

**CODE FOR  
SECURITIES TRANSACTIONS  
BY RELEVANT EMPLOYEES OF  
LEGEND UPSTAR HOLDINGS LIMITED**

*COMPANY SECRETARIAL DEPARTMENT*

*August 2007  
(Last Update: December 2022)*

## **SUMMARY OF THIS CODE**

### **DO NOT DEAL :**

- ▶ When you possess inside information.
- ▶ During the period of 60 days immediately preceding the publication date of the annual results of the Company.
- ▶ During the period of 30 days immediately preceding the publication date of the interim results of the Company.

### **WHEN YOU CAN DEAL, YOU MUST** follow these procedures:

- ▶ FIRST notify in writing the designated director AND obtain his dated written acknowledgement (clearance) BEFORE you deal;
- ▶ Deal within 5 business days of a dated written acknowledgement (clearance) being received; and
- ▶ After dealing, immediately notify Company Secretarial Department.

These rules relate to dealings by Relevant Employees in the securities of Legend Upstar Holdings Limited (the “Company”).

### **BASIC PRINCIPLES**

1. This code (both the basic principles and the rules) is largely based on the Model Code for Securities Transactions by Directors of Listed Issuers as contained in Appendix 10 of the Listing Rules. A Relevant Employee must seek to secure that all dealings in which he is or is deemed to be interested be conducted in accordance with this code.
2. Relevant Employees wishing to deal in any securities in the Company must first have regard to the provisions of Parts XIII and XIV of the Securities and Futures Ordinance (the “SFO”) with respect to insider dealing and market misconduct. It should be noted that there are occasions where Relevant Employees should not be free to deal in the Company’s securities even though the statutory requirements will not be contravened.
3. Relevant Employees who are aware of or privy to any negotiations or agreements related to intended acquisitions or disposals which are notifiable transactions or connected transactions under the Listing Rules or any inside information must refrain from dealing in the Company’s securities as soon as they become aware of them or privy to them until the information has been announced.

4. In addition, any unauthorised disclosure of confidential information, whether to co-trustees or to any other person (even those to whom he owes a fiduciary duty), or any use of such information for the advantage of himself or others, by a Relevant Employee will constitute a breach of this code.

**Interpretation :**

For the purpose of this code:

- “beneficiary” includes any discretionary object of a discretionary trust (where the Relevant Employee is aware of the arrangement) and any beneficiary of a non-discretionary trust;
- “dealing” includes, subject to the paragraph below, any acquisition, disposal or transfer of, or offer to acquire, dispose of or transfer, or creation of pledge, charge or any other security interest in, any securities of the Company or any entity whose assets solely or substantially comprise securities of the Company, and the grant, acceptance, acquisition, disposal, transfer, exercise or discharge of any option (whether call, put or both) or other right or obligation, present or future, conditional or unconditional, to acquire, dispose of or transfer securities, or any interest in securities, of the Company or any such entity, in each case whether or not for consideration and any agreements to do any of the foregoing, and “deal” shall be construed accordingly;
- “inside information” as defined under Section 307A(1) of the SFO, in relation to a listed corporation, means specific information that:-
- (a) is about:-
    - (i) the corporation;
    - (ii) a shareholder or officer of the corporation; or
    - (iii) the listed securities of the corporation or their derivatives; and
  - (b) is not generally known to the persons who are accustomed or would be likely to deal in the listed securities of the corporation but would if generally known to them be likely to materially affect the price of the listed securities;
- “Listing Rules” means the Rules Governing the Listing of Securities on the Stock Exchange;

- “Relevant Employee” includes an employee of the Company or a director or employee of a subsidiary of the Company, who, because of his office or employment, is likely to possess inside information in relation to the Company or securities of the Company;
- “securities” means listed securities and any unlisted securities that are convertible or exchangeable into listed securities and structured products (including derivative warrants) issued in respect of the listed securities of the Company; and
- “Stock Exchange” means The Stock Exchange of Hong Kong Limited.

In this code, save where the context otherwise requires:-

- i. the headings are inserted for convenience only and shall not limit, vary, extend or otherwise affect the construction of any provision of this code;
- ii. references to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated or re-enacted, or as its operation is modified by any other statute or statutory provision (whether with or without modification), and shall include any subsidiary legislation enacted under the relevant statute;
- iii. expressions in the singular shall include the plural and vice versa;
- iv. expressions in any gender shall include other genders; and
- v. references to persons shall include bodies corporate, corporations, partnerships, sole proprietorships, organisations, associations, enterprises and entities of any other kind.

Notwithstanding the definition of “dealing” above, the following dealings are not subject to the provisions of this code:

- i. taking up of entitlements under a rights issue, bonus issue, capitalisation issue or other offer made by the Company to holders of its securities (including an offer of shares in lieu of a cash dividend) but, for the avoidance of doubt, applying for excess shares in a rights issue or applying for shares in excess of an assured allotment in an open offer is a “dealing”;
- ii. allowing entitlements to lapse under a rights issue or other offer made by the Company to holders of its securities (including an offer of shares in lieu of a cash dividend);

- iii. undertakings to accept, or the acceptance of, a general offer for shares in the Company made to shareholders other than those that are concert parties (as defined under the Code on Takeovers and Mergers) of the offeror;
- iv. exercise of share options or warrants or acceptance of an offer for shares pursuant to an agreement entered into with the Company before a period during which dealing is prohibited under this code at the pre-determined exercise price, being a fixed monetary amount determined at the time of grant of the share option or warrant or acceptance of an offer for shares;
- v. an acquisition of qualification shares where, under the Company's constitutional documents, the final date for acquiring such shares falls within a period when dealing is prohibited under this code and such shares cannot be acquired at another time;
- vi. dealing where the beneficial interest or interests in the relevant security of the Company do not change;
- vii. dealing where a shareholder places out his existing shares in a "top-up" placing where the number of new shares subscribed by him pursuant to an irrevocable, binding obligation equals the number of existing shares placed out and the subscription price (after expenses) is the same as the price at which the existing shares were placed out;
- viii. dealing where the beneficial ownership is transferred from another party by operation of law; and
- ix. acceptance or vesting of shares pursuant to the terms of share awards granted by the Company before a period during which dealing is prohibited under this code at the purchase price, if any, fixed at the time of grant of the awards.

## **RULES**

### **A. ABSOLUTE PROHIBITIONS**

- 1. A Relevant Employee must not deal in any of the securities of the Company at any time when he possesses inside information in relation to those securities, or where a dated written acknowledgement (clearance) to deal is not otherwise conferred upon him under rule B.7 of this code.
- 2. A Relevant Employee must not deal in any securities of the Company on any day on which the financial results of the Company are published and:-
  - (i) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
  - (ii) during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in section C below. In any event, the Relevant Employee must comply with the procedure in rules B.7 and B.8 of this code.

- Notes:*
- i The above prohibition period is referred to as “a black-out period”.*
  - ii Relevant Employees should note that a black-out period will cover any period of delay in the publication of a results announcement.*
  - iii The Company Secretary will notify all Relevant Employees in advance of the dates of board meetings and subsequent results announcement.*

The Company is required to notify the Stock Exchange in advance of the commencement of each period during which Relevant Employees are not allowed to deal under rule A.2 of this code.

3. Where a Relevant Employee is a sole trustee, the provisions of this code will apply to all dealings of the trust as if he were dealing on his own account (unless the Relevant Employee is a bare trustee and neither he nor any of his close associates is a beneficiary of the trust, in which case the provisions of this code will not apply).
4. Where a Relevant Employee deals in the securities of the Company in his capacity as a co-trustee and he has not participated in or influenced the decision to deal in the securities and is not, and none of his close associates is, a beneficiary of the trust, dealings by the trust will not be regarded as his dealings.
5. The restrictions on dealings by a Relevant Employee contained in this code will be regarded as equally applicable to any dealings by (1) the Relevant Employee’s spouse or by or on behalf of the Relevant Employee’s child under the age of 18 years (natural or adopted); (2) any company in which the Relevant Employee by himself or together with such members of his family hold(s) one-third or more of voting rights; and (3) any other dealings in which for the purposes of Part XV of the SFO he is or is to be treated as interested. It is the duty of the Relevant Employee, therefore, to seek to avoid any such dealing at a time when he himself is not free to deal.
6. When a Relevant Employee places investment funds comprising securities of the Company under professional management, discretionary or otherwise, the managers must nonetheless be made subject to the same restrictions and procedures as the Relevant Employee himself in respect of any proposed dealings in the Company’s securities.

## **B. NOTIFICATION**

7. A Relevant Employee must not deal in any securities of the Company without first notifying in writing a director designated by the board and receiving a dated written acknowledgement (clearance).
8. A written record is maintained by the Company Secretarial Department that the appropriate notification was given and acknowledged pursuant to rule B.7 of this code, and for the Relevant Employee concerned to have received written confirmation to that effect.
9. A response to a request for a dated written acknowledgement (clearance) to deal in any securities of the Company must be given to the Relevant Employee within five business days of the request being made.
10. The dated written acknowledgement (clearance) to deal in any securities of the Company in accordance with rule B.9 of this code must be valid for no longer than five business days of a dated written acknowledgement (clearance) being received. For the avoidance of doubt, a dated written acknowledgement (clearance) will not negate the prohibition under rule A.1 of this code if inside information develops following the grant of clearance.
11. After a Relevant Employee has dealt in the securities of the Company, he should immediately notify Company Secretarial Department to update the record of Relevant Employees' interests in such securities.
12. Any Relevant Employee who acts as trustee of a trust must ensure that his co-trustees are aware of the identity of any company of which he is a Relevant Employee so as to enable them to anticipate possible difficulties. A Relevant Employee having funds under management must likewise advise the investment manager.
13. Any Relevant Employee who is a beneficiary, but not a trustee, of a trust which deals in securities of the Company must endeavour to ensure that the trustees notify him after they have dealt in such securities on behalf of the trust, in order that he in turn may notify the Company. For this purpose, he must ensure that the trustees are aware of the listed issuers of which he is a Relevant Employee.

## **C. EXCEPTIONAL CIRCUMSTANCES**

14. If a Relevant Employee proposes to sell or otherwise dispose of securities of the Company under exceptional circumstances where the sale or disposal is otherwise prohibited under this code, the Relevant Employee must, in addition to complying with the other provisions of this code, comply with the provisions of rule B.7 of this code regarding prior written notice and acknowledgement. The Relevant Employee must satisfy the designated director that the circumstances are exceptional and the proposed sale or disposal is the only reasonable course of action available to the Relevant Employee before the

Relevant Employee can sell or dispose of the securities. An example of the type of circumstances which may be considered exceptional for such purposes would be a pressing financial commitment on the part of the Relevant Employee that cannot otherwise be satisfied.

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