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澳門勵駿創建有限公司  
Macau Legend Development Ltd

**Macau Legend Development Limited**  
澳門勵駿創建有限公司\*

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 1680)

**TERMINATION OF  
CONTINUING CONNECTED TRANSACTION  
IN RELATION TO INDIRECT PARTICIPATION IN  
THE GAMING PROMOTION BUSINESS THROUGH NEW LEGEND**

Reference is made to the announcements of Macau Legend Development Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 16 April 2014 (the “**Announcement**”), the circular to shareholders of the Company dated 9 June 2014 (the “**Circular**”) and the annual report of the Company for the financial year ended 31 December 2021 (the “**Annual Report**”) in relation to the Group’s indirect participation in the gaming promotion business through New Legend by way of the VIE Structure pursuant to the VIE Agreements. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Announcement, the Circular and the Annual Report.

**BACKGROUND**

On 25 September 2006, Hong Hock and SJM Resorts, S.A. (formerly known as Sociedade de Jogos de Macau, S.A.) (“**SJM**”) entered into a service agreement pursuant to which Hong Hock has agreed to provide services to SJM, which was subsequently amended by various supplemental agreements, including the Agreement for Provision of Services and Licensing for Occupations of Use of Spaces with respect to Casino Babylon and Casino Legend Palace to, among others, extend the term of the services to be provided by Hong Hock to SJM to 31 December 2022 (collectively, the “**Service Agreement**”).

Under the VIE Structure, the Group, through Hong Hock, indirectly participates in the gaming promotion business and have a greater control over the management and marketing of the gaming promotion activity of New Legend in the VIP rooms in the casinos located in its properties in accordance with the terms of the VIE Agreements comprising (i) the Exclusive Management and Consultancy Services Agreement; (ii) the Exclusive Undertaking

to Sell Agreement; (iii) the Transfer of Profit and Loan Agreement; (iv) the Share and Equity Pledge Agreement; and (v) the Power of Attorney entered into among Hong Hock, New Legend and Mr Frederick Yip, where appropriate.

## **TERMINATION OF CONTINUING CONNECTED TRANSACTIONS**

With the recent developments of the gaming promotion industry, there has been a significant impact on the VIP gaming promotion business. Further, the Macau Government has passed the new gaming law on 21 June 2022 which served to provide new regulations and guidelines for the development of the Macau gaming industry, including satellite casinos, which will affect the operations of Hong Hock as a casino service provider.

In light of the above, the board of directors of the Company (the “**Board**”) wishes to announce that the Company has ceased its VIP gaming promotion business upon expiration of the term of the Service Agreement on 31 December 2022.

Upon the expiration and termination of the Service Agreement, the Exclusive Management and Consultancy Services Agreement and the Exclusive Undertaking to Sell Agreement were automatically terminated in accordance with the terms thereunder. In view of this, on 31 December 2022, the parties to the VIE Agreements terminated the VIE Agreements with immediate effect from 1 January 2023.

Upon the termination of the VIE Agreements, (i) the VIE Agreements shall immediately cease to have any force or effect, and (ii) none of the parties to the VIE Agreements shall have any claim whatsoever against each other in connection with anything arising out of the VIE Agreements save and except for any rights or obligations which may have accrued under the Agreements prior to the termination of the VIE Agreements.

## **LISTING RULES IMPLICATIONS**

New Legend is a company incorporated in Macau by Mr Frederick Yip, and has been consolidated as a subsidiary of the Company under the VIE Structure. Mr Frederick Yip or any person in his role is treated as a connected person pursuant to Chapter 14A of the Listing Rules in respect of any transactions between the Group, Mr Frederick Yip and New Legend regarding the Group’s indirect participation in the gaming promotion business through the consolidation of New Legend’s profits and losses.

Accordingly, the transactions contemplated under the VIE Structure and the VIE Agreements constituted continuing connected transactions of the Company under Chapter 14A of the Rule Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “**Listing Rules**”), details of which are set out in the Circular. Accordingly, the termination of the VIE Structure and the VIE Agreements is subject to the announcement requirement under Rule 14A.35 of the Listing Rules.

None of the Directors have a material interest in the VIE Agreements and the transactions contemplated thereunder which require any of them to abstain from voting on the Board resolution in relation to the termination of the VIE Agreements and the transactions contemplated thereunder.

By Order of the Board  
**Macau Legend Development Limited**  
**Li Chu Kwan**

*Chairman, chief executive officer and executive Director*

Hong Kong, 3 January 2023

*As at the date of this announcement, the executive Directors are Mr Li Chu Kwan and Ms Chan Mei Yi, Melinda; the non-executive Directors are Ms Ho Chiulin, Laurinda, Mr Li Chun Tak and Mr Wong Che Man Eddy; and the independent non-executive Directors are Mr Wang Hongxin (alias Wang, Charles Hongxin), Mr Lau Ngai Kee, Ricky and Mr Mak Ka Wing, Patrick.*

\* *for identification purposes only*