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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)**

**INSIDE INFORMATION**

**LETTER OF INTENT IN RELATION TO POTENTIAL DISPOSAL  
OF 100% EQUITY INTEREST IN A SUBSIDIARY**

**THE POTENTIAL DISPOSAL**

The Board is pleased to announce that on 13 June 2023 (after the trading hours of the Stock Exchange), the Company (as the vendor) entered into the Letter of Intent with the Purchaser, pursuant to which, the Company intends to sell, and the Purchaser intends to acquire, the entire equity interest in the Target Company, an indirect wholly owned subsidiary of the Company, which in turn wholly owns Savan Legend (the Company's operation in Lao PDR).

Subject to the results of the due diligence review on the Target Company and Savan Legend by the Purchaser and further negotiations between the Company and the Purchaser on the terms of the Formal Agreement, the Company and the Purchaser may enter into the Formal Agreement within fourteen (14) clear days after completion of due diligence review on the Target Company and Savan Legend by the Purchaser, the period of which shall be thirty (30) clear days from signing of the Non-Disclosure Agreement (which shall be signed within five (5) clear days after the signing of the Letter of Intent), and may be further extended by fourteen (14) clear days depending on the actual circumstances. Should the Formal Agreement be entered into, the Company will issue further announcement in accordance with the requirements under the Listing Rules.

\* for identification purpose only

## **POTENTIAL LISTING RULES IMPLICATIONS**

On the basis that the Formal Agreement is entered into with the Total Consideration remaining unchanged and the trading prices of the Shares on the Stock Exchange during the period from the date of the Letter of Intent up to the date of the Formal Agreement remaining stable, it is expected that at least one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Potential Disposal would exceed 5% but less than 25%, the Potential Disposal would therefore constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and hence subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

**The Potential Disposal is subject to the signing of the Formal Agreement. Therefore, the Potential Disposal may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## **THE POTENTIAL DISPOSAL**

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## **THE LETTER OF INTENT**

### **Date**

13 June 2023

### **Parties**

- (a) the Company as the vendor; and
- (b) Mr Shundo Yoshinari or a company controlled by him as the Purchaser.

## **Assets to be disposed of**

The subject matter of the Potential Disposal is the entire equity interest in the Target Company, an indirect wholly owned subsidiary of the Company, which in turn wholly owns Savan Legend (the Company's operation in Lao PDR).

## **Non-disclosure agreement**

Within five (5) clear days after the signing of the Letter of Intent, the Company shall enter into the Non-Disclosure Agreement with the Purchaser in relation to the Proposed Transaction which, among other things, also contains an exclusivity clause restricting the Group and its connected person from (a) soliciting, or entering into any transaction with, any party relating to the transaction contemplated under the Letter of Intent; and (b) participating in any discussion regarding, furnishing any information with respect, to the transaction contemplated under the Letter of Intent or assorting in any other manner any attempt by any part to do any of the foregoing.

## **Total Consideration and deposits**

The Company and the Purchaser initially agreed that the Total Consideration of the Potential Disposal to be US\$45,000,000, which shall be settled by the Purchaser as follows:

- (a) an earnest money of US\$2,000,000 shall be paid within five (5) clear days after the signing of the Letter of Intent;
- (b) an earnest money of US\$2,000,000 shall be paid within seven (7) clear days after the signing of the Non-Disclosure Agreement;
- (c) an earnest money of US\$500,000 shall be paid within fourteen (14) clear days after the signing of the Non-Disclosure Agreement;
- (d) an earnest money of US\$5,500,000 shall be paid within seven (7) clear days after the completion of the due diligence review of the Target Company and Savan Legend by the Purchaser;
- (e) the earnest money set out in items (a) to (d) above shall become the Initial Deposit (totalling US\$10,000,000) and an additional deposit of US\$12,500,000 shall be paid upon signing of the Formal Agreement; and
- (f) the remaining balance of US\$22,500,000 shall be paid at the closing of the Formal Agreement, the date of which shall be no more than three (3) months after the signing of the Non-Disclosure Agreement (except for failure to fulfil condition precedents set out below, failure to obtain the approval of the government of Lao PDR on the Formal Agreement or other force majeure factors or circumstances beyond the control of the parties including natural disaster, serious illness of the Purchaser (if applicable), pandemics, political, epidemics of serious disease, or governmental or regulatory issues); subject to parties' agreement to extend the date of closing depending on the actual circumstances.

The then earnest money received by the Company or the Initial Deposit (as the case may be) is only refundable if (i) the Company fails to fulfil the relevant condition precedents set out below or (ii) if there is any material issue identified during the due diligence review of the Purchaser (including but not limited to force majeure factors or circumstances beyond the control of the parties including natural disaster, serious illness of the Purchaser (if applicable), pandemics, political, epidemics of serious disease, or governmental or regulatory issues) or (iii) if there is any material issue identified during the due diligence review of the Purchaser which differs materially from the representation of the Company or cannot be resolved and agreed upon by the Company and the Purchaser.

If the Proposed Transaction cannot be completed due to the Purchaser's own reasons (other than the failure to fulfil the relevant condition precedents set out below, the failure to obtain the approval of the government of Lao PDR on the Formal Agreement or other force majeure factors or circumstances beyond the control of the parties including natural disaster, serious illness of the Purchaser (if applicable), pandemics, political, epidemics of serious disease, or governmental or regulatory issues), the Company will forfeit all of the consideration received; whereas, if the Proposed Transaction cannot be completed due to the Company's own reason (other than the failure to obtain the approval of the government of Lao PDR on the Formal Agreement or other force majeure factors or circumstances beyond the control of the parties including natural disaster, serious illness of the Purchaser (if applicable), pandemics, political, epidemics of serious disease, or governmental or regulatory issues), the Company shall refund all consideration received and shall pay the Purchaser an additional amount equivalent to the then consideration received by the Company.

The Total Consideration was determined after arm's length negotiations and on normal commercial terms, with reference to, among others, (i) the financial positions of the Target Company and Savan Legend; (ii) the investment cost in developing the gaming and hotel business operation in Lao PDR and its profitability; and (iii) the valuation of Savan Legend. The Board considers that the Total Consideration is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

### **Completion account**

The Company undertakes to the Purchaser that, upon signing the Letter of Intent, it shall ensure the cash balance of Savan Legend be applied solely for daily operation of Savan Legend. The Company is entitled to bank balances of Savan Legend of US\$4,000,000 at closing of the Formal Agreement, of which US\$2,500,000 shall be deducted for Savan Legend to settle its tax payable for the assessment year of 2022 in Lao PDR with the relevant tax authority.

### **Tax liability**

The Company shall be liable for tax payable for the assessment year of 2023 in Lao PDR of Savan Legend calculated on the basis of 365-day a year and apportioned on a daily basis from 1 January 2023 up to and including the completion date of the Proposed Disposal.

## **Condition precedents**

Subject to the Formal Agreement, the closing of the Potential Disposal is conditional upon the following conditions:

- (1) Savan Legend entering into a flat tax agreement with the government of Lao PDR with terms agreed by the Company and the Purchaser;
- (2) term of the initial gambling license shall be 99 years;
- (3) relevant land tenancy certificate does not contain any adverse provisions against the Purchaser;
- (4) transfer of the operating license shall be duly completed on or before the date of completion of the Potential Disposal;
- (5) the Company shall, with reasonable effort, answer and address questions raised by the Purchaser during its due diligence review process and provide relevant documents as required by the Purchaser;
- (6) the Purchaser has completed due diligence review to its reasonable satisfaction on all operational, financial, legal and other aspects of the Company; and
- (7) the Purchaser meets the suitability requirements of the government of Lao PDR.

## **Formal Agreement**

Subject to the results of the due diligence review on the Target Company and Savan Legend by the Purchaser and further negotiations between the Company and the Purchaser on the terms of the Formal Agreement, the Company and the Purchaser may enter into the Formal Agreement within fourteen (14) clear days after completion of due diligence review on the Target Company and Savan Legend by the Purchaser, the period of which shall be thirty (30) clear days from signing of the Non-Disclosure Agreement (which shall be signed within five (5) clear days after the signing of the Letter of Intent), and may be further extended by fourteen (14) clear days depending on the actual circumstances. Should the Formal Agreement be entered into, the Company will issue further announcement in accordance with the requirements under the Listing Rules.

## **Legal Effect**

The Letter of Intent is legally binding on the Company and the Purchaser.

## **INFORMATION OF THE TARGET COMPANY AND THE GROUP**

The Target Company is a limited company incorporated in the BVI and a wholly-owned subsidiary of the Company. It is principally engaged in investment holding and, in particular, is the holding company of Savan Legend which is principally engaged in casino and hotel business operation in Lao PDR.

The Company is an investment holding company. The Group is one of the leading owners of entertainment and gaming facilities in Macau. It is principally engaged in the provision of gaming services and operation of casinos, hotels and entertainment and leisure facilities.

## **INFORMATION OF MR. SHUNDO YOSHINARI**

Mr. Shundo Yoshinari is a Japanese citizen currently residing in Japan. To the best of the Directors' knowledge, information and belief after making all reasonable enquiries based on the information provided by the Purchaser, as of the date of this announcement, Mr. Shundo Yoshinari is an Independent Third Party.

## **REASONS AND BENEFITS FOR ENTERING INTO THE LETTER OF INTENT**

The Group considers that, although the gaming and hotel business in Lao PDR was profit-making for the financial year of 2022, its financial performance is unstable and such business is subject to increasingly onerous restraints in Lao PDR, thereby limiting its profitability in the future. If the Potential Disposal materialises, the Group can reallocate more financial resources to its business operation in Macau and for overall future development. The Board considers that the entering into of the Letter of Intent and the Potential Disposal is in the interests of the Company and the Shareholders as a whole.

## **POTENTIAL LISTING RULES IMPLICATIONS**

On the basis that the Formal Agreement is entered into with the Total Consideration remaining unchanged and the trading prices of the Shares on the Stock Exchange during the period from the date of the Letter of Intent up to the date of the Formal Agreement remaining stable, it is expected that at least one of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Potential Disposal would exceed 5% but less than 25%, the Potential Disposal would therefore constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and hence subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

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## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors;
“BVI”	British Virgin Islands;
“Company”	Macau Legend Development Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1680);
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Directors”	director(s) of the Company;
“Formal Agreement”	the formal sale and purchase agreement which may be entered into between the Company and the Purchaser in relation to the Potential Disposal;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party(ies)”	individual(s) or company(ies) who/which, to the best knowledge of our Directors having made due and careful enquiries, is(are) not connected person(s) of our Company within the meaning ascribed under the Listing Rules;
“Initial Deposit”	an initial deposit of US\$10,000,000 payable by the Purchaser to the Company, being the earnest money received by the Company prior to the signing of the Formal Agreement;
“Lao PDR”	the Lao People’s Democratic Republic;
“Letter of Intent”	the letter of intent dated 13 June 2023 entered into between the Company and the Purchaser in relation to the Potential Disposal;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Macau”	the Macau Special Administrative Region of the People’s Republic of China;

“Non-Disclosure Agreement”	a non-disclosure agreement to be entered into between the Company and the Purchaser in relation to the Proposed Transaction;
“Potential Disposal”	the potential disposal of the Target Company by the Company to the Purchaser;
“Purchaser”	Mr Shundo Yoshinari, an Independent Third Party, or a company controlled by him;
“Savan Legend”	Savan Legend Resorts Sole Company Limited, a company incorporated in Lao PDR directly wholly owned by the Target Company and in turn an indirect wholly-owned subsidiary of the Company;
“Share(s)”	the ordinary share(s) of the Company;
“Shareholder(s)”	holders of the Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning ascribed to it under the Listing Rules;
“Target Company”	MLD Resorts Laos Limited, a limited company incorporated under the laws of BVI which is an indirect wholly-owned subsidiary of the Company;
“Total Consideration”	the total consideration of the Potential Disposal of US\$45,000,000 initially agreed between the Company and the Purchaser, subject to final agreement between the Company and the Purchaser;
“US\$”	United States dollars, the lawful currency of the United States of America; and
“%”	per cent.

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

*Chairman, executive Director and chief executive officer*

Hong Kong, 13 June 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.*