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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)

VERY SUBSTANTIAL ACQUISITIONS SUPPLEMENTAL AGREEMENTS TO THE TENANCY AGREEMENTS

Reference is made to the announcements (the “**Announcements**”) of Legend Strategy International Holdings Group Company Limited (the “**Company**”) respectively dated 24 January 2020 in relation to, among other things, the entering into of the Tenancy Agreements and 4 February 2020 in relation to, among other things, the entering into of a supplemental agreement (the “**First Supplemental Chengdu Tenancy Agreement**”) to the Chengdu Tenancy Agreement to amend and supplement certain terms therein. Terms used in this announcement shall have the same meanings as they are defined in the Announcements, unless otherwise specified.

THE SUPPLEMENTAL AGREEMENTS TO THE TENANCY AGREEMENTS

After trading hours of the Stock Exchange on 17 March 2020, (i) Shenzhen Subsidiary, an indirect wholly-owned subsidiary of the Company, Chengdu Partner and Chengdu Landlord entered into an agreement (the “**Second Supplemental Chengdu Tenancy Agreement**” and together with the Chengdu Tenancy Agreement and the First Supplemental Chengdu Tenancy Agreement, the “**Chengdu Tenancy Agreements**”) to amend and supplement certain terms of the Chengdu Tenancy Agreement and supersede the First Supplemental Chengdu Tenancy Agreement; and (ii) Wuhan JV and Wuhan Landlord entered into an agreement (the “**Supplemental Wuhan Tenancy Agreement**” and together with the Wuhan Tenancy Agreement, the “**Wuhan Tenancy Agreements**”) to amend and supplement certain terms of the Wuhan Tenancy Agreement. Details of the Second Supplemental Chengdu Tenancy Agreement and the Supplemental Wuhan Tenancy Agreement are set out below:

Second Supplemental Chengdu Tenancy Agreement

Date: 17 March 2020 (after trading hours of the Stock Exchange)

Parties: (i) Shenzhen Subsidiary, as tenant;
(ii) Chengdu Partner, as tenant; and
(iii) Chengdu Landlord, as landlord

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) Chengdu Partner is the Independent Third Party; and (ii) Chengdu Landlord and its ultimate beneficial owner(s) are Independent Third Parties.

Terms: Pursuant to the Second Supplemental Chengdu Tenancy Agreement, parties agreed to amend the monthly rents during the term of the Chengdu Tenancy Agreement such that the total rental payable under the Chengdu Tenancy Agreement would be approximately RMB65.11 million for the entire term (exclusive of property management fees, air-conditioning, other charges and outgoings).

According to the Chengdu Tenancy Agreement, during the period from the date of the Chengdu Tenancy Agreement to 31 December 2020, (i) Chengdu Landlord shall allow Shenzhen Subsidiary and Chengdu Partner to carry out renovation, decoration and addition and Shenzhen Subsidiary and Chengdu Partner shall be responsible for making relevant applications to government's approval; (ii) Shenzhen Subsidiary and Chengdu Partner shall be wholly responsible for the results of any renovation and alteration made for inspection by fire department; (iii) Shenzhen Subsidiary and Chengdu Partner shall be responsible for any charges relating to the renovation; and (iv) the time and method of renovation should be governed by Chengdu Landlord and property management company to avoid inconvenience to other tenants in the building. Pursuant to the Second Supplemental Chengdu Tenancy Agreement, parties also agreed to extend the aforesaid date to 31 January 2021.

Pursuant to the Second Supplemental Chengdu Tenancy Agreement, parties confirmed that the rights and obligations of Shenzhen Subsidiary and Chengdu Partner under the Chengdu Tenancy Agreements should be on 51% and 49% basis which is in line with their respective interests in Chengdu JV upon establishment.

The Company confirms that there is no other change, such as rental area, term of tenancy, payment term, to the terms of the Chengdu Tenancy Agreement pursuant to the Second Supplemental Chengdu Tenancy Agreement.

Supplemental Wuhan Tenancy Agreement

Date: 17 March 2020 (after trading hours of the Stock Exchange)

Parties: (i) Wuhan JV, as tenant; and
(ii) Wuhan Landlord, as landlord

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Wuhan Landlord and its ultimate beneficial owner(s) are Independent Third Parties.

Terms: Pursuant to the Supplemental Wuhan Tenancy Agreement, parties agreed to amend the monthly rents during the term of the Wuhan Tenancy Agreement such that the rent (including property management fees) for the first three months has been waived and as a result the total rental payable under the Wuhan Tenancy Agreement would be approximately RMB92.95 million for the entire term including property management fees (exclusive of air-conditioning, other charges and outgoings).

According to the Wuhan Tenancy Agreement, during the period from the date of the Wuhan Tenancy Agreement to 31 December 2020, (i) Wuhan Landlord shall allow Wuhan JV to carry out renovation, decoration and addition and Wuhan JV shall be responsible for making relevant applications to government's approval; (ii) Wuhan JV shall be wholly responsible for the results of any renovation and alteration made for inspection by fire department; (iii) Wuhan JV shall be responsible for any charges relating to the renovation; and (iv) the time and method of renovation should be governed by Wuhan Landlord and property management company to avoid inconvenience to other tenants in the building. Pursuant to the Supplemental Wuhan Tenancy Agreement, parties also agreed to extend the aforesaid date to 31 March 2021.

The Company confirms that there is no other change, such as rental area, term of tenancy, payment term, to the terms of the Wuhan Tenancy Agreement pursuant to the Supplemental Wuhan Tenancy Agreement.

REASONS FOR AND BENEFIT OF THE SECOND SUPPLEMENTAL CHENGDU TENANCY AGREEMENT AND THE SUPPLEMENTAL WUHAN TENANCY AGREEMENT

After entering into the Chengdu Tenancy Agreement and the First Supplemental Chengdu Tenancy Agreement, the coronavirus has been spread further in the PRC. Having assessed the latest situation, the Company has negotiated with the Landlords for rental arrangement. After arms' length negotiation, the Landlords have agreed to reduce the monthly rents under the Tenancy Agreements in order to facilitate cooperation with the Group and development of the Hotels.

The terms of the Second Supplemental Chengdu Tenancy Agreement and the Supplemental Wuhan Tenancy Agreement have been arrived at by the parties after arm's length negotiations and are on normal commercial terms. As the total rental payable would be reduced from (i) approximately RMB65.54 million to approximately RMB65.11 million under the Chengdu Tenancy Agreements; and (ii) approximately RMB94.16 million to approximately RMB92.95 million under the Wuhan Tenancy Agreements, the Board is of the view that the terms of the Second Supplemental Chengdu Tenancy Agreement and the Supplemental Wuhan Tenancy Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The value of the right-of-use assets to be recognised by the Company under (i) the Chengdu Tenancy Agreement (as amended and supplemented by the Second Supplemental Chengdu Tenancy Agreement) would be approximately RMB48.59 million; and (ii) the Wuhan Tenancy Agreement (as amended and supplemented by the Supplemental Wuhan Tenancy Agreement) would be approximately RMB63.24 million respectively which are the present values of aggregated lease payments, plus initial direct costs and estimated reinstatement cost with the lease (if any) in accordance with HKFRS 16.

LISTING RULES IMPLICATIONS

The entering into of the Second Supplemental Chengdu Tenancy Agreement and the Supplemental Wuhan Tenancy Agreement between the parties constitutes material variation of the terms of the Chengdu Tenancy Agreement, the First Supplemental Chengdu Tenancy Agreement and the Wuhan Tenancy Agreement respectively (which were previously announced as major transactions in the Announcements in accordance with Rule 14.06(3) of the Listing Rules) and is, therefore, required to be disclosed pursuant to Rule 14.36 of the Listing Rules.

As the highest applicable percentage ratio in respect of each of (i) the Chengdu Agreement and the Chengdu Tenancy Agreements; and (ii) the Wuhan Agreement and the Wuhan Tenancy Agreements, on aggregate basis, is more than 100%, the entering into of each of (i) the Chengdu Agreement and the Chengdu Tenancy Agreements; and (ii) the Wuhan Agreement and the Wuhan Tenancy Agreements, on aggregate basis, constitutes a very substantial acquisition of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

For and on behalf of the Board
Legend Strategy International Holdings Group Company Limited
Yuan Fuer
Chairman

Hong Kong, 17 March 2020

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

Executive Director:

Mr. Chung Tin Yan

Non-executive Directors:

Mr. Yuan Fuer (*Chairman*)

Mr. Hu Xinglong

Independent non-executive Directors:

Mr. Wu Jilin

Mr. Du Hongwei

Ms. Li Zhou