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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

RESULTS

The Board announces the audited consolidated annual results of the Group for the year ended 31 December 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2017

		2017	2016
	Notes	***HK$'000***	*HK$'000*
REVENUE	*4*	**1,836,057**	1,471,461
Cost of sales and services		**(1,341,174)**	(1,058,447)
		494,883	413,014
Other income, gains and losses	*6*	**(65,442)**	21,702
Marketing and promotional expenses		**(183,791)**	(154,325)
Operating, administrative and other expenses		**(576,138)**	(513,522)
Finance costs	*7*	**(103,751)**	(23,491)
LOSS BEFORE TAXATION	*8*	**(434,239)**	(256,622)
Income tax expenses	*9*	**(73,102)**	(20,873)
LOSS FOR THE YEAR		**(507,341)**	(277,495)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2017

	Notes	2017 HK$'000	2016 HK$'000
Other comprehensive income (expense)			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		**51,222**	(18,162)
Total comprehensive expenses for the year		**(456,119)**	(295,657)
Loss per Share			
– Basic (HK cents)	*11*	**(8.1)**	(4.4)
– Diluted (HK cents)	*11*	**N/A**	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2017

	Notes	2017 HK$'000	2016 HK$'000
NON-CURRENT ASSETS			
Investment properties		**340,133**	358,287
Property and equipment		**6,428,651**	6,541,742
Prepaid lease payments		**1,299,223**	1,728,821
Goodwill		**681,986**	681,986
Other intangible assets		**288,412**	314,704
Deposits paid		**750,360**	847,936
		9,788,765	10,473,476
CURRENT ASSETS			
Inventories		**39,959**	44,687
Prepaid lease payments		**42,723**	54,416
Trade and other receivables	*12*	**402,554**	466,788
Pledged bank deposits		**8,086**	21,088
Bank balances and cash		**235,625**	207,878
		728,947	794,857
Assets classified as held for sale		**1,159,112**	–
		1,888,059	794,857
CURRENT LIABILITIES			
Trade and other payables	*13*	**1,308,058**	949,516
Taxation payable		**1,650**	1,650
Bank and other borrowings – due within one year		**1,447,447**	1,042,932
		2,757,155	1,994,098
Liabilities associated with assets classified as held for sale		**727,230**	–
		3,484,385	1,994,098

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2017

	Notes	**2017** *HK$'000*	2016 *HK$'000*
NET CURRENT LIABILITIES		**(1,596,326)**	(1,199,241)
TOTAL ASSETS LESS CURRENT LIABILITIES		**8,192,439**	9,274,235
NON-CURRENT LIABILITIES			
Bank borrowings – due after one year		**1,019,830**	2,410,235
Loans from a shareholder		**771,234**	–
Deferred tax liabilities		**165,070**	171,576
		1,956,134	2,581,811
NET ASSETS		**6,236,305**	6,692,424
CAPITAL AND RESERVES			
Share capital		**626,758**	626,758
Reserves		**5,609,547**	6,065,666
TOTAL EQUITY		**6,236,305**	6,692,424

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 5 October 2006 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and its Shares are listed on the Main Board of the Stock Exchange. The address of the registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business of the Company in Macau is Palace Building, Macau Fisherman's Wharf, Avenida da Amizade e Avenida da Dr. Sun Yat Sen, Macau.

The Company is an investment holding company. The Group is one of the leading owners of entertainment and casino gaming facilities in Macau. The Group currently has two major properties in Macau, The Landmark Macau and MFW. The Landmark Macau is an integrated hotel, casino and luxury shopping complex. On 9 November 2017, the Group entered into a sale and purchase agreement with independent third parties for the Disposal of The Landmark Macau. MFW is a waterfront integrated gaming, hotel, convention and entertainment complex located on the outer harbour of the Macau Peninsula. In 2015, the Group entered into agreements with the Government of Cape Verde and has commenced to develop an integrated leisure, tourism and entertainment complex in Praia, the capital city of Cape Verde. In 2016, the Group acquired the Business Operation which is engaged in casino and hotel business in Lao PDR.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Listing Rules and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis at the end of each reporting period.

The consolidated financial statements are presented in HK$, which is also the functional currency of the Company.

In preparing the Group's consolidated financial statements, the Directors have given careful consideration to the future liquidity of the Group in light of the fact that the Group's current liabilities exceeded its current assets by approximately HK$1,596,326,000, and the Group has commitments of approximately HK$238,316,000 as at 31 December 2017. The Directors have reviewed the Group's cash flow projections which cover a period of not less than twelve months from 31 December 2017 and are of the opinion that the Group will have sufficient working capital to meet its financial obligations that will be due in the coming twelve months from 31 December 2017 on the basis that:

(i) As at 31 December 2017, the Group has received deposits of HK$660,000,000 from the purchasers in respect of assets held for sale. The Group has further received deposit of HK$340,000,000 subsequent to the end of the reporting period in January 2018. The management of the Company expects the remaining balance of the sale proceeds of HK$3,600,000,000 will be received upon completion in accordance with the terms as specified in the Disposal Agreement; and

(ii) The Group has been negotiating with banks for the possibility of restructuring existing bank borrowings to long-term financing. The Directors are of the opinion that there are good track records and relationship with banks which would enhance the Group's ability on restructuring its borrowing facilities.

Based on the aforesaid factors and together with the internally generated funds in the coming twelve months, the Directors are satisfied that the Group will have sufficient financial resources to meet in full its financial obligations as and when they fall due for the foreseeable future. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

3. APPLICATION OF NEW AND REVISED HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by HKICPA for the first time in the current year:

Amendments to HKAS 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014 – 2016 Cycle

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 7 "Disclosure Initiative"

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

Except for the above, the HKICPA has issued a number of new or revised standards, interpretations and amendments to standards which are not effective for accounting period beginning on 1 January 2017 and have not been early adopted by the Group.

4. REVENUE

An analysis of the Group's revenue is as follows:

	2017	2016
	HK$'000	*HK$'000*
Revenue from gaming related operations:		
(i) from provision of gaming related facilities and gaming related general management services under the Service Agreement and indirect participation in the gaming promotion business under the VIE Structure in respect of:		
– Mass market tables	**795,232**	652,089
– VIP tables*	**156,366**	200,231
– Slot machines	**12,037**	9,118
	963,635	861,438
(ii) from operation of a casino in respect of:		
– Mass market tables	**106,237**	38,596
– VIP tables	**41,962**	16,828
– Slot machines	**98,266**	35,555
	246,465	90,979
Total gaming revenue	**1,210,100**	952,417
Revenue from non-gaming related operations:		
Rental income from hotel rooms	**283,682**	206,964
Licensing income from investment properties	**103,121**	106,854
Income from building management services	**48,442**	54,324
Food and beverage	**169,388**	127,553
Sales of merchandise	**13,092**	13,851
Others	**8,232**	9,498
Total non-gaming revenue	**625,957**	519,044
	1,836,057	1,471,461

* The amounts include outsourced VIP tables and indirect participation in the gaming promotion business in Macau through New Legend under the VIE Structure.

5. SEGMENT INFORMATION

The Executive Directors have been identified as the chief operating decision maker. The Executive Directors review the Group's internal reports in order to assess performance and allocate resources.

For the provision of gaming related facilities and gaming related general management services, and the indirect participation in the gaming promotion business, the Executive Directors regularly analyse gaming related revenue in terms of service income from mass market tables, VIP tables and slot machines. For the operation of casino, the Executive Directors regularly analyse gaming related revenue in terms of net differences between gaming wins and losses from mass market tables, VIP tables and slot machines. The Executive Directors review separately the entire revenues and operating results attributable to gaming related services and non-gaming operations. As such, the Executive Directors have identified the operating and reportable segments under HKFRS 8 "Operating Segments" as gaming and non-gaming operations.

The segment information is consistent with the internal information that is regularly reviewed by the Executive Directors for the purposes of resource allocation and assessment of performance. This is also the basis of organisation in the Group, whereby the management has chosen to organise the Group around differences in products and services. The principal activities of the operating and reportable segments are as follows:

Gaming – 1) Gaming related services for mass market tables, VIP tables and slot machines under the Service Agreement, whereby the revenue is derived based on net gaming wins. Revenue from the indirect participation in the gaming promotion business represents the sharing of gross gaming revenue generated by VIP gaming tables operated by a subsidiary, New Legend, through the VIE Structure; and 2) Casino operation in Lao PDR.

Non-gaming – operations at The Landmark Macau, MFW and Business Operation in Lao PDR including hotel and other operations such as licensing income from the shops, provision of building management service, food and beverage and others. For segment reporting under HKFRS 8, financial information of these operations with similar economic characteristics has been aggregated into a single operating segment named "non-gaming".

Segment revenue and results:

The following is an analysis of the Group's revenue and results by operating and reportable segments:

For the year ended 31 December 2017

	Gaming *HK$'000*	Non-gaming *HK$'000*	Segment total *HK$'000*	Elimination *HK$'000*	Consolidated *HK$'000*
External revenue	1,210,100	625,957	1,836,057	–	1,836,057
Inter-segment revenue	–	212,103	212,103	(212,103)	–
Segment revenue	1,210,100	838,060	2,048,160	(212,103)	1,836,057
Segment profit (loss)	138,270	(293,753)	(155,483)	–	(155,483)
Unallocated depreciation and amortisation					(101,266)
Unallocated corporate expenses					(73,547)
Unallocated exchange loss, net					(192)
Finance costs					(103,751)
Loss before taxation					(434,239)

For the year ended 31 December 2016

	Gaming *HK$'000*	Non-gaming *HK$'000*	Segment total *HK$'000*	Elimination *HK$'000*	Consolidated *HK$'000*
External revenue	952,417	519,044	1,471,461	–	1,471,461
Inter-segment revenue	–	70,695	70,695	(70,695)	–
Segment revenue	952,417	589,739	1,542,156	(70,695)	1,471,461
Segment profit (loss)	152,061	(171,451)	(19,390)	–	(19,390)
Unallocated depreciation and amortisation					(101,062)
Unallocated corporate expenses					(112,829)
Unallocated exchange gain, net					150
Finance costs					(23,491)
Loss before taxation					(256,622)

Inter-segment revenue is charged at amounts agreed by both parties.

The accounting policies of the operating segments are the same as the Group's accounting policies. Segment results represents the results of each segment without allocation of depreciation of certain investment properties and certain property and equipment, release of prepaid lease payments arising from the fair value adjustments on acquisition of MFW Group and amortisation of other intangible assets, unallocated common area in MFW, corporate expenses, net exchange difference and finance costs. Corporate expenses include directors' remuneration paid or payable by the Company and certain administrative expenses for corporate use. This is the measure reported to the Executive Directors for the purposes of resource allocation and performance assessment.

No analysis of the Group's assets and liabilities by operating and reportable segments is disclosed as it is not regularly provided to the Executive Directors for review.

Other segment information:

For the year ended 31 December 2017

	Gaming	**Non-gaming**	**Unallocated**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Depreciation of property and equipment	43,173	318,037	29,615	390,825
Depreciation of investment properties	–	12,702	1,593	14,295
Amortisation of other intangible assets	–	–	34,861	34,861
Release of prepaid lease payments	–	19,246	35,197	54,443
Pre-opening expenses	27,634	20,507	–	48,141
Allowance for inventories	–	291	–	291
Loss on disposal of property and equipment	–	427	–	427
Write-off of property and equipment as a result of typhoon Hato	13,665	107,453	–	121,118

For the year ended 31 December 2016

	Gaming	**Non-gaming**	**Unallocated**	**Consolidated**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***
Depreciation of property and equipment	40,620	196,185	30,567	267,372
Depreciation of investment properties	–	10,279	1,593	11,872
Amortisation of other intangible assets	–	–	33,705	33,705
Release of prepaid lease payments	–	18,973	35,197	54,170
Pre-opening expenses	89,792	9,602	–	99,394
Reversal of allowance for inventories	–	(29)	–	(29)
Loss on disposal of property and equipment	–	986	–	986

6. OTHER INCOME, GAINS AND LOSSES

	2017	2016
	HK$'000	*HK$'000*
Write-off of property and equipment as a result of typhoon Hato	**(121,118)**	–
Insurance claims received in respect of losses and damages arising from typhoon Hato	**55,001**	–
Allowance for bad and doubtful debts, net	**(11,996)**	–
Loss on disposal of property and equipment	**(427)**	(986)
Exchange gain (loss), net	**1,628**	(3,827)
Bank interest income	**84**	18,951
Others	**11,386**	7,564
	(65,442)	21,702

7. FINANCE COSTS

	2017	2016
	HK$'000	*HK$'000*
Interest on bank borrowings	**96,923**	112,282
Interest on loans from a shareholder	**32,575**	–
Amortisation of finance costs on bank borrowings	**15,110**	20,045
Other finance costs	**2,708**	1,350
Total borrowing costs	**147,316**	133,677
Less: Capitalised borrowing costs in construction in progress (included in property and equipment)	**(43,565)**	(110,186)
	103,751	23,491

Borrowing costs capitalised during the year arose from the general borrowing pool and are calculated by applying a capitalisation rate of 4.0% (2016: 3.5%) per annum to expenditure on qualifying assets.

8. LOSS BEFORE TAXATION

	2017	2016
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging (crediting):		
Staff costs		
Directors' remuneration	**20,835**	20,797
Other staff costs		
– salaries and other benefits	**452,776**	277,941
– contributions to retirement benefits schemes	**8,335**	6,434
Total staff costs	**481,946**	305,172
Allowance (reversal of allowance) for inventories	**291**	(29)
Amortisation of other intangible assets (included in cost of sales and services and operating, administrative and other expenses of HK$1,693,000 (2016: HK$537,000) and HK$33,168,000 (2016: HK$33,168,000), respectively)	**34,861**	33,705
Auditor's remuneration	**3,530**	3,262
Cost of inventories recognised as an expense (included in cost of sales and services)	**78,775**	54,916
Depreciation of investment properties	**14,295**	11,872
Depreciation of property and equipment	**390,825**	267,372
Operating lease charge - minimum lease payment in respect of leasehold land and buildings	**5,560**	5,146
Pre-opening expenses	**48,141**	99,394
Release of prepaid lease payments	**54,443**	54,170
Gross licensing income from investment properties	**(103,121)**	(106,854)
Less: Direct operating expenses that generate licensing income from investment properties	**14,295**	11,872
Net licensing income from investment properties	**(88,826)**	(94,982)

9. INCOME TAX EXPENSES

	2017	2016
	HK$'000	*HK$'000*
Current tax charge		
– Macau CT	**(1,650)**	(1,650)
– Lao PDR Flat Tax (as defined below)	**(77,958)**	(25,854)
	(79,608)	(27,504)
Deferred taxation credit	**6,506**	6,631
Income tax expenses	**(73,102)**	(20,873)

Macau CT is calculated at the maximum progressive rate of 12% on the estimated assessable profit for the year. No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the relevant group entities incurred tax losses.

Pursuant to the Dispatch of the Financial Services Bureau of the Macau SAR dated 17 November 2006 and a confirmation letter issued by the Financial Services Bureau of the Macau SAR government dated 14 January 2013, gaming related revenue generated from the Service Agreement is not subject to Macau CT for any of the years ended 31 December 2012 to 2016 since it is derived from SJM gaming revenue (the ''Exemption''), for which the gaming revenue is exempted pursuant to the terms of no. 2 of article 28 of the Law 16/2001 and the exemption granted by Dispatch no. 30/2004 of 23 February 2004, Dispatch no. 378/2011 of 23 November 2011 and Dispatch no. 329/2016 of 19 September 2016. Pursuant to the confirmation letter issued by the Financial Services Bureau of the Macau SAR government dated 21 November 2016, the Exemption has been extended for the period from 1 January 2017 to 31 March 2020.

Pursuant to the Dispatch of the Financial Services Bureau of the Macau SAR dated 28 June 2013, Hong Hock was allowed to pay an annual lump sum dividend withholding tax of MOP1,700,000 (equivalent to approximately HK$1,650,000) for each of the years ended 31 December 2012 to 2016 as payment in lieu of Macau CT otherwise due by the shareholders of Hong Hock on dividend distributions from gaming profits generated in relation to the operation of the casinos at The Landmark Macau and MFW. Such annual lump sum tax payments were required regardless of whether dividends were actually distributed or whether Hong Hock had distributable profits in the relevant years. Hong Hock has applied for extension of aforementioned approval in regards to Macau CT on dividend distributions from the Financial Services Bureau of the Macau SAR government for the year of assessment from 2017 to 2021 and the approval has not yet been finalised up to the date of this announcement.

Pursuant to the Agreement signed between Savan Legend and Laos Government dated 13 May 2016, the Laos Government agreed Savan Legend to pay a flat tax in an amount of US$10,000,000 (equivalent to approximately HK$77,600,000) per annum (the "Flat Tax"). The Flat Tax shall be paid for the period from 1 September 2016 to 31 August 2019 with a conditional extension for a period of two years, given that the Group commits to carry out, a hotel resort complex project on a site owned by Savan Legend. Under the Agreement, Savan Legend is not subject to other taxes, including income tax.

10. DIVIDEND

No dividend was paid, declared or proposed for both years ended 31 December 2017 and 2016.

11. LOSS PER SHARE

The calculation of the basic and diluted loss per Share attributable to owners of the Company is based on the following data:

Loss

	2017	2016
	HK$'000	*HK$'000*
Loss for the year for the purpose of basic and diluted loss per Share	**(507,341)**	(277,495)

Number of Shares

	2017	2016
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic loss per Share	**6,267,576**	6,294,988

Remark: The computation of diluted loss per Share for the year ended 31 December 2016 did not assume the conversion of the Company's outstanding share options since their exercise would result in a decrease in loss per share. The share options were lapsed on 23 November 2016.

12. TRADE AND OTHER RECEIVABLES

	2017	2016
	HK$'000	*HK$'000*
Trade receivables	**188,795**	346,624
Less: Allowance for doubtful debts	**(14)**	(14)
	188,781	346,610
Other receivables and deposits	**135,871**	47,722
Prepayments	**37,171**	35,234
Receivables from gaming operator received on behalf of gaming promoters	**40,731**	37,222
Total trade and other receivables	**402,554**	466,788

The Group allows a credit period with an average of 30 days to the gaming operator relating to provision of gaming related services, an average of 30 days to certain travel agents and an average of 15 days to its tenants. The following is an ageing analysis of trade receivables net of allowance for bad and doubtful debts presented based on the invoice date at the end of the reporting period:

	2017	2016
	HK$'000	*HK$'000*
Within 3 months	**103,290**	128,179
Over 3 months but within 6 months	**8,149**	42,572
Over 6 months but within 1 year	**3,588**	22,001
Over 1 year	**73,754**	153,858
	188,781	346,610

13. TRADE AND OTHER PAYABLES

Trade and other payables principally comprise amounts outstanding for ongoing costs and construction work. The average credit period granted by the Group's creditors is one month to three months.

	2017	2016
	HK$'000	*HK$'000*
Trade payables	**48,962**	41,808
Construction and retention payables	**818,699**	513,136
Other payables	**189,338**	178,984
Amounts due to gaming promoters	**44,272**	26,264
Deposits received from tenants	**27,598**	45,889
Deposits received from gaming promoters	**26,000**	–
Accrued staff costs	**111,180**	110,484
Other sundry accruals	**42,009**	32,951
Total trade and other payables	**1,308,058**	949,516

The following is an ageing analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2017	2016
	HK$'000	*HK$'000*
Within 3 months	**47,037**	39,952
Over 3 months but within 6 months	**306**	622
Over 6 months but within 1 year	**616**	1,192
Over 1 year	**1,003**	42
	48,962	41,808

MANAGEMENT DISCUSSION AND ANALYSIS

Overview of Results

For the year ended 31 December 2017, the Group achieved a total reported revenue of approximately HK$1,836.1 million, representing an increase of approximately HK$364.6 million or approximately 24.8% over that of the year ended 31 December 2016 of approximately HK$1,471.5 million. Breakdown of the Group's reported revenue for the years ended 31 December 2017 and 2016 is as follows:

	For the year ended 31 December	
	2017	2016
	HK$'000	*HK$'000*
Gaming services:		
– Pharaoh's Palace Casino		
– Mass market tables	**442,627**	539,948
– VIP tables*	**97,506**	159,361
– Slot machines	**6,323**	8,439
	546,456	707,748
– Legend Palace Casino		
– Mass market tables	**271,648**	–
– VIP tables*	**29,091**	–
– Slot machines	**4,996**	–
	305,735	–
– Babylon Casino		
– Mass market tables	**80,957**	112,141
– VIP tables*	**29,769**	40,870
– Slot machines	**718**	679
	111,444	153,690

* The amounts include outsourced VIP tables and indirect participation in the gaming promotion business in Macau through New Legend under the VIE Structure.

	For the year ended 31 December	
	2017	2016
	HK$'000	*HK$'000*
– Savan Legend Casino		
– Mass market tables	**106,237**	38,596
– VIP tables	**41,962**	16,828
– Slot machines	**98,266**	35,555
	246,465	90,979
Sub-total for gaming services	**1,210,100**	952,417
Non-gaming operations:		
– The Landmark Macau	**209,539**	208,918
– MFW	**394,205**	302,899
– Savan Legend	**22,213**	7,227
Sub-total for non-gaming operations	**625,957**	519,044
Total reported revenue	**1,836,057**	1,471,461

For the year ended 31 December 2017, gaming revenue of the Group increased by approximately 27.1% to approximately HK$1,210.1 million and non-gaming revenue increased by approximately 20.6% to approximately HK$626.0 million, when compared to the year ended 31 December 2016. The increase in gaming revenue was primarily due to (i) the increase in revenue contributed by Savan Legend Casino of approximately HK$155.5 million and (ii) the additional revenue contributed by Legend Palace Casino of approximately HK$305.7 million since its opening. It was offset by (i) the decrease in reported revenue from mass market tables of approximately HK$97.3 million in Pharaoh's Palace Casino and (ii) the decrease in reported revenue from New Legend, self-run VIP operation of the Group, of approximately HK$39.1 million during the year.

The overall increase in non-gaming revenue was mainly due to (i) additional revenue of Legend Palace Hotel at MFW of approximately HK$77.1 million, which commenced its operation since early 2017 and (ii) the increase in revenue contributed by Savan Legend Resorts and Harbourview Hotel of approximately HK$15.0 million and HK$16.8 million respectively during the year.

Adjusted EBITDA for the year ended 31 December 2017 was approximately HK$278.2 million, representing an increase of approximately HK$62.6 million or approximately 29.0% over that of the year ended 31 December 2016 of approximately HK$215.6 million. The following table reconciles Adjusted EBITDA to the profit (loss) for the year:

	For the year ended 31 December					
	2017			2016		
	The Group excluding Savan Legend	**Savan Legend**	**Consolidated**	The Group excluding Savan Legend	Savan Legend	Consolidated
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
(Loss) profit for the year	**(532,772)**	**25,431**	**(507,341)**	(286,882)	9,387	(277,495)
Adjustments for:						
Finance costs	**103,751**	**–**	**103,751**	23,491	–	23,491
Depreciation of investment properties	**14,295**	**–**	**14,295**	11,872	–	11,872
Depreciation of property and equipment	**370,452**	**20,373**	**390,825**	254,790	12,582	267,372
Release of prepaid lease payments	**54,044**	**399**	**54,443**	54,044	126	54,170
Amortisation of other intangible assets	**33,168**	**1,693**	**34,861**	33,168	537	33,705
Loss on disposal of property and equipment	**427**	**–**	**427**	986	–	986
Write-off of property and equipment as a result of typhoon Hato	**121,118**	**–**	**121,118**	–	–	–
Unrealised exchange (gain) loss	**(573)**	**192**	**(381)**	148	–	148
Pre-opening expenses *(remark i)*	**48,141**	**–**	**48,141**	99,394	–	99,394
Insurance claims received in respect of losses and changes arising from typhoon Hato	**(55,001)**	**–**	**(55,001)**	–	–	–
Bank interest income	**(84)**	**–**	**(84)**	(18,951)	–	(18,951)
Income tax expenses	**(4,856)**	**77,958**	**73,102**	(4,981)	25,854	20,873
Adjusted EBITDA	**152,110**	**126,046**	**278,156**	167,079	48,486	215,565

Remarks:

(i) Pre-opening expenses represent mainly staff related costs, marketing and other administrative expenses incurred prior to the opening of new or expanded operations of the Group for the relevant periods.

An analysis of Adjusted EBITDA by segments (after elimination of inter-segment results) is as follows:

	For the year ended 31 December					
	2017			2016		
	The Group excluding Savan Legend	**Savan Legend**	**Consolidated**	The Group excluding Savan Legend	Savan Legend	Consolidated
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Gaming services	**315,175**	**195,098**	**510,273**	274,255	76,443	350,698
Non-gaming operations	**(95,569)**	**(69,052)**	**(164,621)**	(35,059)	(27,957)	(63,016)
Sub-total	**219,606**	**126,046**	**345,652**	239,196	48,486	287,682
Unallocated corporate expenses*	**(67,496)**	**–**	**(67,496)**	(72,117)	–	(72,117)
Adjusted EBITDA	**152,110**	**126,046**	**278,156**	167,079	48,486	215,565

* The amount for 2017 represented the unallocated corporate expenses of approximately HK$73,547,000, offsetting with its inter-segment elimination of HK$6,051,000.

Adjusted EBITDA from operations of the Group excluding Savan Legend and unallocated corporate expenses, mainly arising from the operations at The Landmark Macau and MFW Group, decreased by approximately 8.2% to approximately HK$219.6 million for the year ended 31 December 2017 from approximately HK$239.2 million for the year ended 31 December 2016. Adjusted EBITDA of Savan Legend increased by approximately 160.0% to approximately HK$126.0 million for the year ended 31 December 2017 from approximately HK$48.5 million for the year ended 31 December 2016.

The Group's loss for the year ended 31 December 2017 was approximately HK$507.3 million, representing an increase of approximately HK$229.8 million when compared to that of the year ended 31 December 2016. The loss for the year ended 31 December 2017 was mainly due to (i) an increase in depreciation arising from the operation of Legend Palace Hotel since early 2017; (ii) an increase in finance costs due to the cessation of interest capitalisation related to Legend Palace Hotel during the year; and (iii) an increase in impairment on property and equipment and a decrease in potential revenue due to Typhoon Hato.

FINANCIAL AND OPERATIONAL REVIEWS

A. Gaming Services

The Group's revenue from gaming services consisted of (i) service income received from SJM for services and facilities provided relating to mass market tables, VIP tables and slot machines and (ii) casino operations in the Lao PDR.

As at 31 December 2017 and 2016, the Group had the following number of gaming tables and slot machines in its three casinos which were put into operation:

	As at 31 December									
	2017					2016				
	Pharaoh's Palace Casino	**Babylon Casino**	**Legend Palace Casino**	**Savan Legend Casino**	**Total**	Pharaoh's Palace Casino	Babylon Casino	Legend Palace Casino	Savan Legend Casino	Total
Mass market tables	**60**	**18**	**48**	**39**	**165**	60	34	–	45	139
VIP tables	**11**	**7**	**21**	**20**	**59**	22	17	–	39	78
Total gaming tables	**71**	**25**	**69**	**59**	**224**	82	51	–	84	217
Slot machines	**–**	**28**	**88**	**305**	**421**	121	74	–	466	661

As at 31 December 2017, the Group had a total of 194 gaming tables in Macau (31 December 2016: 179), of which 165 (31 December 2016: 133) were put into operation. The Group had 59 (31 December 2016: 84) gaming tables which were put into operation in the Lao PDR.

The following tables set out certain key operational data of mass market tables, VIP tables and slot machines for the years ended 31 December 2017 and 2016:

Mass Market Tables

	Pharaoh's Palace Casino For the year ended 31 December			**Legend Palace Casino For the year ended 31 December**			**Babylon Casino For the year ended 31 December**			**Savan Legend Casino For the year ended 31 December**		
	2017	2016	Change	**2017**	2016	Change	**2017**	2016	Change	**2017**	2016	Change
	HK$'000	*HK$'000*	*%*	***HK$'000***	*HK$'000*	*%*	***HK$'000***	*HK$'000*	*%*	***HK$'000***	*HK$'000*	*%*
Games drop	**4,183,344**	4,488,268	(6.8)	**3,307,454**	–	N/A	**1,021,834**	1,284,672	(20.5)	**475,306**	166,411	185.6
Net win	**804,777**	981,724	(18.0)	**493,904**	–	N/A	**146,978**	203,870	(27.9)	**109,960**	39,756	176.6
Hold rate	**19.24%**	21.87%	(2.6)	**14.93%**	–	N/A	**14.38%**	15.87%	(1.5)	**23.13%**	23.89%	(0.8)
Average number of tables	**60**	60	–	**48**	–	N/A	**24**	32	(25.0)	**45**	46	(2.2)
Net win per table per day	**37**	45	(17.8)	**28**	–	N/A	**17**	17	–	**7**	7	–

For the year ended 31 December 2017, net win per table per day of mass market tables at Pharaoh's Palace Casino decreased by approximately 17.8% to HK$37,000. The net win per table per day of mass market tables at Legend Palace Casino from the date of grand opening to 31 December 2017 and Savan Legend Casino for the year ended 31 December 2017 was approximately HK$28,000 and HK$7,000 respectively.

VIP Tables

	Pharaoh's Palace Casino For the year ended 31 December						
	2017			2016			
	Outsourced	**Self-run (New Legend)**	**Total**	Outsourced	Self-run (New Legend)	Total	Change
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*	*%*
Games turnover	**15,349,843**	**2,692,903**	**18,042,746**	17,767,000	8,058,803	25,825,803	(30.1)
Net win	**480,938**	**132,012**	**612,950**	499,918	301,136	801,054	(23.5)
Win percentage	**3.13%**	**4.90%**	**3.40%**	2.81%	3.74%	3.10%	0.3
Average number of tables	**17**	**7**	**24**	14	9	23	4.3
Net win per table per day	**78**	**52**	**70**	98	91	95	(26.3)

	Legend Palace Casino For the year ended 31 December			Babylon Casino For the year ended 31 December			Savan Legend Casino For the year ended 31 December		
	2017	2016	Change	**2017**	2016	Change	**2017**	2016	Change
	HK$'000	*HK$'000*	*%*	***HK$'000***	*HK$'000*	*%*	***HK$'000***	*HK$'000*	*%*
Games turnover	**4,046,000**	–	N/A	**635,582**	1,270,827	(50.0)	**4,033,045**	1,120,794	259.8
Net win	**85,318**	–	N/A	**51,584**	65,971	(21.8)	**113,323**	37,656	200.9
Win percentage	**2.11%**	–	N/A	**8.12%**	5.19%	2.9	**2.81%**	3.36%	(0.55)
Average number of tables	**12**	–	N/A	**12**	15	(20.0)	**24**	40	(40.0)
Net win per table per day	**19**	–	N/A	**12**	12	–	**13**	8	62.5

For the year ended 31 December 2017, net win per table per day of VIP tables at Pharaoh's Palace Casino decreased by approximately 26.3% to approximately HK$70,000 over that of the year ended 31 December 2016 of approximately HK$95,000. Net win per table per day of VIP tables at Legend Palace Casino from the date of grand opening to 31 December 2017 and Savan Legend Casino for the year ended 31 December 2017 was approximately HK$19,000 and HK$13,000 respectively.

Slot Machines

	Pharaoh's Palace Casino For the year ended 31 December			Legend Palace Casino For the year ended 31 December			Babylon Casino For the year ended 31 December			Savan Legend Casino For the year ended 31 December		
	2017	2016	Change	**2017**	2016	Change	**2017**	2016	Change	**2017**	2016	Change
	HK$'000	*HK$'000*	*%*	***HK$'000***	*HK$'000*	*%*	***HK$'000***	*HK$'000*	*%*	***HK$'000***	*HK$'000*	*%*
Slot handle	**256,146**	816,619	(68.6)	**182,135**	–	N/A	**28,865**	52,330	(44.8)	**2,491,438**	948,300	162.7
Net win	**16,888**	23,861	(29.2)	**12,548**	–	N/A	**1,836**	1,752	4.8	**98,425**	35,547	176.9
Hold rate	**6.59%**	2.92%	3.7	**6.89%**	–	N/A	**6.36%**	3.35%	3.01	**3.95%**	3.75%	0.2
Average number of slot machines	**142**	121	17.4	**76**	–	N/A	**48**	74	(35.1)	**421**	466	(9.7)
Net win per slot machines per day	**0.3**	0.5	(40.0)	**0.5**	–	N/A	**0.1**	0.1	–	**0.6**	0.6	–

For the year ended 31 December 2017, net win per slot machine per day at Pharaoh's Palace Casino decreased by approximately 40.0% to approximately HK$300 over that of the year ended 31 December 2016 of approximately HK$500. The net win per slot machine per day at Legend Palace Casino for the period ended 31 December 2017 was approximately HK$500. There was no change in net win per slot machine per day at Babylon Casino and Savan Legend Casino for the year ended 31 December 2017 when compared with the corresponding period in 2016.

B. Non-gaming Operations

For the year ended 31 December 2017, the Group recorded a total non-gaming revenue of approximately HK$626.0 million, representing an increase of approximately HK$106.9 million or approximately 20.6% over that of the year ended 31 December 2016 of approximately HK$519.0 million.

The following table provides details on the composition of the Group's non-gaming revenue:

	As at 31 December					
	2017			2016		
	The Group excluding Savan Legend	**Savan Legend**	**Total**	The Group excluding Savan Legend	Savan Legend	Total
	HK$'000	***HK$'000***	***HK$'000***	*HK$'000*	*HK$'000*	*HK$'000*
Rental income from hotel rooms	**281,375**	**2,307**	**283,682**	206,074	890	206,964
Licensing income from investment properties	**102,932**	**189**	**103,121**	106,854	–	106,854
Income from building management services	**48,442**	**–**	**48,442**	54,324	–	54,324
Food and beverage	**151,811**	**17,577**	**169,388**	122,673	4,880	127,553
Sales of merchandise	**13,092**	**–**	**13,092**	13,851	–	13,851
Others	**6,092**	**2,140**	**8,232**	8,041	1,457	9,498
Total revenue from non-gaming operations	**603,744**	**22,213**	**625,957**	511,817	7,227	519,044

The overall increase in non-gaming revenue was mainly due to (i) additional revenue of Legend Palace Hotel at MFW of approximately HK$77.1 million, which commenced its operation since early 2017 and (ii) the increase in revenue contributed by Savan Legend Resorts and Harbourview Hotel of approximately HK$15.0 million and HK$16.8 million respectively during the year.

The following table sets out certain key operational data on our major hotel operations of the Group for the years ended 31 December 2017 and 2016:

	For the year ended 31 December	
	2017	2016
The Landmark Macau		
Occupancy rate (%)	**85.0**	78.1
ADR (HK$)	**1,020.2**	999.4
REVPAR (HK$)	**867.2**	780.5
Legend Palace Hotel (opened on 27 February 2017)		
Occupancy rate (%)	**84.0**	N/A
ADR (HK$)	**1,439.4**	N/A
REVPAR (HK$)	**1,209.1**	N/A
Harbourview Hotel		
Occupancy rate (%)	**86.3**	77.9
ADR (HK$)	**885.3**	822.1
REVPAR (HK$)	**764.0**	640.4

C. Corporate and Business Updates

(a) MFW Redevelopment

Legendale Hotel

Re-design of the construction of the hotel is now in progress in order to meet the height requirements of the relevant government authority in Macau.

(b) Disposal of The Landmark Macau

In November 2017, the Group entered into a sale and purchase agreement with independent third parties (the "Purchasers"), pursuant to which the Purchasers agreed to buy the entire issued share capital in NML and all obligations, liabilities and debts owing or incurred by NML to Hong Hock for a consideration of HK$4,600,000,000. Up to the date of this announcement, the Group has received HK$1,000,000,000 deposit from the Purchasers. The management expect the remaining balance of the sale proceeds of HK$3,600,000,000 will be received upon completion of the Disposal in accordance with the terms as specified in the Disposal Agreement. Further details of the Disposal are set out in the Company's announcement dated 9 November 2017 and circular dated 22 December 2017.

(c) Project Cape Verde

On 22 July 2015, the Company entered into agreements with the Government of Cape Verde for Project Cape Verde, with an investment amount of approximately €250 million (equivalent to approximately HK$2,150 million). The lease of the designated land for Project Cape Verde is 75 years. The Group has been granted a 25 years gaming concession on Santiago Island (of which the first 15 years is on an exclusive basis). In addition, the Group has been granted an exclusive nationwide operation of online gaming, physical and online sports betting for a period of 10 years from the commencement of operation of the online gaming business by the Group in Cape Verde. Further details of Project Cape Verde are set out in the Company's announcement dated 22 July 2015.

In 2017, structural construction of the office building has been completed and architecture is in completion stage. Constructions for the electrical and mechanical part and intend design has also been started in 2017.

(d) Development project in Cambodia

In 2017, the Group has commenced the legal checking in Cambodia for the proposed acquisition of certain land use rights in Cambodia.

Outlook

The Group's focus on the continued prioritisation and expansion of MFW is progressing smoothly with the expected completion of the Disposal of The Landmark Macau. The primary objectives are to help fortify and grow business through customer aggregation, cost optimization and focused marketing efforts. Proceeds from the Disposal will allow the Company to improve liquidity and provide capital to support expansion plans.

For the past few months, the visitations to MFW has increased, and the property continues to host promotion activities focused on enhancing customer experience at the newly renovated boulevards. The current plan is to initiate further upgrades in Food & Beverage outlets and additional varieties in entertainment to improve visitation and branding. The eventual completion of the foot bridge to the ferry terminal will also enhance connectivity and improve visitation.

As mentioned earlier, the construction plans of the third new hotel at MFW have been disrupted, but the Group is now actively moving forward and is seeking to submit revised plans to expedite the development of a 60-metres tall Legendale Hotel.

On 16 February 2017, the Group held another groundbreaking ceremony in Cape Verde for the bridge which links the island part of the resort with the mainland. The building which houses the office complex is set to be completed within the current financial year and progress for the hotel and casino complexes are on track.

In Laos, Savan Legend Resorts has contributed positive Adjusted EBITDA to the Group. The Group is confident that with the further enhancement of Food & Beverage facilities, entertainment, retail and convention capabilities, this project will continue to be an engine of growth.

The Group is awaiting positive feedback from the authorities in Portugal in order for our intended developments in Sebutal to move forward. Once confirmed, the operation in Portugal can act as the hub for the European business expansion, and link with the Cape Verde operations.

The Group will continue to focus on Southeast Asian destinations where the "One Road, One Belt" policy from China is supporting new investment in tourism and tourism related infrastructure and will also focus on Portuguese-speaking countries, like Cape Verde, to make good use of the Sino-Portuguese platform for the Group's business diversification overseas.

The Group will continue to actively seek opportunities and develop new markets for its business expansion so as to maximise value for its shareholders, partners and customers.

Liquidity and Capital Resources

The Group's liquidity needs primarily comprise working capital, capital expenditure, and servicing borrowings of the Group. The Group has generally funded its operations and development projects from internal resources, debt and/or equity financing.

As at 31 December 2017, the consolidated net assets attributable to owners of the Company amounted to approximately HK$6,236.3 million, representing a decrease of approximately HK$456.1 million from approximately HK$6,692.4 million as at 31 December 2016. The decrease in consolidated net assets during the year ended 31 December 2017 was mainly due to the loss incurred by the Group during the year.

Bank Balances and Cash

As at 31 December 2017, bank balances and cash held by the Group amounted to approximately HK$243.7 million (including pledged bank deposits of approximately HK$8.1 million), which was denominated mainly in HK$ and MOP. Given MOP is pegged to HK$, the Group considers the exposure to exchange rate risk is nominal for its bank balances and cash denominated in MOP.

As at 31 December 2017, a total of approximately HK$4.2 million had been placed as fixed deposits at banks in Macau with maturity of one month which are in EUR, at an average annualised interest rate of approximately 0.001%.

Borrowings

As at 31 December 2017, the Group had outstanding (i) secured and unguaranteed bank borrowings of approximately HK$2,409.8 million, (ii) an unsecured, interest-free and unguaranteed other borrowings of approximately HK$57.5 million and (iii) unsecured and unguaranteed interest-bearing loans from a shareholder, Mr. David Chow of approximately HK$771.2 million.

Charge on the Group's Assets

As at 31 December 2017, certain assets of the Group were pledged to secure credit facilities and use of electricity granted to the Group, including investment properties with a total carrying amount of approximately HK$450.6 million (31 December 2016: approximately HK$358.3 million), buildings with a total carrying amount of approximately HK$5,059.7 million (31 December 2016: approximately HK$2,320.9 million), prepaid lease payments with a total carrying amount of approximately HK$1,710.6 million (31 December 2016: approximately HK$1,764.6 million), trade receivables of approximately HK$164.4 million (31 December 2016: approximately HK$118.0 million) and bank deposits of approximately HK$8.1 million (31 December 2016: approximately HK$21.1 million).

Gearing

The Group's net gearing ratio (expressed as a percentage of total borrowings (e.g. bank and other borrowings and loans from a shareholder) minus cash (e.g. pledged bank deposits and bank balances and cash) over total equity as at the end of the reporting period) was approximately 48.0% as at 31 December 2017 (31 December 2016: approximately 48.2%).

Employees and Remuneration Policies

As at 31 December 2017, the Group had a total of approximately 4,654 employees, including approximately 1,118 gaming operation employees who are employed and paid by SJM but over whom the Group exercised oversight in accordance with the Service Agreement. The Group reimbursed SJM in full for the salaries and other benefits of these gaming operation employees.

The Group recognises the importance of maintaining a stable staff force for its continued success. Staff remuneration is determined by reference to personal qualifications, work performance, industry experience, responsibilities and relevant market trends. Discretionary bonuses are granted to employees based on merit and in accordance with industry practice. Other benefits including share options, reward shares, retirement benefits, subsidised medical care, pension funds and sponsorship for external education and training programmes are offered to eligible employees.

CORPORATE GOVERNANCE

Compliance with Corporate Governance Code

The Company believes that good corporate governance practices are very important for maintaining and promoting investor confidence and for the sustainable growth of the Group. The Board sets appropriate policies and implements corporate governance practices appropriate to the conduct and growth of the Group's business. The Board is committed to strengthening the Group's corporate governance practices and ensuring transparency and accountability of the Company's operations. During the year ended 31 December 2017, the Company has complied with the CG Code except for code provision A.2.1.

Code provision A.2.1

Code provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Currently, Mr David Chow and Mr Tong Ka Wing, Carl are co-chairmen of the Board and responsible for the management of the Board and ensuring that all major and appropriate issues are discussed by the Board in a timely and constructive manner. In addition, Mr David Chow is the chief executive officer of the Company, taking care of the day-to-day management of the Group's business and implementing the Group's policies, strategic plans and business goals formulated by the Board. Although Mr David Chow is both a co-chairman and the chief executive officer of the Company, the powers and authorities of the co-chairman have not been concentrated as the responsibilities have been shared between the co-chairmen. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by the current Board which comprises experienced and high calibre individuals with sufficient number of Directors being non-executive Directors.

REVIEW OF ANNUAL RESULTS

The Group's consolidated financial statements for the year ended 31 December 2017 have been reviewed by the Audit Committee of the Company, which currently comprises three independent non-executive Directors, namely Mr Fong Chung, Mark, Mr Xie Min and Madam Tam Wai Chu, Maria, and two non-executive Directors, namely Mr Tong Ka Wing, Carl and Ms. Ho Chiulin, Laurinda.

SCOPE OF WORK OF MESSRS DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2017 as set out in this preliminary announcement have been agreed by the Company's auditor, Messrs Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by Messrs Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by Messrs Deloitte Touche Tohmatsu on the preliminary announcement.

DEFINITIONS

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

"Adjusted EBITDA"	the Group's earnings before interest income, finance costs, income taxes, depreciation, release of prepaid lease payments, amortisation, gain/loss on disposal of property and equipment, exchange gain/loss arising from non-operating activities, share-based payments, pre-opening expenses and one-off costs incurred or associated with corporate exercises, where applicable
"ADR"	average daily room rate
"Agreement"	Lao PDR flat tax agreement
"Board"	the board of Directors
"Business Operation"	an integrated set of activities and assets that are engaged in operation of integrated resorts in Lao PDR

“Cape Verde”	the Republic of Cabo Verde
“CG Code”	the Corporate Governance Code contained in Appendix 14 to the Listing Rules
“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
“Directors”	the directors of the Company
“Disposal”	the disposal of (i) the entire share capital in NML and (ii) all obligations, liabilities and debts owing or incurred by NML to Hong Hock
“Disposal Agreement”	the sale and purchase agreement dated 9 November 2017, in relation to the Disposal
“Executive Directors”	the executive directors of the Company
“Group”	the Company and its subsidiaries
“HK$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRSs”	Hong Kong Financial Reporting Standards
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“Hong Hock”	Hong Hock Development Company Limited, a company incorporated in Macau and a subsidiary of the Company
“Laos Government”	The Ministry of Finance of the Lao PDR
“Lao PDR”	The Lao People’s Democratic Republic
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau CT”	Macau Complementary Tax
“Macau SAR”	Macau Special Administrative Region, the People’s Republic of China
“MFW”	Macau Fisherman’s Wharf operated by MFW Investment
“MFW Group”	MFW Investment and its subsidiaries

"MFW Investment"	Macau Fisherman's Wharf International Investment Limited, a company incorporated in Macau and a subsidiary of the Company
"MFW Redevelopment"	the redevelopment of MFW
"MOP"	Macau Pataca, the lawful currency of Macau
"Mr David Chow"	Mr Chow Kam Fai, David, a co-chairman, an executive Director and the chief executive officer of the Company and a controlling shareholder (as defined in the Listing Rules) of the Company
"Mr Frederick Yip"	Mr Yip Wing Fat, Frederick, the sole shareholder and sole director of New Legend and the executive vice president, head of casino operations of the Company
"NML"	New Macau Landmark Management Limited, a company incorporated in Macau and a subsidiary of the Company
"New Legend"	New Legend VIP Club Limited, a company incorporated in Macau by Mr Frederick Yip, and consolidated as a subsidiary of the Company under the VIE Structure
"Project Cape Verde"	the project of developing an integrated leisure, tourism and entertainment complex in Praia, the capital city of Cape Verde
"REVPAR"	revenue per available room
"Savan Legend"	Savan Legend Resorts Sole Company Limited, a company incorporated in the Lao PDR and a wholly-owned subsidiary of the Company, which operates Savan Legend Hotel and Entertainment Complex
"Savan Legend Casino"	a casino operated by Savan Legend inside Savan Legend Hotel and Entertainment Complex in the Lao PDR
"Savan Legend Resorts"	a resort operated by Savan Legend inside Savan Legend Hotel and Entertainment Complex in the Lao PDR

"Service Agreement"	the service agreement dated 25 September 2006 and its related amendments entered into between Hong Hock and SJM, under which the Group provides gaming services to SJM in the Group's two major casinos, namely Pharaoh's Palace Casino in The Landmark Macau and Babylon Casino in MFW
"Share(s)"	ordinary share(s) of HK$0.1 each in the share capital of the Company
"SJM"	Sociedade de Jogos de Macau, S.A.
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"The Landmark Macau"	the hotel, dining, conference and casino complex, and the car parks, located at Macau Landmark Building, 555 Avenida da Amizade, Macau
"US$"	United States dollars, the lawful currency of the United States of America
"VIE Agreements"	the exclusive management and consultancy services agreement, the exclusive undertaking to sell agreement, the transfer of profit and loan agreement, the share and equity pledge agreement and the power of attorney entered into among Hong Hock, New Legend and Mr Frederick Yip, where appropriate, further details of which are set out in the Company's circular dated 9 June 2014
"VIE Structure"	the structure established through the entering into of the VIE Agreements, which enables the Group to indirectly participate in the gaming promotion business operations in Macau through New Legend
"€" or ''Euro''	Euro, the lawful currency of the European Union
"%"	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, 27 March 2018

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*