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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)**

### **SUPPLEMENTAL INFORMATION ON INTERNAL CONTROL PROCEDURES IN RELATION TO CONNECTED TRANSACTIONS**

#### **SUPPLEMENTAL INFORMATION ON INTERNAL CONTROL PROCEDURES**

Reference is made to the announcement of the Company (the “**Announcement**”) dated 29 September 2020 in relation to among other things, continuing connected transactions of the Group under the Consultancy Framework Agreement. Capitalised terms used herein shall have the same meanings as those defined in the Announcement, unless otherwise stated.

As mentioned in the Announcement, the Company has implemented or will implement the internal control measures on its connected transactions. The compliance department and other departments responsible for the connected transactions of the Company will assess the terms of proposed connected transactions, such as pricing, with reference to its expected costs, price level of the Independent Third Parties and profit margin of similar services in the market. The compliance department of the Company will review and monitor the total transaction amount under the Consultancy Framework Agreement to ensure that the aggregate transaction amount will not exceed the annual cap of the continuing connected transactions under the Consultancy Framework Agreement. Such compliance department will be monitored by company secretary of the Company.

As mentioned in the Announcement, the Group will (i) make reference to the pricing of similar services with Independent Third Party customers; (ii) review historical transactions between Hazens and its independent third party suppliers for similar services; and (iii) obtain price quotations from its Independent Third Party suppliers and mark up with a reasonable profit margin. In order to ensure the pricing basis of connected transactions will be complied with, the Group will make reference to the pricing in all similar services in the past 12 months prior to the proposed connected transactions (the “**Review Period**”). If the Group has not provided any similar services in the Review Period, the Group will request its connected persons, e.g. Hazens, to provide details on at least two historical transactions in the Review Period with and/or quotations of its

independent third party suppliers to assess the market price and assess the profitability after taking into account its relevant costs, such as price quotations from its Independent Third Party suppliers and own administrative costs. In rare cases both the Group and its connected persons have not been involved in similar services in the Review Period, the Group will determine the pricing based on price quotations from its Independent Third Party suppliers and own administrative costs and mark up with a reasonable profit margin with reference to similar services in the market.

The Board is of the view that the internal control measures and procedures of the Group can ensure that the pricing and other contract terms for the connected transactions of the Group are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole and that the continuing connected transactions are conducted as agreed under the Consultancy Framework Agreement and in compliance with Chapter 14A of the Listing Rules. The Company confirms that there is no changes to the connected transactions under the Consultancy Framework Agreement.

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

Hong Kong, 8 October 2020

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

*Executive Directors:*

Mr. Chen Wu (*Chief Executive Officer*)

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

*\*For identification purposes only*