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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)

## CONTINUING CONNECTED TRANSACTIONS

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On 6 October 2017, the Promoter and Mr. Wong entered into the Confirmatory Agreement with Hong Hock, pursuant to which the Promoter confirmed that it agreed to accept the license to use three gaming tables in the Designated VIP Room as offered by Hong Hock under the Cooperation Agreement. In the Confirmatory Agreement, the parties thereto also confirmed that the Annual Caps for the aggregate amount payable by Mr. Wong and his associates to the Group under the Confirmatory Agreement in respect of the Cooperation Agreement and the License to Use Agreement for the three years ending 31 December 2017, 2018 and 2019 will be HK\$6,000,000, HK\$22,000,000 and HK\$16,500,000.

Pursuant to the Cooperation Agreement and the Confirmatory Agreement, the Promoter shall promote the Designated VIP Room for a period of two years. During the terms of the promotion period, the Promoter shall be entitled to receive 57% of the gross gaming income of the Designated VIP Room from SJM. Hong Hock shall be entitled to receive from the Promoter a monthly compensation amounting to 2% of the gross gaming income of the Designated VIP Room. The Promoter also guarantees that 0.05% or below of the rolling chips volume in connection with the Designated VIP Room be spent to consume at the hotels, restaurants and other businesses of the Group. Hong Hock shall further be entitled to receive from the Promoter a license fee of HK\$270,000 per month per gaming table for three (3) gaming tables in the Designated VIP Room as consideration for the licensing of the Designated VIP Room and expenses incurred on account of the Designated VIP Room.

Pursuant to the License to Use Agreement dated 21 April 2017, SLL agreed to lease from MFW Investment a shop in Legend Palace, the Macau Fisherman's Wharf for a term of two (2) years for retailing purpose for a total sum of approximately HK\$450,000.

### **IMPLICATIONS UNDER THE LISTING RULES**

The entire issued share capital of the Promoter and 30% of the entire issued share capital of SLL are owned by Mr. Wong. Mr. Wong is the father-in-law of Mr. Trainor-DeGirolamo, an executive Director. Mr. Wong is a deemed connected person of the Company pursuant to Rule 14A.21(1)(a) of the Listing Rules. Each of the Promoter and SLL, being the associate of Mr. Wong, is also a connected person of the Company.

Each of the annual rent under the License to Use Agreement for the two years ending 20 April 2019 is less than 5% and the total consideration is less than HK\$3,000,000, the transaction under the License to Use Agreement is fully exempt from reporting and announcement, shareholders' approval, annual review and all disclosure requirements.

As at the date of the Cooperation Agreement, the number of gaming tables to be provided and accepted by the Promoter was not yet determined and the parties not yet decided the annual cap under the Cooperation Agreement. Upon the execution of the Confirmatory Agreement, the Company could ascertain the Annual Caps which are subject to reporting and announcement requirements but are exempt from the independent Shareholders' approval requirement under Rule 14A.76 of the Listing Rules. As the License to Use Agreement, the Cooperation Agreement and the Confirmatory Agreement are all signed by the Group on one hand and Mr. Wong and his associates on the other hand, the License to Use Agreement, the Cooperation Agreement and the Confirmatory Agreement shall be aggregated under Rule 14A.81 of the Listing Rules.

The Confirmatory Agreement, the Cooperation Agreement and the License to Use Agreement and the transactions contemplated thereunder (including the Annual Caps) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As each of the percentage ratios (as defined in the Listing Rules) for the Annual Caps is all less than 5%, the Confirmatory Agreement, the Cooperation Agreement and the License to Use Agreement is only subject to reporting and announcement requirements but are exempt from the independent Shareholders' approval requirement under Rule 14A.76 of the Listing Rules.

### **The Confirmatory Agreement**

Date: 6 October 2017

Parties: (1) Hong Hock; (2) the Promoter and (3) Mr. Wong

### **The Cooperation Agreement**

Date: 21 August 2017

Parties: (1) Hong Hock; (2) the Promoter and (3) Mr. Wong

Pursuant to the Confirmatory Agreement and the Cooperation Agreement, the Promoter shall promote the Designated VIP Room for a period of two years. During the terms of the promotion period, the Promoter shall be entitled to receive 57% of the gross gaming income of the Designated VIP Room from SJM. Hong Hock shall be entitled to receive from the Promoter a monthly compensation amounting to 2% of the gross gaming income of the Designated VIP Room. The Promoter also guarantees that 0.05% or below of the rolling chips volume in connection with the Designated VIP Room be spent to consume at the hotels, restaurants and other businesses of the Group. Hong Hock shall further be entitled to receive from the Promoter a license fee of HK\$270,000 per month per gaming table for three (3) gaming tables in the Designated VIP Room as consideration for the licensing of the Designated VIP Room and expenses incurred on account of the Designated VIP Room.

Pursuant to the Cooperation Agreement, Hong Hock shall provide manpower, equipment, electricity and management for the operation and management of the Designated VIP Room. Hong Hock is not responsible for the provision of hotel rooms, transport and consumption of food and beverage to be used and consumed by gaming patrons of the Designated VIP Room.

Each of the Confirmatory Agreement and the Cooperation Agreement is unconditional.

### **The License to Use Agreement**

Date: 21 April 2017

Parties: (1) MFW Investment as Landlord; and (2) SLL as tenant

Pursuant to the License to Use Agreement dated 21 April 2017, SLL agreed to lease from MFW Investment a shop in Legend Palace, the Macau Fisherman's Wharf for a term of two (2) years for retailing purpose for a total contract sum of approximately HK\$450,000. The License to Use Agreement is unconditional.

## **Annual Caps and Basis of Determination**

The Annual Caps for the aggregate amount payable by Mr. Wong and his associates under the Confirmatory Agreement in respect of the Cooperation Agreement and the License to Use Agreement for the three years ending 31 December 2017, 2018 and 2019 will be HK\$6,000,000, HK\$22,000,000 and HK\$16,500,000.

The Annual Caps are determined based on (i) the agreed rent under the License to Use Agreement; (ii) the license fee payable for the three (3) gaming tables in the Designated VIP Room of HK\$9,720,000 per year; and (iii) compensation amounting to 2% of the gross gaming income of the Designated VIP Room, based on the historical data of the annual total gaming revenue of other VIP rooms of the Group, the Group is expected to share 2% of the total gaming revenue of approximately HK\$4,320,000 to HK\$6,480,000 per year; and (iv) the Group is expected to receive the charge of approximately HK\$3,600,000 to HK\$5,400,000 per year in respect of hotel rental, food and beverages consumption by the gaming patrons of the Designated VIP Room. The Directors (including the independent non-executive Directors) believe that the Annual Caps is fair and reasonable and in the interest of the Company and its Shareholders as a whole.

## **Reasons for and benefits of the Continuing Connected Transaction**

The Company is an investment holding company. The Group is the owners of entertainment and casino gaming facilities in Macau. The Group's businesses include (i) the provision of gaming services to SJM in three major casinos in its properties, namely Pharaoh's Palace Casino in The Landmark Macau and Babylon Casino and the Legend Palace Casino in Macau Fisherman's Wharf; and (ii) the operation of hotels, entertainment and leisure facilities within its properties.

The leasing of shops in Macau Fisherman's Wharf and the entering into the cooperation agreement with third parties to promote the VIP rooms in owned properties of the Group is in the usual and ordinary course of business of the Group.

As Mr. Wong is an associate of Mr. Trainor-DeGirolamo, Mr. Trainor-DeGirolamo has abstained from voting on the Board resolutions for approving the Confirmatory Agreement and the Cooperation Agreement. Save for Mr. Trainor-DeGirolamo, none of the Directors is required to abstain from voting on the Board resolutions for approving the Confirmatory Agreement and the Cooperation Agreement.

The Directors (including all independent non-executive Directors but excluding Mr. Trainor-DeGirolamo) consider that the entering into of the Confirmatory Agreement, the Cooperation Agreement and the License to Use Agreement is in the usual and ordinary course of business of the Group and the terms of the Confirmatory Agreement, the Cooperation Agreement and the License to Use Agreement were

negotiated on an arm's length basis and on normal commercial terms between the Group and Mr. Wong. The Directors are of view that the terms and conditions of the Confirmatory Agreement, the Cooperation Agreement and the License to Use Agreement including the Annual Cap, are fair and reasonable and in the interest of the Company and Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

The entire issued share capital of the Promoter and 30% of the entire issued share capital of SLL is owned by Mr. Wong. Mr. Wong is the father-in-law of Mr. Trainor-DeGirolamo, an executive Director. Mr. Wong is a deemed connected person of the Company pursuant to Rule 14A.21(1)(a) of the Listing Rules. Each of the Promoter and SLL, being the associate of Mr. Wong, is also a connected person of the Company.

Each of the annual rent under the License to Use Agreement for the two years ending 20 April 2019 is less than 5% and the total consideration is less than HK\$3,000,000, the transaction under the License to Use Agreement is fully exempt from reporting and announcement, shareholders' approval, annual review and all disclosure requirements.

As at the date of the Cooperation Agreement, the number of gaming tables to be provided and accepted by the Promoter was not yet determined and the parties not yet decided the annual cap under the Cooperation Agreement. Upon the execution of the Confirmatory Agreement, the Company could ascertain the Annual Caps which are subject to reporting and announcement requirements but are exempt from the independent Shareholders' approval requirement under Rule 14A.76 of the Listing Rules. As the License to Use Agreement, the Cooperation Agreement and the Confirmatory Agreement are all signed by the Group on one hand and Mr. Wong and his associates on the other hand, the License to Use Agreement, the Cooperation Agreement and the Confirmatory Agreement shall be aggregated under Rule 14A.81 of the Listing Rules.

The Confirmatory Agreement, the Cooperation Agreement and the License to Use Agreement and the transactions contemplated thereunder (including the Annual Caps) constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As each of the percentage ratios (as defined in the Listing Rules) for the Annual Caps is all less than 5%, the Confirmatory Agreement, the Cooperation Agreement and the License to Use Agreement is only subject to reporting and announcement requirements but are exempt from the independent Shareholders' approval requirement under Rule 14A.76 of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the same following meanings as set out below:

“Annual Caps”	the aggregate annual amount to be paid by Mr. Wong and his associates to the Group pursuant to the Confirmatory Agreement in respect of the Cooperation Agreement and the License to Use Agreement
“Board”	the board of Directors
“Company”	Macau Legend Development Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Confirmatory Agreement”	the confirmatory agreement dated 6 October 2017 and entered into among Hong Hock, the Promoter and Mr. Wong in relation to the confirmation of the number of gaming tables accepted by the Promoter for the Designated VIP Room and the Annual Caps
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Cooperation Agreement”	the cooperation agreement dated 21 August 2017 and entered into among Hong Hock, the Promoter and Mr. Wong in relation to the promotion of the Designated VIP Room
“Designated VIP Room”	Ka Sing VIP Club in Macau Fisherman’s Wharf entertainment complex
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Hock”	Hong Hock Development Company Limited a company incorporated under the laws of Macau and a subsidiary of the Company
“License to Use Agreement”	the License to Use agreement dated 21 April 2017 and entered into between SLL and MFW Investment in relation to the lease of a shop in Legend Palace, Macau Fisherman’s Wharf

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Mr. Trainor-DeGirolamo”	Sheldon Trainor-DeGirolamo, an executive Director
“Macau Fisherman’s Wharf”	an integrated gaming, hotel, convention and entertainment complex located on the outer harbour of the Macau Peninsula and is owned by a subsidiary of the Company
“MFW Investment”	Macau Fisherman’s Wharf International Investment Limited a company incorporated under the laws of Macau on, being the owner of Macau Fisherman’s Wharf complex and a subsidiary of the Company
“Mr. Wong”	Mr. Wong Frank, the father-in-law of Mr. Trainor-DeGirolamo, the ultimate beneficial owner of the Promoter and the controlling shareholder of SLL
“Promoter”	Sheng Li V Limited or Sheng Li V Sociedade Unipessoal Limitada, a company incorporated under the laws of Macau, the entire issued shares of which is owned by Mr. Wong
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of issued share(s) of the Company
“SJM”	Sociedade de Jogos de Macau, S.A.
“SLL”	Seng Lei Loi Jewelry and Watches Company Limited or Sociedade de Joalharia E Relojoaria Seng Lei Loi, Limitada, a company incorporated under the laws of Macau, a company controlled by Mr. Wong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“The Landmark Macau”	the hotel, dining, conference and casino complex, and the car parks, located at Macau Landmark Building, 549–567 Avenida da Amizada, Macau

“HK\$” Hong Kong dollars, the lawful currency of the Hong Kong

“%” per cent.

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

Hong Kong, 6 October 2017

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

\* *for identification purposes only*