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Success Dragon International Holdings Limited

勝龍國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 1182)

INSIDE INFORMATION ENTERING INTO OF THE AGREEMENTS AND CONTINUED OPERATIONS OF THE OUTSOURCED BUSINESS PROCESS MANAGEMENT

This announcement is made by Success Dragon International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 30 April 2021 and 30 June 2021 (the “**Announcements**”) in relation to the operation of the Outsourced Business Process Management as well as the confirmation letter issued by the Group to the casino client for the proposed renewal of the relevant contracts in respect of the Outsourced Business Process Management business. Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the Announcements.

The Company is pleased to announce that, on 17 September 2021, Ace Advantage Developments Limited (“**Ace Advantage**”), a wholly-owned subsidiary of the Company, entered into two agreements (the “**Agreements**”) with Today Holdings Limited (the “**Manager**”), a third party independent of and not connected with the Company and any of its connected persons (as defined under the Listing Rules), in relation to the Outsourced Business Process Management business in Macau. Pursuant to the Agreements, subject to all necessary approvals having been obtained from Sociedade De Jogos De Macau, S.A. (“**SJM**”) and/or the Gaming Inspection and Coordination Bureau of the Macau Special Administrative Region, Ace Advantage shall, among other things, supply, set up and manage a minimum of 120 units of qualified slot and multi terminal machines and associated equipment (the “**Slot Machines**”) for operations in the slot halls of Grandview Casino and Casa Real Casino in Macau (together, the “**Casinos**”) respectively. In return,

Ace Advantage is entitled to, on a monthly basis, a performance bonus, being a fixed percentage of the net income (calculated as the gross gaming revenue derived from the Slot Machines in the Casinos minus the sum of (i) gaming and related taxes payable to the government of Macau; and (ii) sharing retained by SJM) of the Manager, for the given month from the Casinos. The Group has paid approximately HK\$3.2 million as deposits to the Manager for charges/expenses in relation to the cooperation between the Group and the Manager in respect of the Outsourced Business Process Management business in the Casinos.

Despite the Original Agreements expired on 30 April 2021 and 31 May 2021 respectively, the operations of the Outsourced Business Process Management business have remained ongoing in the Casinos because the Manager was yet to identify new supplier(s) to replace the Group. It is the mutual understanding between the Group and the Manager that the Group would continue operating the Outsourced Business Process Management business in the Casinos during this interim period and be entitled to a performance bonus calculated according to the relevant terms of the Original Agreements (which are the same as those in the Agreements). Given that the Group has decided to continue the Outsourced Business Process Management business as one of its principal businesses, it is agreed between the parties that the Agreements shall take retrospective effect from the date of the expiry of the Original Agreements (i.e. 30 April 2021 for Grandview Casino and 31 May 2021 for Casa Real Casino). The Agreements have an initial term from 1 May 2021 (for Grandview Casino) and 1 June 2021 (for Casa Real Casino) respectively to 26 June 2022, with an option for Ace Advantage to renew the term for another one year, subject to (i) the associate of the Manager having extended the service agreement with SJM upon its expiry on 26 June 2022 for more than one year; and (ii) agreement by the Manager.

The Board believes that the financial performance of the Outsourced Business Process Management will improve under a better market condition along the continued increase in vaccination rates and the gradual recovery of the tourism industry in Macau. Besides, the Group will strive to improve the profitability of the Outsourced Business Process Management business by enhancing its operational efficiency and implementing appropriate cost control measures. In view of the above, the Board is optimistic about the sustainable operation of the Outsourced Business Process Management business and considers that the terms of the Agreements are fair and reasonable and the entering into of the Agreements is in the interests of the Group and its shareholders as a whole.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares or other securities of the Company.

By order of the Board
Success Dragon International Holdings Limited
DING Lei

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 17 September 2021

As at the date of this announcement, the Board comprises two Executive Directors, namely Mr. DING Lei and Ms. DENG Ganghui; and three Independent Non-Executive Directors, namely Ms. WONG Chi Yan, Mr. DENG Yougao and Mr. CHONG Lok Man.