Mortgagors, pursuant to which, Legend Credit agreed to lend to the Borrowers the Loan in the principal amount of HK\$19,000,000 at an effective interest rate of 11.4% 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 2 April 2024, Legend Credit, an indirect wholly-owned subsidiary of the Company, entered into the Mortgage Loan Agreement with the Borrowers and the Mortgagors, pursuant to which, Legend Credit agreed to lend to the Borrowers the Loan in the principal amount of HK\$19,000,000 at an effective interest rate of 11.4% 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	:	2 April 2024
Lender	:	Legend Credit, an indirect wholly-owned subsidiary of the Company
Borrowers	:	the Borrowers
Mortgagors	:	the Mortgagors
Loan	:	in the principal amount of HK\$19,000,000
Effective interest rate	:	11.4% per annum (calculated based on 15.8% per annum for the first month after the date of loan drawdown and 11% per annum for the subsequent months)
Drawdown date	:	2 April 2024
Maturity date	:	2 April 2025
Repayment term	:	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.
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 Borrowers 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 prior written notice to Legend Credit.
Default rate	:	11.4% per annum on a day-to-day basis on any sum which is not paid when due.
Security	:	(i) A first legal charge/Mortgage over one residential property located in To Kwa Wan, Hong Kong; and (ii) a first legal charge/Mortgage and rental assignment over one residential building located in Sham Shui Po, Hong Kong, with an aggregate valuation of approximately HK\$52,000,000 as conducted by an independent property valuer on 27 February 2024 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 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 Loan to the Borrowers 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

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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 principally engaged in construction business. Borrower A is the sole owner of one of the properties mortgaged to Legend Credit under the Mortgage as securities for the Loan.

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 the Mortgage as securities for the Loan. Borrower A is the sole 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. SIT Hin Kau, one of the borrowers under the Mortgage Loan Agreement, and an Independent Third Party
“Borrower B”	Top-Up Investment Limited, a company incorporated in Hong Kong with limited liability, one of the borrowers under the Mortgage Loan Agreement, 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. 0175/2024), 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\$19,000,000 granted by Legend Credit to the Borrowers 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 Mortgagors in favour of Legend Credit over the properties to secure the obligations of the Borrowers under the Mortgage Loan Agreement
“Mortgage Loan Agreement”	the mortgage loan agreement dated 2 April 2024 entered into among Legend Credit, the Borrowers and the Mortgagors
“Mortgagor A”	Borrower A, one of the mortgagors under the Mortgage Loan Agreement
“Mortgagor B”	Borrower B, one of the mortgagors under the Mortgage Loan Agreement
“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, 2 April 2024

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.