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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 8 October 2024, 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\$25,000,000 at an effective interest rate of 10.5% 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 8 October 2024, 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\$25,000,000 at an effective interest rate of 10.5% 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	:	8 October 2024
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\$25,000,000
Effective interest rate	:	10.5% per annum
Drawdown date	:	15 October 2024
Maturity date	:	15 October 2025
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.
Default rate	:	15.5% per annum on a day-to-day basis on any sum which is not paid when due.
Security	:	A first legal charge/Mortgage over a residential property located in Ho Man Tin, Hong Kong with a valuation of approximately HK\$70,000,000 as conducted by an independent property valuer on 2 September 2024 engaged by the Company.

INFORMATION ON THE CREDIT RISK RELATING TO THE LOAN

The grant of the Loan was collateralised. The collateral provided by the Borrower in respect of the Loan is sufficient as the loan-to-value ratio of the mortgaged property for the Loan is approximately 36% based on the value of the mortgaged property for the Loan as determined by an independent property valuer.

The grant of the Loan was made based on the Group's credit assessments on the financial strength and repayment ability of the Borrower, including the collateral provided by the Borrower, which is a residential property located at the prime site in Hong Kong. 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.

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 collateral provided and the amount of the Loan. The Loan will be funded by internal resources of the Group. 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 the 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.

WAIVER APPLICATION AND GRANT OF WAIVER

The Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.58(2) of the Listing Rules (the "Waiver"), which requires the disclosure on the identities of the Borrower and the Guarantors, based on the following reasons:

- (i) the grant of the Loan is not regarded as a material transaction of the Company as compared to the Company's overall financial position;
- (ii) the Company has practical difficulties in complying with the aforesaid disclosure requirement as the Borrower and the Guarantors have provided a confirmation to the Group for not willing to disclose their identities in this announcement;

- (iii) the disclosure on the identities of the Borrower and Guarantors does not shed light on the financial standing or repayment abilities of the Borrower and will serve little purpose in assisting the Shareholders and potential investors to evaluate the creditworthiness of the Borrower and the risks and exposure of the Loan; and
- (iv) the Company has made alternative disclosures in this announcement, including but not limited to the details of the collateral and the loan-to-value ratio of the collateral in respect of the Loan, which would be much more meaningful for the Shareholders and potential investors in assessing the risks and exposure of the Loan as well as the repayment abilities of the Borrower.

As at the date hereof, the Stock Exchange has granted the Waiver to the Company.

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 sole owner of the property mortgaged to Legend Credit as security of the Loan. The Borrower is indirectly wholly-owned by Guarantor A and Guarantor B, who are principally engaged in the provision of financial services. Guarantor B is also the sole director of the Borrower.

The Guarantors are two individuals 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, the Borrower, the Mortgagor and the Guarantors are Independent Third Parties.

DEFINITIONS

The following expressions in this announcement have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Borrower”	the borrower under the Mortgage Loan Agreement, the Mortgagor, and an Independent Third Party

“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
“Guarantor A”	one of the guarantors under the Mortgage Loan Agreement, and an Independent Third Party
“Guarantor B”	one of the guarantors under the Mortgage Loan Agreement, and an Independent Third Party
“Guarantors”	Guarantor A and Guarantor B
“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\$25,000,000 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 property to secure the obligations of the Borrower under the Mortgage Loan Agreement
“Mortgage Loan Agreement”	the mortgage loan agreement dated 8 October 2024 entered into among Legend Credit, the Borrower, the Mortgagor and the Guarantors
“Mortgagor”	the Borrower, the mortgagor under the Mortgage Loan Agreement

“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
“Shareholders”	holders of shares of the Company
“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, 8 October 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.