

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

Immediately following the Global Offering, assuming no Shares have been transferred by the Pre-IPO Vendors pursuant to the SJM Adjustment Right and the Over-allotment Option is not exercised, and without taking into account any Directors' Reward Shares and any Shares that may be issued pursuant to the David Chow Share Options and any options that may be granted under the Share Option Scheme, David Chow (in his own name and through All Landmark) and Lam Fong Ngo (in her own name and through Grand Bright) will hold approximately 27.2% and 12.5%, respectively, in aggregate of the issued share capital of our Company.

OTHER BUSINESS CONTROLLED BY OUR CONTROLLING SHAREHOLDERS AND DIRECTORS

Non-gaming Business Controlled by David Chow

Apart from our Company, David Chow also has a controlling interests in the following businesses:

- Beijing Hua Hai Jin Bao Real Estate Development Co. Ltd. (北京華海金寶房地產開發有限公司) (“Beijing Hua Hai”)
- Macau Lai Ying Investment Limited (澳門勵盈投資有限公司) (“Macau Lai Ying”)

Beijing Hua Hai, which owns and manages the Legendale Hotel in Beijing, does not engage in any gaming business. Its hotel operations are geographically confined to Beijing.

Macau Lai Ying is an investment holding company that focuses in property development projects. These projects include, among other things, the commercial property project to be developed in Henqin Island (橫琴) in Zhuhai, PRC. The investment and business undertakings of Macau Lai Ying, including the aforementioned commercial property in Henqin Island, do not involve any gaming operation or the development of hotels, theme parks or entertainment facilities in nature similar to that of Macau Fisherman's Wharf.

Accordingly, our Directors are of the view that the businesses conducted by Beijing Hua Hai and Macau Lai Ying are not in competition with our business.

Non-gaming Business Controlled by Lam Fong Ngo

Apart from our Company, Lam Fong Ngo also has a controlling interest in Legend Estates Limited (勵駿會置業有限公司) which owns and manages the development of mixed-use complexes in the PRC. Legend Estates Limited (勵駿會置業有限公司) does not engage in any gaming business. Its property development operations are geographically confined to the PRC. Accordingly, our Directors are of the view that the businesses conducted by Legend Estates Limited (勵駿會置業有限公司) are not in competition with our business.

No Competition

Our Directors confirm that none of our Controlling Shareholders and Directors has an interest in a business apart from our Group's business which competes or is likely to compete, either directly or indirectly, with our Group's business.

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INDEPENDENCE FROM OUR CONTROLLING SHAREHOLDERS

Management Independence

All of our Directors and members of senior management possess relevant management and/or industry-related experience to act as Directors or senior management of our Company. See “Directors and Senior Management.”

Each of our Directors is aware of his fiduciary duties as a Director of our Company which requires, among other things, that he acts for the benefit and in the best interests of our Company and does not allow any conflict between his duties as a Director and his personal interests. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between our Group and our Directors or their respective associates, the interested Director(s) shall abstain from voting at the relevant Board meetings of our Company in respect of such transactions and shall not be counted in the quorum. In addition, we have a senior management team to make business decisions independently. Our independent non-executive Directors will also bring independent judgment to the decision-making process of our Board.

Based on the above, our Directors are of the view that our Board, as a whole, together with our senior management team, is able to perform its managerial role in our Group independently of the Controlling Shareholders.

Operational Independence

We have full control over our assets to continue our business independently of our Controlling Shareholders. We do not rely on our Controlling Shareholders for any material amount of our revenue, technology, staffing or marketing. Our Directors and senior management are responsible for the conduct of our business. Our business is operated by a senior management team comprising mostly of individuals who are independent of our Controlling Shareholders except for Eddie Chan. We have established our own organizational structure made up of functional departments, each with specific areas of responsibility. We have also established a set of internal controls to facilitate the effective operation of our business.

In addition, we entered into various transactions with members of our Controlling Shareholders and their associates during the Track Record Period in the ordinary course of our business and on terms which we believe are fair and reasonable. The transactions that we had entered into with our Controlling Shareholders and/or their associates in the past and that are expected to continue after Listing include the provision of traveling services, cleaning and laundry services, fruit and flower supplies, office and convention venue leases, event management services and construction services to our Group. The details of these transactions are set out in the section headed “Connected Transactions” in this prospectus. For illustration purpose only, we group our connected transactions into three categories based on the

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respective accounting treatment of the amounts incurred under such transactions and set forth the percentages of the total annual caps of such groups of transactions for 2013, 2014 and 2015 of the relevant line items in our consolidated financial statements:

	2013	2014	2015
		(HK\$ thousand)	
Annual caps of Legendale Beijing Hotel Service Agreement which will be accounted for as our marketing and promotional expenses.	500	3,000	3,000
Percentages of the annual caps of:			
• our marketing and promotional expenses for 2012	1.1%	6.6%	6.6%
• the aggregate of our marketing and promotional expenses for 2012 and the marketing and promotional expenses of MFW Investment between 1 January 2012 to 18 May 2012	1.0%	5.8%	5.8%
Sum of the annual caps of the Connected Procurement Agreements, Amigo Travel Service Agreement and the Macau Landmark Office Rental Agreement and the portion of the annual caps of Chong Son Construction Services Agreement which will be accounted for as our operating and administrative expenses and costs of goods sold.	77,900	78,600	84,200
Percentages of the aggregate annual caps of:			
• our total operating and administrative expenses and cost of goods sold for 2012.	8.7%	8.8%	9.4%
• the aggregate of our total operating and administrative expenses and cost of goods sold for 2012 and the total operating and administrative expenses and cost of goods sold of MFW Investment between 1 January 2012 to 18 May 2012	7.5%	7.5%	8.1%
The portion of the annual caps of Chong Son Construction Services Agreement which will be accounted for as capital expenditure.	200,000	40,000	—
Percentages of the respective portions of the annual caps of:			
• our projected capital expenditure for 2013, 2014 and 2015, respectively.	12.9%	2.1%	—

In the event that these Controlling Shareholders and/or their associates are unable to provide these services upon reasonable terms, we are entitled and well positioned to choose a third party who can provide such services, supplies or leases upon comparable terms. Our Directors are therefore of the view that we have been operating independently from our Controlling Shareholders during the Track Record Period and will continue to do so.

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Financial Independence

Our Company operates its finances independently from our Controlling Shareholders and their respective associates. We do not share any banking or credit facilities with our Controlling Shareholders and their respective associates and, as at the Latest Practicable Date, there was no financing arrangement between our Company and our Controlling Shareholders and their respective associates.

In addition, we have an independent financial system and finance team which is responsible for our own treasury function, cash receipts and payments and independent third access to third party financing.

As at 31 December 2009 and 2010, David Chow, Lam Fong Ngo and Li Chi Keung provided personal guarantees in favor of our Group to secure bank borrowings of an aggregate amount of HK\$1,200.0 million. In 2011, David Chow provided personal guarantees in favor of the Group under the 2011 Term Loan Facility and in favor of MFW Investment under the 2011 Revolving Credit Facility. In August 2012, David Chow provided a personal guarantee in favor of the Group under the 2012 Term Loan Facility. See Note 29 of the "Accountants' Report" in Appendix I to this prospectus. Except for a non-trade amount of HK\$97.5 million due to Macau Landmark Management Limited in respect of the purchase of the aircraft, which is expected to be settled in full from the net proceeds from the Global Offering, (i) all non-trade amounts due to and due from the companies controlled by the Controlling Shareholders, including any guarantees and indemnities provided by our Controlling Shareholders for our benefit or vice versa, will be released or fully settled prior to the Listing Date; and (ii) as at the Latest Practicable Date, we had no non-trade balances due to Directors, no non-trade balances due from Directors and no non-trade balances due from related parties. Taking into account (i) the interest-free nature of the aforesaid non-trade balance due to Macau Landmark Management Limited, an associate of David Chow, Lam Fong Ngo and Li Chi Keung, which is bound to be no less favourable than any facility or term loans prevailing in the market, (ii) the Company's ability to secure, among other borrowings, the 2011 Term Loan Facility and the 2012 Term Loan Facility, during the Track Record Period, (iii) the consent of ICBC Macau (on behalf of the relevant lenders) to conditionally release various guarantees and pledges of Shares by the Controlling Shareholders and continue extending the relevant term loan facilities to us upon Listing on a stand-alone basis (see "Financial Information — Indebtedness — Description of Material Indebtedness — ICBC Macau Waiver"), and (iv) the outstanding bank borrowings of approximately HK\$1,581.7 million from independent financial institutions as at 30 April 2013, our Directors are of the view that the Company is financially independent of the Controlling Shareholders and their associates even if the aforesaid non-trade balance is not settled before Listing and that the Company operates its finances independently from our Controlling Shareholders and their respective associates.

DEED OF NON-COMPETITION

In order to avoid potential conflicts of interest between our Controlling Shareholders and our Company, David Chow, All Landmark, Lam Fong Ngo and Grand Bright have undertaken to us in a deed of non-competition dated 5 June 2013 (the "Deed of Non-Competition") that they shall not, and shall procure their respective associates (other than any member of our Group)

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not to, directly or indirectly, either on its own account or in conjunction with or on behalf of any person, firm or company, among other thing, carry on, participate or be interested or engaged in or acquire or hold (in each case whether as a shareholder, director, partner, agent, employee or otherwise, and whether for profit, reward or otherwise) any activity or business which competes or is likely to compete, directly or indirectly, with our Group's business of managing entertainment and casino gaming facilities in Macau as described in this prospectus and any other business from time to time conducted, carried on or contemplated to be carried on by any member of the Group or in which any member of the Group is engaged or has invested or which any member of the Group has otherwise publicly announced its intention to enter into, engage in or invest in (whether as principal or agent or whether undertaken directly or through any body corporate, partnership, joint venture, or other contractual or other arrangement) (the "**Restricted Business**"). The aforesaid undertakings do not apply with respect to the holding of or interests in shares of any company which engages in any Restricted Business where such holding of or interests in shares does not exceed 5% of the outstanding voting shares of the relevant company, provided that none of David Chow, All Landmark, Lam Fong Ngo or Grand Bright, or their respective associates (other than members of our Group), whether acting singly or jointly, has any right to appoint a majority of the board of directors of such company and at any time there should exist at least another shareholder of such company (together, where appropriate, with its associates) whose shareholdings in such company is more than the total number of shares held by David Chow, All Landmark, Lam Fong Ngo and Grand Bright in aggregate and/or their associates in aggregate in such company.

The Deed of Non-Competition will take effect upon Listing and will lapse automatically (in respect of the relevant party) if David Chow, All Landmark, Lam Fong Ngo and Grand Bright cease to be our Shareholder.

In order to promote good corporate governance practices and to improve transparency, each of David Chow, All Landmark, Lam Fong Ngo and Grand Bright undertakes with the Company in the Deed of Non-Competition the following:

- to provide all information requested by the Company which is necessary for an annual review by the independent non-executive Directors of their compliance with the Deed of Non-Competition and the enforcement of the Deed of Non-Competition;
- to procure the Company to disclose decisions on matters reviewed by the independent non-executive Directors relating to the compliance and enforcement of the Deed of Non-Competition either through the annual report, or by way of announcements to the public; and
- to make an annual declaration on compliance with their undertaking under the Deed of Non-Competition in the annual reports of the Company as the independent non-executive Directors think fit and/or as required by the relevant requirements under the Listing Rules.