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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)

**MAJOR TRANSACTION  
IN RELATION TO  
THE SAVAN VEGAS HOTEL AND ENTERTAINMENT COMPLEX  
IN THE LAO PEOPLE'S DEMOCRATIC REPUBLIC**

**THE PROJECT DEVELOPMENT AGREEMENT**

The Board is pleased to announce that on 13 May 2016 (after trading hours) the Government of the Lao PDR and the Company entered into the Project Development Agreement pursuant to which, subject to its terms and conditions and among other things,

- (1) the Government of the Lao PDR agreed to (i) procure the Operator to sell the Project to the Project Company at the Consideration of US\$42,000,000 (equivalent to approximately HK\$325,920,000) (including payment of the Assumed Tax Liability), and (ii) approve the issuance to the Project Company of the Concession Certificate upon Closing authorising the Project Company to engage in the Concession Activities in connection with the Project during the Term, and
- (2) the Company agreed to (i) form the Project Company, (ii) purchase the Project, and (iii) operate the Project Company to engage in the Concession Activities in connection with the Project during the Term.

## **LISTING RULE IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Project Development Agreement and the transactions contemplated under it exceeds 25% but is less than 100%, the entering into of the Project Development Agreement constitutes a major transaction of the Company under the Listing Rules and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. Accordingly, the Company will seek Shareholders' approval at the EGM by way of poll for the entering into of the Project Development Agreement and the transactions contemplated under it.

## **DESPATCH OF CIRCULAR**

A circular containing, among other things, (i) further details about the Project Development Agreement and the transactions contemplated under it, and (ii) a notice of the EGM and a proxy form, is expected to be despatched to the Shareholders on or before 3 June 2016.

**Closing of the Project Development Agreement (including the transactions contemplated under it) may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.**

## **1. THE PROJECT DEVELOPMENT AGREEMENT**

The Board is pleased to announce that on 13 May 2016 (after trading hours), the Government of the Lao PDR and the Company entered into the Project Development Agreement pursuant to which, subject to its terms and conditions and among other things,

- (1) the Government of the Lao PDR agreed to (i) procure the Operator to sell the Project to the Project Company at the Consideration of US\$42,000,000 (equivalent to approximately HK\$325,920,000) (including payment of the Assumed Tax Liability), and (ii) approve the issuance to the Project Company of the Concession Certificate upon Closing authorising the Project Company to engage in the Concession Activities in connection with the Project during the Term, and
- (2) the Company agreed to (i) form the Project Company, (ii) purchase the Project, and (iii) operate the Project Company to engage in the Concession Activities in connection with the Project during the Term.

## 1.1 Principal Terms of the Project Development Agreement

The principal terms of the Project Development Agreement are as follows:

(a) *Date*

13 May 2016

(b) *Parties*

(i) the Government of the Lao PDR

(ii) the Company

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Government of the Lao PDR is an Independent Third Party.

(c) *Conditions precedent*

Closing of the Project Development Agreement is conditional upon the following conditions precedent, among others:

(i) the Project Company has received all approvals from the relevant governmental authorities of the Lao PDR necessary to ensure that it may conduct the Concession Activities as the same were conducted by the Operator on the Effective Date, including the Concession Certificate and the Gaming Licence;

(ii) the Project Company has received all approvals required from other relevant governmental authorities outside the Government of the Lao PDR;

(iii) all of the following transaction documents have been executed and delivered by the relevant parties:

(a) the Instrument of Accession in respect of the accession of the Project Company to become a party to the Project Development Agreement, and to comply with and be bound by all the terms and conditions of the Project Development Agreement;

(b) the Asset Purchase Agreement in respect of the sale and purchase of the Project;

(c) the Flat Tax Agreement in respect of the taxes to be paid by the Project Company; and

- (d) the Land Concession Contract in respect of the lease of the Project Area;
- (iv) the entering into of participation agreements with certain existing slot hall owners;
- (v) the Government of the Lao PDR and the Company have agreed on the Flat Tax Agreement, including a tax regime or mechanism for fixing taxes that will apply for the Term of the Project Development Agreement beyond its initial three years, and the relevant tax provisions in the Project Development Agreement and the Flat Tax Agreement are amended to reflect that agreement;
- (vi) all existing concession and other rights held by third parties in respect of Site A have been terminated, and no new rights shall have been granted to third parties; and
- (vii) the regulatory requirements of the Company have been satisfied, and the parties to the Project Development Agreement have agreed as to the matters of (a) scope of Concession Activities, (b) government approvals, exemptions and opinions required in connection with and as conditions to Closing, (c) required operating permits, (d) expropriation, force majeure (including political events) and termination or compensation, (e) material breach and termination or compensation, (f) change in law, (g) available remedies, (h) scope of indemnification, (i) liabilities assumed, and (j) representations and warranties, and the relevant transaction documents have been amended or modified to the extent necessary to reflect such agreement to the satisfaction of the parties to the Project Development Agreement.

**(d) *Closing***

Closing of the Project Development Agreement shall occur as soon as practicable after the date on which the conditions precedent are fulfilled, provided that Closing shall not occur later than the Long Stop Date unless otherwise agreed by the parties to the Project Development Agreement.

**(e) *The Project***

Pursuant to the Project Development Agreement, the Project consists of the Savan Vegas Hotel and Entertainment Complex which is a full-service casino, hotel and resort located in Nongdeune Village, Kaisonphomvihanh District, Savannakhet Province of the Lao PDR that

features gaming and entertainment venues, a contemporary hotel and convention centre, restaurants, bars and other dining facilities, spa services, recreational facilities, retail shopping facilities, ATMs, and transportation and car rental services.

As at the date of this announcement, the Project was operated by the Operator which is a company organised under the laws of the Lao PDR and wholly-owned by the Ministry of Finance of the Lao PDR.

The unaudited net book value of the Savan Vegas Hotel and Entertainment Complex as at 31 December 2015 was approximately US\$31,091,000 (equivalent to approximately HK\$241,266,000).

The financial information of the Project for the two financial years ended 31 December 2014 and 2015 in accordance with International Financial Reporting Standards are as follows:

	<b>For the year ended</b>	
	<b>31 December</b>	<b>31 December</b>
	<b>2014</b>	<b>2015</b>
	<i>(US\$)</i>	<i>(US\$)</i>
Unaudited net profit/(loss) before tax	US\$5,363,000 (equivalent to approximately HK\$41,617,000)	US\$(3,132,000) (equivalent to approximately HK\$(24,304,000))
Unaudited net (loss) after tax	US\$(6,493,000) (equivalent to approximately HK\$(50,386,000))	US\$(16,670,000) (equivalent to approximately HK\$(129,359,000))

From and after Closing, the Project Company will be entitled to:

- (i) have full rights of access to the Project Area and use of the existing Project and Project Area infrastructure and facilities, including roads, electricity and power supply, water supply and telecommunication services, subject to the payment of applicable third party provider fees and service costs for use of such infrastructure and facilities; and

- (ii) further develop the infrastructure and facilities throughout the Project Area, whether by way of renovation or construction of new infrastructure and facilities, in accordance with the applicable laws of the Lao PDR and international best practices.

**(f) *Consideration for the Project***

The Consideration for the Project is US\$42,000,000 (equivalent to approximately HK\$325,920,000) (including payment of the Assumed Tax Liability). Upon the entering into of the Project Development Agreement, the Company shall promptly pay the Deposit of US\$1,000,000 (equivalent to approximately HK\$7,760,000) to the bank account designated by the Government of the Lao PDR as security for the Company's fulfilment of the obligations of the Company and the Project Company before Closing and the obligation to achieve Closing.

If Closing occurs, the Deposit shall be credited as partial payment of the Consideration for the Project. If Closing does not occur by the Long Stop Date, the Deposit may be retained by the Government of the Lao PDR without prejudice to any further claim the Government of the Lao PDR may have against the Company for failure to achieve Closing or for breach of its obligations before Closing under the Project Development Agreement, provided that if the failure to achieve Closing is a result of a failure of one or more of the conditions precedent set forth under paragraphs 1.1(c)(iv) to (vii) above required to be satisfied before the Long Stop Date, or as a result of a breach by the Government of the Lao PDR of its obligations under the Project Development Agreement, the Deposit shall be returned to the Company within 15 days after the Long Stop Date and the Company shall have no other liability for such failure to achieve Closing.

The Consideration of US\$42,000,000 (equivalent to approximately HK\$325,920,000) shall be paid at Closing by a wire transfer of immediately available funds to the bank account designated by the Government of the Lao PDR no later than three Business Days before Closing.

Except for the Assumed Tax Liability, which shall be discharged in full by the payment above, the Project Company shall have no obligation to pay any tax obligations in respect of the Project or the Project Assets for the period before Closing.

The Consideration for the Project was determined after arm's length negotiations between the Government of the Lao PDR and the Company, and taking into account of (i) the size of the Project, (ii) the location of the Project, (iii) the existing casino and hotel operations at the Savan Vegas Hotel and Entertainment Complex, and (iv) the area of gaming exclusivity to be granted to the Project.

**(g) *The Concession Activities***

The Concession Activities in connection with the Project shall be conducted within the Project Area except for item (ix) which can extend beyond the Project Area, and includes:

- (i) Gaming Activities;
- (ii) hotel and hospitality services;
- (iii) entertainment services, including the presentation or hosting of musical performances, theatrical productions, comedy shows, sporting events or other live, recorded or broadcast entertainment, karaoke and KTV venues;
- (iv) convention services;
- (v) recreational services, including the operation of salons, spas, massage and treatment facilities, health clubs, gyms, swimming pools, tennis courts, and a golf course;
- (vi) dining services, including the operation of restaurants, bars, nightclubs, cafés and other dining establishments and the service of liquor and alcoholic beverages for up to twenty-four hours per day;
- (vii) retail services incidental to (i) to (vi) above, including the operation of a duty free shop, markets, and gift shops;
- (viii) credit extension for Gaming Activities and installation of ATMs;
- (ix) transportation and car rental services;
- (x) all lawful activities that are incidental or ancillary to the activities authorised under this paragraph 1.1(g) or that are useful, necessary or convenient to the operation of such activities according to international best practices; and
- (xi) such other activities as the Government of the Lao PDR may approve.

**(h) *Term and Exclusivity***

Subject to the other terms and conditions of the Project Development Agreement, the Project Development Agreement shall have an initial Term of 50 years commencing on the Effective Date. Subject to the applicable laws of the Lao PDR, in the event that the Project Company has fulfilled all its obligations for the initial term of 50 years, the Project Company may request from the Government of the Lao PDR for an extension of an additional period not exceeding 49 years.

For the duration of the Term of the Project Development Agreement, the Government of the Lao PDR shall not grant to any third party any licence, permit or concession authorising such third party to operate any Gaming Activities within the exclusivity zone (which consists of the provinces of Bolikhamsay, Khammouane and Savannakhet of the Lao PDR) without the prior written consent of the Project Company but such exclusivity right does not authorise the Project Company to conduct the Concession Activities outside the Project Area.

**(i) *Guarantee***

The Company unconditionally guarantees the payment and performance when due of all of the Project Company's obligations under the Project Development Agreement and shall make available to the Project Company such financial and other resources as the Project Company may require to satisfy its obligations under the Project Development Agreement.

As security for the Project Company's fulfilment of its obligations under the Project Development Agreement, the Company shall execute an irrevocable guarantee in the amount of US\$30,000 (equivalent to approximately HK\$232,800).

**(j) *Termination***

The Project Development Agreement shall be terminated, among others, in the following circumstances:

- (a) upon occurrence of any of the circumstances for cancellation or termination of an investment set forth in the relevant laws of the Lao PDR;



- (b) giving 30 days' written notice of termination by the Government of the Lao PDR if the Company or the Project Company fails to (i) make any monetary payment to the Government of the Lao PDR as required by the applicable laws of the Lao PDR or under the Project Development Agreement, (ii) comply with any other material obligation under the Project Development Agreement, or (iii) comply with a material obligation imposed by the applicable laws of the Lao PDR; or
- (c) giving immediate notice of termination by the Government of the Lao PDR if the Company or the Project Company goes into liquidation because of insolvency or makes a composition with its creditors.

## **2. TYPES OF GAMING ACTIVITIES INVOLVED IN THE PROJECT**

Pursuant to the Project Development Agreement, the Project Company shall conduct the Gaming Activities in accordance with the Gaming Licence and international best practices adopted by casinos of similar size and nature, and in a manner that is fair, trustworthy and free from criminal influence and fraudulent practices. The Gaming Activities involved in the Project are the commercial operation of Games of Chance or of Wagers, played for money or money's worth, including the operation of gaming tables, semi-automated gaming tables and Electronic Gaming Machines, either in a casino or in the form of Interactive Gaming.

## **3. APPLICABLE REGULATORY OR LICENSING REQUIREMENTS**

Licences must be issued by relevant departments of the Government of the Lao PDR based on the specific casino and gambling activities to be engaged in and the geographic area where those activities will be conducted. Licences must be applied for and are granted on an ad hoc basis to intended casino operators who are regarded by the Government of the Lao PDR as being suitable to carry out such operations. The Company has already been pre-qualified by the Government of the Lao PDR as a suitable casino operator in the Lao PDR, and has received an indication from the Government of the Lao PDR that its participation in this gaming sector is welcomed.

#### **4. SPECIFIC RISKS IN RELATION TO THE OPERATION OF THE GAMING ACTIVITIES INVOLVED IN THE PROJECT**

##### **4.1 Risks of political and governmental**

Risks from the government include any change in policy that could have an adverse effect on the operation of the Project. While the laws of the Government of the Lao PDR contain a number of general prohibitions against casinos and gambling, exemptions from those prohibitions may legally be granted on a case by case basis. Casinos are also required to follow a number of regulations with respect to workforce levels and investment in their training. These regulations and others such as taxes could be changed which may affect the operation of the Project.

##### **4.2 Risk of additional casino and resort competition**

With no likely additional competition from new locations in Laos, the threat of competition turns towards Thailand and to a lesser degree, Vietnam. Thailand has a total ban on casino gambling and local people in the Vietnam cannot gamble at casinos in Vietnam. If there is any change to the governmental policies and laws on gambling which allows casino gambling in Thailand or allows Vietnam nationals to gamble at casinos in Vietnam, there may be competition towards the Project.

Integrated resort developments in Vietnam such as Da Nang of Vietnam may also create competition to the Savan Vegas Hotel and Entertainment Complex. There has been continuing speculation that Vietnam may approve a large expansion of integrated resorts to increase tourism. If this expansion is materialised, there may be competition to the hotel operation of the Project.

##### **4.3 Risk of lack of upscale infrastructure**

The infrastructure of Savannakhet Province requires improvement and expansion to cater for the development of the Project. At present, there is minimal infrastructure outside of the Savan Vegas Hotel and Entertainment Complex. Most of its existence is due to its location on the border and on the Mekong River. The lack of sufficient infrastructure, and entertainment options may limit the location's appeal to visitors from further distances into Thailand or Vietnam.

##### **4.4 Risk of operation**

The Savan Vegas Hotel and Entertainment Complex's nearly seven years of operations have created experienced managers and staff who are well attuned to the needs of the current customer base and can serve as key employees

upon opening of new facilities. With further development of the Project, there will be a need to source new employees with suitable language skills and cultural understanding. If existing experienced managers and staff are not able to be retained or the new employees with suitable language skills are not able to be sourced, the operation of the Project may be affected.

## **5. POTENTIAL DEVELOPMENT OF SITE A**

In addition to the Project, the Company is interested in developing an integrated resort at Site A, an area in the Savan Seno Special Economic Zone of Savannakhet Province of the Lao PDR. The proposed integrated resort, which would be adjacent to the Project Area, may include two golf courses, 600 hotel rooms, villas, spa and pool facilities, staff quarters and training facilities. The proposed resort in Site A may also include a shopping arcade, an exhibition hall, medical tourism facilities, a floating restaurant, a botanical garden, a dinosaur exhibition and other resort-type facilities and activities. The Government of the Lao PDR and the Company are still in preliminary discussions on the potential development of Site A. If the potential development in Site A materialises, the Company will comply with the relevant requirements of the Listing Rules when the definitive agreement is entered into.

## **6. INFORMATION ABOUT LAOS AND SAVANNAKHET PROVINCE, AND REASONS AND BENEFITS OF THE PROJECT**

Laos is very central to the Southeast Asia, and is also accessible in under two hours for a large portion of the Southern China. The Lao's international visitation is dominated by three of its neighbours, being Thailand, Vietnam and China. The total international visitation to Laos in 2014 was approximately 4.2 million, and the above three countries accounted for approximately 86% of international arrivals in 2014.

According to the Lao PDR visitation statistics, Savannakhet Province of the Lao PDR received over 1 million visitors in 2014. Savannakhet Province is located in the middle of Laos and borders Khammouane Province to the north, Quang Tri and Thua Thien-Hue Provinces of Vietnam to the east, Saravan Province to the south, and Nakhon Phanom and Mukdahan provinces of Thailand to the west. Savannakhet Province is rich with natural attractions and includes the Xe Bang Nouan National Biodiversity Conservation Area to the south, the Dong Phou Vieng National Protected Area to the southeast, and Phou Xang He National Protected Area to the north.

The Savan Vegas Hotel and Entertainment Complex received close to 1 million casino visits, meaning that most of the tourism in the region appears to be related to the presence of the casino. In 2015, most markets showed a continuing shift from VIP to mass market play with a few exceptions. The three largest gross gaming revenue markets, Macau, Las Vegas Strip and Singapore all had double digit percentage declines in VIP play in 2015, with Macau down approximately 38%.

Through the Project, the Group will be able to operate the Savan Vegas Hotel and Entertainment Complex in Savannakhet Province of the Lao PDR. The entering into of the Project Development Agreement and the transactions contemplated under it enables the Group to tap into the gaming business and the tourism market in the Lao PDR.

Taking into account of (a) the development potential of the Savan Vegas Hotel and Entertainment Complex, (b) the location of the Project, (c) the concession term of 50 years granted by the Government of the Lao PDR to operate the Concession Activities at the Project Area, (d) the exclusivity zone that limits competition to the Project, and (e) the ability of the Group to develop the Project into an attractive area for regional tourism, the Board (including the independent non-executive Directors) considers that the entering into of the Project Development Agreement and the transactions contemplated under it will provide a viable and valuable opportunity for the Group to expand its business outside Macau.

The Group intends to fund the Consideration by internal resources, bank financing or external debt/equity financing, or a combination of any of these sources of funding. The Group may consider, while retaining management and operational control of the Project, including co-investor(s) for the Project, which may reduce proportionately the internal funding of the Group. As at the date of this announcement, the Group has not identified any co-investor(s).

The Board (including the independent non-executive Directors) considers that the terms of the Project Development Agreement are fair and reasonable, and that the entering into of the Project Development Agreement and the transactions contemplated under it is in the interests of the Company and the Shareholders as a whole.

## **7. INFORMATION OF THE GROUP, THE GOVERNMENT OF THE LAO PDR AND THE OPERATOR**

The Company is one of the leading owners of entertainment and casino gaming facilities in Macau. It is principally engaged in (i) the provision of gaming services to Sociedade de Jogos de Macau, S.A. through its subsidiary, Hong Hock

Development Company Limited, in two casinos in its properties, namely Pharaoh's Palace Casino and Babylon Casino, and (ii) the operation of the hotels, entertainment and leisure facilities within the Group's properties.

The Government of the Lao PDR is the governing authority of the Lao PDR, and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, is an Independent Third Party.

The Operator is a company organised under the laws of the Lao PDR and wholly-owned by the Ministry of Finance of the Lao PDR, and to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, is an Independent Third Party.

## **8. LISTING RULE IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Project Development Agreement and the transactions contemplated under it exceeds 25% but is less than 100%, the entering into of the Project Development Agreement constitutes a major transaction of the Company under the Listing Rules and is therefore subject to the notification, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules. Accordingly, the Company will seek Shareholders' approval at the EGM by way of poll for the entering into of the Project Development Agreement and the transactions contemplated under it.

**Closing of the Project Development Agreement (including the transactions contemplated under it) may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.**

**The Company confirms that, based on Lao legal advice obtained by the Company, and the Lao due diligence investigation conducted on the Company's behalf by its Lao legal counsel, the gambling activities contemplated by the Company and/or the Project Company are lawful in the Lao PDR. The Company has also been advised that the gambling activities to be conducted wholly in the Lao PDR do not contravene the Gambling Ordinance (Cap. 148 of the Laws of Hong Kong). Shareholders and potential investors should note that, pursuant to Guidance Letter HKEx-GL71-14 issued by the Stock Exchange relating to "Gambling Activities Undertaken by Listing Applicants and/or Listed Issuers", the Stock Exchange may direct the Company to take remedial actions and/or may suspend dealings in, or may cancel the listing of, the Company's securities pursuant to Rule 6.01 of the Listing Rules if the operation of the proposed gambling activities fails to comply with applicable laws in the Lao PDR and/or contravenes the Gambling Ordinance (Cap. 148 of the Laws of Hong Kong).**

## 9. DESPATCH OF CIRCULAR

A circular containing, among other things, (i) further details about the Project Development Agreement and the transactions contemplated under it, and (ii) a notice of the EGM and a proxy form, is expected to be despatched to the Shareholders on or before 3 June 2016.

## 10. DEFINITIONS

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

“Asset Purchase Agreement”	the asset purchase agreement to be entered into between the Government of the Lao PDR, the Operator, the Company and the Project Company in respect of the sale and purchase of the Project
“Assumed Tax Liability”	the amount of the tax liability assumed by the Company at Closing payable to the Government of the Lao PDR
“Board”	the board of Directors
“Business Day(s)”	any calendar day other than a Saturday, Sunday or any other holiday required under the applicable laws in the Lao PDR
“Closing”	the closing of the Project Development Agreement
“Company”	Macau Legend Development Limited, a limited liability company incorporated in the Cayman Islands, the Shares of which are listed on the main board of the Stock Exchange
“Concession Activities”	the concession activities approved by the Government of the Lao PDR which are set out in the Project Development Agreement and to be engaged by the Project Company, details of which are set out in paragraph 1.1(g) headed “The Concession Activities” of this announcement

“Concession Certificate”	the concession registration certificate to be issued by the Government of the Lao PDR to the Project Company authorising it to engage in the Concession Activities
“Consideration”	the consideration for acquiring the Project (including the payment of the Assumed Tax Liability)
“Deposit”	US\$1,000,000 (equivalent to approximately HK\$7,760,000) to be paid by the Company to the Government of the Lao PDR upon the entering into of the Project Development Agreement
“Director(s)”	the director(s) of the Company
“Effective Date”	the date of the Project Development Agreement, that is, 13 May 2016
“EGM”	the extraordinary general meeting to be held by the Company for the Shareholders to approve the entering into of the Project Development Agreement and the transactions contemplated under it
“Electronic Gaming Machine(s)”	any device, including its gaming programs and associated software, memory compartments, random number generators and any means of storage of gaming products, totally or partially operated by electric, electronic and/or mechanical means and conceived, adapted or programmed to (i) operate one or more types of Games of Chance or Wagers; (ii) accept payments in money or money’s worth in the form of bets; and (iii) make payments as result of the bets placed in the form of cash prizes, tokens, tickets redeemable in cash, assets convertible in tokens, cash or equivalent values, but excluding fully or semi-automated gaming tables

“Flat Tax Agreement”	the flat tax agreement to be entered into between the Government of the Lao PDR and the Project Company in respect of the taxes to be paid by the Project Company
“Game(s) of Chance”	any game for which the outcome is exclusively contingent on chance or partially contingent on chance and partially contingent on a player’s skill
“Gaming Activities”	the commercial operation of Games of Chance or of Wagers, played for money or money’s worth, including the operation of gaming tables, semi-automated gaming tables and Electronic Gaming Machines, either in a casino or in the form of Interactive Gaming
“Gaming Licence”	the licence for the conduct of gaming and casino activities to be issued by the relevant governmental authority of the Government of the Lao PDR to the Project Company on or before Closing
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party/ Parties”	a person or persons which is or are independent of, and not connected with, any directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or any of their respective associate(s) (as defined under the Listing Rules)



“Interactive Gaming”	all Games of Chance or Wagers on which a prize in money or money’s worth is offered or can be won under the respective rules and a player can play or participate through any means of telecommunication, namely through the phone, telefax, internet, data network, live broadcast or digital data and, in order to do so, makes or agrees to make payments in money or money’s worth
“Instrument of Accession”	the instrument of accession to be entered into between the Government of the Lao PDR, the Project Company, and the Company in respect of the accession of the Project Company to become a party to the Project Development Agreement, and to comply with and be bound by all the terms and conditions of the Project Development Agreement
“Land Concession Contract”	the land concession contract to be entered into between the land authority of the Government of the Lao PDR and the Project Company in respect of the lease of the Project Area
“Lao PDR”	the Lao People’s Democratic Republic
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	29 July 2016 or any other date as agreed by the parties to the Project Development Agreement
“Operator”	the current owner and operator of the Project which is a company organised under the laws of the Lao PDR and wholly-owned by the Ministry of Finance of the Lao PDR
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“Project”	the Savan Vegas Hotel and Entertainment Complex

“Project Area”	the area consisting of the approximately 50 hectares of land located in Nongdeune Village, Kaisonphomvihanh District, Savannakhet Province of the Lao PDR and having the boundaries indicated in the Land Concession Contract
“Project Assets”	all tangible and intangible assets, property, rights and interests in respect of the Project set forth in the Asset Purchase Agreement, except that Project Assets shall exclude any and all cash other than cage cash (the amount in cash which will be in the cage on handover of the Project Assets at Closing) in the amount of US\$1,000,000 (equivalent to approximately HK\$7,760,000)
“Project Company”	the project company to be formed by the Company under the laws of the Lao PDR for the acquisition of, and operation of the Concession Activities after Closing for, the Project
“Project Development Agreement”	the project development agreement dated 13 May 2016 (including Part I of the letter of record for the Project dated 13 May 2016) entered into between the Government of the Lao PDR and the Company in respect of the Project
“Savan Vegas Hotel and Entertainment Complex”	a full-service casino, hotel and resort located in Nongdeune Village, Kaisonphomvihanh District, Savannakhet Province of the Lao PDR
“Site A”	an area in the Savan Seno Special Economic Zone of Savannakhet Province of the Lao PDR
“Shareholders”	the shareholders of the Company
“Shares”	the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Term”	the initial term of the Project Development Agreement which is 50 years commencing from the Effective Date and any additional period to be granted by the Government of the Lao PDR
“Wager”	a sum of money or money’s worth risked on an event for which the outcome is uncertain and that relates to animal races at speed or sporting events, regulated and subject to the authority of a government agency in the jurisdiction where they take place, either in the form of fixed odds or pari-mutuel betting
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	percent

*For the purpose of this announcement, the exchange rate of US\$1.00 = HK\$7.76 has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be exchanged at such rate or any other rate or at all on the date or dates in question or any other date.*

By Order of the Board  
**Macau Legend Development Limited**  
**Chow Kam Fai, David**  
*Co-chairman, executive Director  
and chief executive officer*

Hong Kong, 13 May 2016

*As at the date of this announcement, the executive Directors are Chow Kam Fai, David, Lam Fong Ngo and Sheldon Trainor-DeGirolamo; the non-executive Director is Tong Ka Wing, Carl; and the independent non-executive Directors are Fong Chung, Mark, Xie Min and Tam Wai Chu, Maria.*

\* *For identification purposes only*