

澳門勵駿創建有限公司*

Macau Legend Development Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1680



2015 INTERIM REPORT

** for identification purposes only*

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CORPORATE INFORMATION

PLACE OF INCORPORATION

Cayman Islands

BOARD OF DIRECTORS

Executive Directors

Mr Chow Kam Fai, David
(Co-chairman and chief executive officer)
Madam Lam Fong Ngo *(Vice chairman)*
Mr Sheldon Trainor-DeGirolamo

Non-executive Director

Mr Tong Ka Wing, Carl *(Co-chairman)*

Independent Non-executive Directors

Mr Fong Chung, Mark
Mr Xie Min
Madam Tam Wai Chu, Maria

AUDIT COMMITTEE

Mr Fong Chung, Mark *(Chairman)*
Mr Tong Ka Wing, Carl
Mr Xie Min
Madam Tam Wai Chu, Maria

REMUNERATION COMMITTEE

Mr Xie Min *(Chairman)*
Mr Chow Kam Fai, David
Madam Lam Fong Ngo
Mr Fong Chung, Mark
Madam Tam Wai Chu, Maria

NOMINATION COMMITTEE

Madam Tam Wai Chu, Maria *(Chairman)*
Mr Chow Kam Fai, David
Mr Sheldon Trainor-DeGirolamo
Mr Fong Chung, Mark
Mr Xie Min

AUTHORISED REPRESENTATIVES

Mr Sheldon Trainor-DeGirolamo
Mr Tong Ka Wing, Carl

COMPANY SECRETARY

Mr Chan Kin Man

REGISTERED OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN MACAU

21/F, Macau Landmark Building
555 Avenida da Amizade
Macau

CORPORATE INFORMATION

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Shop 102, 1/F, Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712–1716
17/F, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

HONG KONG LEGAL ADVISERS

Hogan Lovells

INDEPENDENT AUDITOR

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL BANKERS

Industrial and Commercial Bank of China (Macau) Limited
Banco Nacional Ultramarino, S.A.
Luso International Banking Limited
The Bank of East Asia, Limited — Macau Branch
Bank of Communications Co., Ltd. — Hong Kong Branch

LISTING INFORMATION

Place of Listing

Main Board of The Stock Exchange of Hong Kong Limited

Stock Code

1680

Board Lot

1,000 shares

INVESTOR RELATIONS

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WEBSITE

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CORPORATE PROFILE

The Company was incorporated under the laws of the Cayman Islands on 5 October 2006. The Company acts as 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, The Landmark Macau and MFW. The Landmark Macau is an award-winning integrated hotel, casino and luxury shopping complex, featuring a five-star hotel and Macau's first themed casino. MFW is a waterfront integrated gaming, hotel, convention and entertainment complex located on the outer harbour of the Macau Peninsula which follows the "Leisure, Tourism, Economic and Multi-Cultural Diversification" policy of the government of the Macau Special Administrative Region of the PRC.

The Group's businesses include (i) the provision of gaming services to SJM in two major casinos in its properties, namely Pharaoh's Palace Casino in The Landmark Macau and Babylon Casino in MFW under the Service Agreement; and (ii) the operation of hotels, entertainment and leisure facilities within its properties.

The MFW Redevelopment will increase the offerings of MFW and should attract a wider range of customers. The MFW Redevelopment involves the redevelopment of existing facilities as well as the addition of new facilities, such as Harbourview Hotel, which was opened on 2 February 2015, Legend Palace Hotel, Legendale Hotel, two new casinos, general entertainment and cultural facility, a canopied open-air shopping, dining and entertainment colonnade, a yacht club at the marina and other attractions.

On 18 May 2012, the Group completed the acquisition of the entire equity interest in MFW Investment. The MFW Group is principally engaged in operating MFW.

On 5 July 2013, 934,827,000 new Shares, representing 15% of its enlarged issued share capital immediately after the completion of the global offering, were issued at HK\$2.35 per Share for cash through an initial public offering by way of Hong Kong public offer and international placing. Effective as of that date, the Shares have been listed on the Main Board of the Stock Exchange. The Company raised net proceeds of approximately HK\$2.1 billion from the global offering.

In January 2014, the Company completed a top-up placement of 188,000,000 new Shares, representing approximately 2.92% of the then enlarged issued share capital of the Company upon completion of the top-up placement, to certain independent professional, institutional and other investors at HK\$7.25 per Share and raised net proceeds of approximately HK\$1,350.8 million. Further details of the top-up placement are set out in the Company's announcement dated 16 January 2014.

CORPORATE PROFILE

On 8 April 2014, MFW Investment, as borrower, together with the Corporate Guarantors, entered into the Facility Agreement with ICBC Macau and the other Lenders relating to the Facility in the amount of HK\$4,221.0 million to be made available to MFW Investment.

On 3 July 2014, the Group obtained the approval from independent shareholders of the Company at an extraordinary general meeting of the Company for the establishment of the VIE Structure. The VIE Structure allows the Group to indirectly participate in the gaming promotion business and have a greater control over the management and marketing of the VIP rooms operated by New Legend in the casinos located in its properties, as well as enhance its market footprint and receive a higher percentage of gross gaming revenue generated by the gaming tables in these VIP rooms.

On 28 October 2014, the Group was advised by the DICJ that 35 additional gaming tables were granted to the Company. The additional gaming tables will increase the gaming capacity of the Group and support the current development of MFW.

Harbourview Hotel, the first new hotel under the MFW Redevelopment, commenced soft opening on 2 February 2015 and had its grand opening on 11 February 2015. With design based on the 18th century Prague architectural style, Harbourview Hotel contributes an additional 389 rooms and 55 suites to the tourism market of the Macau Peninsula. The hotel is connected via footbridges to the adjacent Babylon Casino.

On 22 July 2015, the Company entered into agreements with the Government of Cape Verde to develop a world-class integrated leisure, tourism and entertainment complex in Praia, the capital city of Cape Verde on Santiago Island, with an investment amount of approximately €250 million (equivalent to approximately HK\$2,150 million) (the "Project"). Land concession for the Project 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 the operation of the online gaming business by the Group in Cape Verde.



MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF INTERIM RESULTS

For the six months ended 30 June 2015, the Group achieved total reported revenue of approximately HK\$698.2 million, representing a decrease of approximately HK\$219.3 million or approximately 23.9% over that of the last corresponding period of approximately HK\$917.5 million. Breakdown of the Group's reported revenue for the six months ended 30 June 2015 and 2014 is as follows:

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Gaming services:		
— Pharaoh's Palace Casino		
— Mass market tables	309,307	502,227
— VIP tables		
— Self-run (New Legend)	49,531	—
— Outsourced	22,824	77,745
— Slot machines	4,200	4,271
	385,862	584,243
— Babylon Casino		
— Mass market tables	51,394	69,998
— VIP tables		
— Self-run (New Legend)	12,647	—
— Slot machines	29	695
	64,070	70,693
Sub-total for gaming services	449,932	654,936
Non-gaming operations:		
— The Landmark Macau	115,958	166,664
— Macau Fisherman's Wharf	132,339	95,893
Sub-total for non-gaming operations	248,297	262,557
Total reported revenue	698,229	917,493



MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2015, gaming revenue and non-gaming revenue of the Group decreased by approximately 31.3% to approximately HK\$449.9 million and by approximately 5.4% to approximately HK\$248.3 million respectively when compared to the last corresponding period. The decrease in gaming revenue was primarily due to the decrease in reported revenue from mass market tables of approximately HK\$211.5 million and outsourced VIP tables of approximately HK\$54.9 million, which was offset by the reported revenue contributed by New Legend, a new self-run VIP operation of the Group, of approximately HK\$62.2 million for the six months ended 30 June 2015. The decrease in non-gaming revenue was primarily due to the decrease in revenue generated at The Landmark Macau of approximately HK\$50.7 million which in turn was mainly due to the decreases in income from hotel rooms and food and beverage businesses of the hotel. The decrease in non-gaming revenue of the Group was offset by revenue contributed by Harbourview Hotel at MFW, which commenced its operation since 2 February 2015.



Adjusted EBITDA for the six months ended 30 June 2015 was approximately HK\$128.4 million, representing a decrease of approximately HK\$305.1 million or approximately 70.4% over that of the last corresponding period of approximately HK\$433.5 million. The following table reconciles the Adjusted EBITDA to the profit (loss) attributable to owners of the Company.

	Six months ended 30 June					
	2015			2014		
	The Group excluding MFW Group HK\$'000	MFW Group HK\$'000	Consolidated HK\$'000	The Group excluding MFW Group HK\$'000	MFW Group HK\$'000	Consolidated HK\$'000
Profit (loss) attributable to owners of the Company	81,068	(149,509)	(68,441)	306,418	(80,046)	226,372
Adjustments for:						
Finance costs	—	42,795	42,795	16,653	19,743	36,396
Depreciation of investment properties	1,920	3,713	5,633	1,921	2,118	4,039
Depreciation of property and equipment	50,913	61,586	112,499	48,803	35,395	84,198
Release of prepaid lease payments	5,867	20,690	26,557	5,867	20,004	25,871
Amortisation of other intangible assets	17,698	—	17,698	—	—	—
Loss on disposal of property and equipment	7	9	16	1,184	19,601	20,785
Share-based payments	6,359	—	6,359	16,762	—	16,762
Unrealised exchange loss (gain)	1,143	4,460	5,603	78,886	(4,993)	73,893
Pre-opening expenses (remark)	30,627	6,424	37,051	—	—	—
Interest income	(21,767)	(33,102)	(54,869)	(37,995)	(14,312)	(52,307)
Tax charge (credit)	825	(3,315)	(2,490)	825	(3,315)	(2,490)
Adjusted EBITDA	174,660	(46,249)	128,411	439,324	(5,805)	433,519

Remark: 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.

MANAGEMENT DISCUSSION AND ANALYSIS

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

	Six months ended 30 June					
	2015			2014		
	The Group excluding MFW Group HK\$'000	MFW Group HK\$'000	Consolidated HK\$'000	The Group excluding MFW Group HK\$'000	MFW Group HK\$'000	Consolidated HK\$'000
Gaming services	208,130	(25,580)	182,550	443,866	6,585	450,451
Non-gaming operations	(11,496)	(20,669)	(32,165)	27,982	(12,390)	15,592
Sub-total	196,634	(46,249)	150,385	471,848	(5,805)	466,043
Unallocated corporate expenses	(21,974)	—	(21,974)	(32,524)	—	(32,524)
Adjusted EBITDA	174,660	(46,249)	128,411	439,324	(5,805)	433,519

Adjusted EBITDA from the Group excluding the MFW Group and unallocated corporate expenses, mainly arising from the operations at The Landmark Macau, for the six months ended 30 June 2015 decreased by approximately 58.3% to approximately HK\$196.6 million when compared to the last corresponding period. The decrease was mainly due to the decrease in Adjusted EBITDA of gaming services at Pharaoh's Palace Casino by approximately HK\$235.7 million or approximately 53.1% when compared to the last corresponding period and the loss of approximately HK\$11.5 million of the hotel operations at The Landmark Macau for the six months ended 30 June 2015. For the six months ended 30 June 2015, MFW Group operated at a loss of approximately HK\$46.3 million which was primarily due to the loss of approximately HK\$25.6 million of gaming services at Babylon Casino and approximately HK\$20.7 million of the non-gaming operations at MFW.

The Group's loss for the six months ended 30 June 2015 was approximately HK\$68.4 million while the Group recorded a profit of approximately HK\$226.4 million for the six months ended 30 June 2014. The loss for the six months ended 30 June 2015 was mainly due to (i) a decrease in revenue from gaming services provided by the Group due to a decrease in overall gross gaming revenue generated from the gaming tables in the casinos within the Group's properties; (ii) an increase in overall operating expenses of the Group, particularly staff costs; and (iii) an increase in overall depreciation and amortisation charges, particularly the depreciation of Harbourview Hotel, which commenced operations on 2 February 2015, and the amortisation of intangible assets arisen from the consolidation of the financial results of New Legend since 3 July 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM DIVIDEND

The Board has resolved not to pay an interim dividend for the six months ended 30 June 2015.

FINANCIAL AND OPERATIONAL REVIEWS

A. Gaming Services

The Group's revenue from gaming services consisted of service income received from SJM for services and facilities provided relating to mass market tables, VIP rooms and slot machines.

As at 30 June 2015 and 2014, the Group had the following number of gaming tables and slot machines in its two casinos:

	At 30 June 2015			At 30 June 2014		
	Pharaoh's Palace Casino	Babylon Casino	Total	Pharaoh's Palace Casino	Babylon Casino	Total
Mass market tables	60	31	91	56	19	75
VIP tables*	47	12	59	75	—	75
Sub-total	107	43	150	131	19	150
Additional gaming tables [^]			35			—
Total gaming tables			185			150
Slot machines [#]	142	29	171	197	120	317

* Included in the number for Pharaoh's Palace Casino as at 30 June 2015 was a total of 10 (30 June 2014: 4) gaming tables which were temporarily not in operation.

[^] Being additional gaming tables granted by the DICJ to the Company on 28 October 2014 which have not yet been put into operation by the Group.

[#] The slot machines at Babylon Casino as at 30 June 2014 were temporarily not in operation.

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2015, the Group recorded approximately HK\$449.9 million revenue from gaming services, representing a decrease of approximately HK\$205.0 million or approximately 31.3% over that of the last corresponding period of approximately HK\$654.9 million. Breakdowns of the Group's revenue from gaming services for the six months ended 30 June 2015 and 2014 are as follows:

	Six months ended 30 June	
	2015 HK\$'000	2014 HK\$'000
Mass market tables:		
— Pharaoh's Palace Casino	309,307	502,227
— Babylon Casino	51,394	69,998
	360,701	572,225
Self-run VIP tables:		
— Pharaoh's Palace Casino	49,531	—
— Babylon Casino	12,647	—
	62,178	—
Outsourced VIP tables:		
— Pharaoh's Palace Casino	22,824	77,745
	85,002	77,745
Slot machines:		
— Pharaoh's Palace Casino	4,200	4,271
— Babylon Casino	29	695
	4,229	4,966
Total revenue from gaming services	449,932	654,936

The following tables set out certain key operational data of mass market tables, VIP tables and slot machines for six months ended 30 June 2015 and 2014:

Mass Market Tables

	Pharaoh's Palace Casino Six months ended 30 June			Babylon Casino Six months ended 30 June		
	2015 HK'000	2014 HK'000	Change %	2015 HK'000	2014 HK'000	Change %
Games drop	2,382,057	2,869,720	(17.0)	709,722	681,167	4.2
Net win	562,376	913,138	(38.4)	93,443	127,270	(26.6)
Hold rate	23.61%	31.82%	(8.21)	13.17%	18.68%	(5.51)
Average number of tables	60	58	3.4	26	21	23.8
Net win per table per day	52	87	(40.2)	20	33	(39.4)

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's revenue from mass market tables for the six months ended 30 June 2015 was approximately HK\$360.7 million, representing a decrease of approximately HK\$211.5 million or approximately 37.0% over that of the last corresponding period of approximately HK\$572.2 million. Revenue from mass market tables at Pharaoh's Palace Casino decreased by approximately 38.4% to approximately HK\$309.3 million while revenue at Babylon Casino decreased by approximately 26.6% to approximately HK\$51.4 million. For the six months ended 30 June 2015, net win per table per day of mass market tables at Pharaoh's Palace Casino and Babylon Casino decreased by approximately 40.2% to approximately HK\$52,000 and approximately 39.4% to approximately HK\$20,000 over that of the last corresponding period of approximately HK\$87,000 and HK\$33,000, respectively.

VIP Tables

	Pharaoh's Palace Casino Six months ended 30 June					Babylon Casino Six months ended 30 June		
	2015			2014	Change	2015	2014	Change
	Outsourced HK'000	Self-run (New Legend) HK'000	Total HK'000	HK\$'000	%	Self-run (New Legend) HK\$'000	HK\$'000	%
Games turnover	32,662,234	2,769,542	35,431,776	126,897,335	(72.1)	484,327	n/a	n/a
Net win	1,113,661	87,384	1,201,045	3,887,268	(69.1)	22,274	n/a	n/a
Win percentage	3.41%	3.16%	3.39%	3.06%	0.33	4.60%	n/a	n/a
Average number of tables	39	7	46	69	(33.3)	9	n/a	n/a
Net win per table per day	158	69	144	311	(53.7)	14	n/a	n/a

The Group's revenue from VIP tables for the six months ended 30 June 2015 was approximately HK\$85.0 million, representing an increase of approximately HK\$7.3 million or approximately 9.3% over that of the last corresponding period of approximately HK\$77.7 million. During the six months ended 30 June 2015, approximately HK\$62.2 million contributed from New Legend through the VIE Structure. Revenue from outsourced VIP tables decreased by approximately HK\$54.9 million or approximately 70.6%. For the six months ended 30 June 2015, net win per table per day of VIP tables at Pharaoh's Palace Casino decreased by approximately 53.7% to approximately HK\$144,000 over that of the six months ended 30 June 2014 of approximately HK\$311,000. Net win per table per day of VIP tables at Babylon Casino which commenced operation since November 2014 was approximately HK\$14,000.

On 3 July 2014, the Group obtained the approval from independent shareholders of the Company at an extraordinary general meeting of the Company for the establishment of the VIE Structure. The VIE Structure allows the Group to indirectly participate in the gaming promotion business and have a greater control over the management and marketing of the VIP rooms operated by New Legend in the casinos located in its properties, as well as enhance its market footprint and receive a higher percentage of gross gaming revenue generated by the gaming tables in these VIP rooms. During the six months ended 30 June 2015, New Legend contributed approximately HK\$62.2 million of gaming revenue through the VIE Structure. Upon implementation of the VIE Structure, financial results of New Legend have been consolidated into the consolidated financial statements of the Group. Further details of the VIE Structure are set out in the Company's circular dated 9 June 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

Slot Machines

	Pharaoh's Palace Casino Six months ended 30 June			Babylon Casino Six months ended 30 June		
	2015 HK'000	2014 HK'000	Change %	2015 HK'000	2014 HK'000	Change %
Slot handle	409,330	366,863	11.6	948	39,939	(97.6)
Net win	14,035	17,728	(20.8)	69	1,671	(95.9)
Hold rate	3.43%	4.83%	(1.40)	7.28%	4.18%	3.10
Average number of slot machines	149	201	(25.9)	29	120	(75.8)
Net win per slot machine per day	0.5	0.5	—	0.01	0.1	(90.0)

The Group's revenue from slot machines for the six months ended 30 June 2015 decreased by approximately HK\$0.7 million or approximately 14.8% to approximately HK\$4.2 million over that of the last corresponding period of approximately HK\$5.0 million.

Investment in Casino Management System

In July 2014, the Group entered into a purchase and licence agreement with Bally Technologies, Inc. ("Bally Technologies", whose shares are listed on the New York Stock Exchange), a global leading supplier of innovative games, table game products, systems, mobile, and iGaming solutions for gaming industry, to provide the Group with the latest casino management system for improving player connectivity, patron loyalty and yield management. These tools will be important components of the Group's strategy to expand its mass gaming business. The casino management system licensed by Bally Technologies is the technology solution of choice for most of the large multi-casino operators in the Asia-Pacific Region. The first phase of the casino management system has been installed and put into operation in Babylon Casino since February 2015. Implementation will be in phases to correspond to the expected expansion of gaming capacities of the Group.

B. Non-gaming Operations

For the six months ended 30 June 2015, the Group recorded a total non-gaming revenue of approximately HK\$248.3 million, representing a decrease of approximately HK\$14.3 million or approximately 5.4% over that of the last corresponding period of approximately HK\$262.6 million. Out of the total non-gaming revenue, revenue from The Landmark Macau accounted for approximately HK\$116.0 million or approximately 46.7% of the total non-gaming revenue (six months ended 30 June 2014: approximately HK\$166.7 million or approximately 63.5%); and MFW accounted for approximately HK\$132.3 million or approximately 53.3% of the total non-gaming revenue (six months ended 30 June 2014: approximately HK\$95.9 million or approximately 36.5%). The increase in the percentage of contribution to the Group's revenue by MFW Group was mainly due to the revenue contributed by Harbourview Hotel at MFW, which commenced its operation since 2 February 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

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

	Six months ended 30 June					
	2015			2014		
	The Group excluding MFW Group HK\$'000	MFW Group HK\$'000	Consolidated HK\$'000	The Group excluding MFW Group HK\$'000	MFW Group HK\$'000	Consolidated HK\$'000
Rental income from hotel rooms	47,500	44,017	91,517	80,854	13,128	93,982
Licensing income from investment properties	26,719	33,838	60,557	25,697	22,829	48,526
Income from building management services	20,979	11,895	32,874	28,210	9,977	38,187
Food and beverage	18,516	31,541	50,057	29,171	30,201	59,372
Sales of merchandise	—	10,472	10,472	—	19,417	19,417
Others	2,244	576	2,820	2,732	341	3,073
Total revenue from non-gaming operations	115,958	132,339	248,297	166,664	95,893	262,557

The decrease in non-gaming revenue was primarily attributable to the decrease in the rental income from hotel rooms and food and beverage income at The Landmark Macau which was offset by the contribution from the newly opened Harbourview Hotel at MFW.

The decrease in non-gaming revenue was primarily due to the decrease in revenue generated at The Landmark Macau of approximately HK\$50.7 million which in turn was mainly due to the decrease in income from hotel rooms by approximately HK\$33.4 million or approximately 41.3% and food and beverage businesses of the hotel by approximately HK\$10.7 million or approximately 36.5%. The decrease in non-gaming revenue of the Group was offset by revenue contributed by Harbourview Hotel at MFW, which commenced its operation since 2 February 2015. For the six months ended 30 June 2015, Harbourview Hotel contributed revenue of approximately HK\$43.7 million to the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

The following table sets out certain key operational data on hotel operations of the Group for the six months ended 30 June 2015 and 2014:

	Six months ended 30 June	
	2015	2014
The Landmark Macau		
Occupancy rate (%)	64.5	91.3
ADR (HK\$)	1,390.9	1,447.4
REVPAR (HK\$)	897.1	1,321.9
Rocks Hotel		
Occupancy rate (%)	78.0	84.2
ADR (HK\$)	1,161.1	1,475.9
REVPAR (HK\$)	905.6	1,243.1
Harbourview Hotel (opened on 2 February 2015)		
Occupancy rate (%)	57.2	n/a
ADR (HK\$)	975.4	n/a
REVPAR (HK\$)	557.9	n/a

The Landmark Macau

The occupancy rate of The Landmark Macau for the six months ended 30 June 2015 was approximately 64.5%, an approximately 26.8% decrease over that of the last corresponding period of approximately 91.3%. For the six months ended 30 June 2015, ADR and REVPAR of The Landmark Macau decreased by approximately 3.9% and approximately 32.1% respectively when compared to those of the last corresponding period.

Macau Fisherman's Wharf

For the six months ended 30 June 2015, MFW attracted a total of approximately 1,978,000 visitors, representing an increase of approximately 2.7% when compared to that of the last corresponding period of approximately 1,926,000 visitors.

Rocks Hotel

The occupancy rate of Rocks Hotel for the six months ended 30 June 2015 was approximately 78.0%, an approximately 6.2% decrease over that of the last corresponding period of approximately 84.2%. For the six months ended 30 June 2015, ADR and REVPAR of Rocks Hotel decreased by approximately 21.3% and approximately 27.1% respectively when compared to those of the last corresponding period.

Harbourview Hotel

Harbourview Hotel was opened on 2 February 2015. The occupancy rate of Harbourview Hotel for the period from its opening to 30 June 2015 was approximately 57.2%. ADR and REVPAR of Harbourview Hotel were approximately HK\$975.4 and approximately HK\$557.9 respectively.

MANAGEMENT DISCUSSION AND ANALYSIS

C. Corporate and Business Updates

(a) Upgrade of exterior lighting of The Landmark Macau

The Landmark Macau has commenced the upgrade of exterior lighting and promotional signage with lighting elements installation in the first half of 2015. It is expected the upgrade will be completed in the second half of 2015 which will enhance the revenue generating potential of the property and ensure consistent luxury experience for the guests.

(b) MFW Redevelopment

Opening of Harbourview Hotel

Harbourview Hotel, the first new hotel under the MFW Redevelopment, commenced soft opening on 2 February 2015 and had its grand opening on 11 February 2015. With design based on the 18th century Prague architectural style, Harbourview Hotel contributes an additional 389 rooms and 55 suites to the tourism market of Macau Peninsula. The hotel is connected via footbridges to the adjacent Babylon Casino.

Other redevelopment

In addition to the opening of Harbourview Hotel, the Group also made progress on other projects of the MFW Redevelopment. The table below provides further details on the status of the ongoing construction projects as part of the MFW Redevelopment:

Buildings/Facilities	Brief Description	Progress	Target Completion Date
Legend Palace Hotel	A five-star deluxe-themed hotel in the style of Central/Northern Asian medieval architecture with 229 opulent guests rooms including suites	Foundation work has been substantially completed. Licence for construction of the superstructure of hotel has been obtained in July 2015. Construction of hotel will be commenced in 3Q 2015	2Q 2016
Legendale Hotel	A flagship five-star deluxe rating hotel modelled after the Neo-Renaissance style of architecture of mid-17th century Central European period with a planned 500 guests rooms including suites	Revised design concepts have been developed and are under review for reduction of construction costs and improvement on the planning and operational efficiencies Application for increase of the height of the hotel has been submitted to Macau government for approval	4Q 2017

MANAGEMENT DISCUSSION AND ANALYSIS

Buildings/Facilities	Brief Description	Progress	Target Completion Date
General entertainment and cultural facility	The dinosaur journey is an entertainment experience bringing the world of dinosaurs to the visitors	The facility is being designed to include fossil exhibits as well as the addition of intellectual, entertaining and interactive elements to provide an exciting visitor experience. Detailed design is significantly developed	2Q 2017
	A newly developed multi-propose entertainment and performance theatre holding more than 1,000 seats	The design stage is significantly developed	2Q 2017
Yacht club and public pier for harbour cruises	Further development of the marina to increase the size of its mooring area and inclusion of a yacht club with immigration facilities	Phase 1 — completed in November 2014	
		Phase 2 — further pontoons and wave attenuator wall in design stage	3Q 2016
Canopied open-air shopping, dining and entertainment colonnade	Development of fixed canopy structures on Main Boulevard and Jackson Square providing all-weathered protection with integrated lighting entertainment shows	Design for the canopy on Jackson Square has been completed and approval for construction from Macau government has been obtained. Construction will be commenced in 3Q 2015	3Q 2015
		For the canopy on Main Boulevard, design has been completed and submitted to Macau government for approval. Currently awaiting construction licence	2Q 2016

MANAGEMENT DISCUSSION AND ANALYSIS

Buildings/Facilities	Brief Description	Progress	Target Completion Date
Redevelopment of existing facilities	Refurbishment and addition of facilities to certain buildings including Babylon Casino and Rocks Hotel, construction of new parking facilities for shuttle buses and coaches, addition of fine dining and family style restaurants and building of a canopy	Approval of Miami Building at MFW as part of Babylon Casino's extension has been obtained from DICJ. Some slot machines have been put into operation in the building since 2Q 2015	Phased completions 4Q 2014 to 4Q 2015

For the six months ended 30 June 2015, all work within the MFW Redevelopment has progressed significantly. Following the Group's efforts of close monitoring and supervision of the project, it is indicated the development of Harbourview Hotel would be completed with significant savings to the established budget forecasts.

Up to this period, many of the above projects have been progressing through the design and government approval submission stages. The ongoing design stages for Legend Palace Hotel, dinosaur journey, theatre and canopy on the Main Boulevard have significantly developed and construction works are continuing and/or will commence for these projects within 2015 according to forecast programs.

(c) Cooperation with Dynam

The Company entered into a non-binding Memorandum of Understanding for Business Cooperation (the "MOU") with DYNAM JAPAN HOLDINGS Co., Ltd ("Dynam"), a company incorporated in Japan and whose shares are listed on the Main Board of the Stock Exchange (stock code: 6889), on 23 August 2013 in respect of opportunities for business cooperation between the two groups. The terms of the MOU have been extended and further extended with an expiry date of 23 February 2015. The Company and Dynam have not concluded or entered into any definitive agreement before the expiry of the MOU, and the MOU expired on 23 February 2015. Further details of the expiry of the MOU are set out in the Company's announcement dated 24 February 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

OUTLOOK

During the period under review, visitors to Macau have decreased by approximately 3.5% to approximately 14.8 million when compared to that of the same period in 2014. The property market in the Mainland remained sluggish and there had been volatile corrections in the stock markets, and these, when combined with other negative factors impacted to the industry, have contributed to lower propensity of travel and spending level of visitors to Macau.

Recently we are gradually seeing certain shift towards more supportive policies such as the easing of transit visas limitations in July 2015 which should help boost visitations to Macau, and we are optimistic that this and other upcoming measures would favour the VIP and premium mass businesses in the upcoming seasonally stronger months.

The Group opened its first new hotel at MFW, Harbourview Hotel, in February 2015. The opening of Harbourview Hotel adds non-gaming elements to further enrich the existing leisure facilities at MFW. Planning and construction work for our second and third new hotels and other developments at MFW are moving ahead according to plan with the second new hotel, Legend Palace Hotel, scheduled for completion in mid-2016.

As revival of previously high growth momentum in the local market might be a slight distance, we are taking steps to seize opportunities to tap into areas which have the potential of expanding the footprint and dimension of the Group.

In July 2015, we entered into agreements with the Government of Cape Verde to develop a world-class integrated leisure, tourism and entertainment complex in Praia, the capital city of Cape Verde on Santiago Island, with an investment amount of approximately €250 million (equivalent to approximately HK\$2,150 million) (the "Project"). Cape Verde is an archipelago nation located in the North Atlantic to the west of Africa. This resort, when completed, will be at a hub of up to 5-hour flight time of some major cities in Europe, Africa and South America, all of which have seen significant investments from China in recent years and host to an untapped pool of Chinese expatriate executives and workers.

Land concession for the Project 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.

We consider this investment in Cape Verde a great opportunity for us as a Macau enterprise to make use of the Sino-Portuguese platform to expand its business overseas. Also, the Project follows the China Government's national policy "One belt, one road", a strategy to help position Macau as one of the important cities on the Maritime Silk Road, and has the potential to lead the small and medium enterprises of Macau to expand from Macau.

Remaining to be committed to the successful completion of the MFW Redevelopment, the Group also considers the investment in Cape Verde is the first step in reaching out to international markets for maximising value for its shareholders, partners and customers.

MANAGEMENT DISCUSSION AND ANALYSIS

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 30 June 2015, the consolidated net assets attributable to owners of the Company amounted to approximately HK\$7,397.6 million, representing a decrease of approximately HK\$62.1 million from approximately HK\$7,459.7 million as at 31 December 2014. The decrease in consolidated net assets during the six months ended 30 June 2015 was mainly due to the Group's loss for the period of approximately HK\$68.4 million.

Bank balances and cash

As at 30 June 2015, bank balances and cash held by the Group amounted to approximately HK\$4,432.9 million (including pledged bank deposits of approximately HK\$20.6 million) of which approximately 69.3% was denominated in RMB and the remaining approximately 30.7% was denominated mainly in HK\$ and MOP. Given MOP are pegged to HK\$, the Group considers the exposure to exchange rate risk is nominal for its bank balances and cash denominated in MOP. The Group's bank deposits denominated in RMB are subject to exchange rate risk as the exchange rate of RMB to HK\$ may fluctuate significantly.

The Company completed a global offering with its Shares listed on the Stock Exchange with effect from 5 July 2013 on which the Company raised net proceeds of approximately HK\$2.1 billion. In addition, the Company completed a top-up placement of 188,000,000 new Shares and raised net proceeds of approximately HK\$1,350.8 million in January 2014. In order to enhance better yield from the portion of the proceeds raised from the Listing and the top-up placement which are not expected to be utilised in the near term, the Group has placed these funds at banks in Hong Kong and Macau as HK\$ or RMB fixed deposits. As at 30 June 2015, a total of approximately HK\$3,787.8 million had been placed as fixed deposits at banks in Macau with maturities ranging from 1 to 3 months, including approximately HK\$3,051.7 million in RMB and approximately HK\$736.1 million mainly in HK\$, at an average annualised interest rate of approximately 2.6%.

Exchange rate of RMB against HK\$ fluctuated during the six months ended 30 June 2015. For accounting purposes, the RMB fixed deposits were retranslated into HK\$ at the exchange rate as at 30 June 2015 which resulted in an unrealised exchange loss of approximately HK\$5.6 million being recognised in the Group's interim results.

Borrowings

As at 30 June 2015, the Group had outstanding secured and unguaranteed bank borrowings of approximately HK\$4,163.6 million and unsecured, interest-free and unguaranteed other borrowings of approximately HK\$176.0 million.

In respect of the bank borrowings of approximately HK\$4,163.6 million, the maturity profile was spread over a period of less than 5 years with approximately HK\$378.4 million repayable within one year, approximately HK\$781.7 million repayable in the second year and approximately HK\$3,003.5 million repayable in the third to fifth years. The other borrowings of approximately HK\$176.0 million are repayable within one year.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's bank borrowings carried interest at prevailing market rates and on floating rate basis. In addition, the bank borrowings and the other borrowings as at 30 June 2015 were denominated in HK\$ (the Group's functional currency) and hence the Group does not expect any significant foreign currency exposure in respect of its bank borrowings and other borrowings as at 30 June 2015.

USE OF PROCEEDS FROM THE GLOBAL OFFERING

Trading of the Shares on the Stock Exchange commenced on 5 July 2013, and the Group raised net proceeds of approximately HK\$2.1 billion from the global offering. The Group intends to apply such proceeds in a manner consistent with the intended use of proceeds as disclosed in the Supplemental Prospectus and the announcement made by the Company on 4 July 2013 (the "Announcement"). Details of the intended use of proceeds are set out in the Supplemental Prospectus and the Announcement. Up to 30 June 2015, the Group had applied approximately HK\$1,353.6 million, HK\$199.7 million and HK\$97.5 million of the net proceeds for the MFW Redevelopment, renovation of The Landmark Macau and settlement of an amount in respect of purchase of an aircraft, respectively, which are in compliance with the intended use of proceeds as set out in the Supplemental Prospectus and the Announcement.

CHARGE ON THE GROUP'S ASSETS

As at 30 June 2015, 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\$377.3 million, buildings with a total carrying amount of approximately HK\$2,339.0 million, prepaid lease payments with a total carrying amount of approximately HK\$1,821.2 million, trade receivables of approximately HK\$102.7 million and bank deposits of approximately HK\$20.6 million.

GEARING

The Group's gearing ratio (expressed as a percentage of total borrowings over total equity as at the end of the reporting period) was approximately 58.7% as at 30 June 2015 (31 December 2014: approximately 56.7%). The increase in gearing ratio of the Group for the six months ended 30 June 2015 was mainly due to the additional drawdown of bank loan by the Group during the period.

HEDGING, ACQUISITION AND DISPOSALS AND SIGNIFICANT INVESTMENTS

Save as disclosed in this report, during the six months ended 30 June 2015, the Group did not (i) employ any financial instruments for hedging purposes; (ii) undertake any material acquisitions or disposals of assets, business or subsidiaries; or (iii) make any significant investments.

MANAGEMENT DISCUSSION AND ANALYSIS

CONTINGENT LIABILITIES

Details of contingent liabilities of the Group as at 30 June 2015 are set out in note 19 to the condensed consolidated financial statements of the Group for the six months ended 30 June 2015.

CAPITAL COMMITMENTS

As at 30 June 2015, the Group had capital commitments which were authorised but not contracted for in respect of the renovation work of The Landmark Macau and the MFW Redevelopment of approximately HK\$27.3 million (31 December 2014: approximately HK\$36.6 million) and approximately HK\$6,377.2 million (31 December 2014: approximately HK\$6,877.3 million) respectively. In addition, as at 30 June 2015, the Group had capital commitments in respect of acquisition of property and equipment and construction in progress which are contracted but not provided for in the amount of approximately HK\$752.6 million (31 December 2014: approximately HK\$773.9 million).

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2015, the Group had a total of approximately 3,400 employees, including approximately 1,370 gaming operation employees who were 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 AND OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its listed Shares during the six months ended 30 June 2015.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2015, the interests and short position of the Directors and chief executives of the Company in the Shares and underlying Shares and its associated corporations, as recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(1) Long Position in Shares of the Company

Name of Directors	Capacity	Number of Shares	*Approximate percentage of total issued Shares
Mr David Chow	Beneficial owner	1,502,021,163	23.29%
	Controlled corporation	401,653,780 ⁽¹⁾	6.23%
	Interest of spouse	129,690,066 ⁽²⁾	2.01%
		2,033,365,009	31.53%
Madam Lam	Controlled corporation	812,704,500 ⁽³⁾	12.60%
Mr Sheldon Trainor-DeGirolamo	Beneficial owner	11,197,248	0.17%
	Controlled corporation	70,631,345 ⁽⁴⁾	1.10%
		81,828,593	1.27%
Mr Tong Ka Wing, Carl	Beneficial owner	5,775,623	0.09%

Notes:

1. These Shares were held by All Landmark.
 2. Mr David Chow was deemed to be interested in 129,690,066 Shares through the interest of his spouse, Ms Melinda Chan.
 3. These Shares were held by Grand Bright.
 4. These Shares were held by PacBridge Capital Partners (HK) Limited, a controlled corporation of Mr Sheldon Trainor-DeGirolamo.
- * The percentage represents the number of Shares interested divided by the number of the issued Shares as at 30 June 2015.

CORPORATE GOVERNANCE AND OTHER INFORMATION

СОРПОРАТЕ ГОВЕРНАНСЕ АНД ОТНЕР ИНФОРМАТОН

(2) Long Position in Underlying Shares of the Company

(i) Share options — physically settled unlisted equity derivatives

Name of Director	Capacity	Number of underlying Shares in respect of the share options granted	*Approximate percentage of total issued Shares
Mr David Chow	Beneficial owner	24,412,724 ^(Note)	0.38%

Note: Details of the above share options have been disclosed in the below section headed "Share Options".

* The percentage represents the number of underlying Shares interested divided by the number of the issued Shares as at 30 June 2015.

(ii) Directors' reward shares

Name of Directors	Capacity	Number of Shares ^(Note)	*Approximate percentage of total issued Shares
Mr David Chow	Beneficial owner	6,751,526	0.10%
Mr Sheldon Trainor-DeGirolamo	Beneficial owner	5,193,482	0.08%
Mr Tong Ka Wing, Carl	Beneficial owner	2,596,742	0.04%

Note: Pursuant to the respective service agreements/appointment letter, the Company has agreed to issue reward shares to each of Mr David Chow, Mr Sheldon Trainor-DeGirolamo and Mr Tong Ka Wing, Carl on 31 December 2013, 31 December 2014 and 31 December 2015 (subject to certain conditions). The total number of these reward shares is 43,625,244 Shares, of which a total of 29,083,494 reward shares were issued (14,541,747 reward shares were issued on each of 31 December 2013 and 31 December 2014).

* The percentage represents the number of underlying Shares interested divided by the number of the issued Shares as at 30 June 2015.

(3) Long Position in Shares of Associated Corporations

Name of associated corporations	Name of Directors	Capacity	Number of shares ⁽¹⁾	Percentage of interest of associated corporations
Hong Hock	Mr David Chow	Beneficial owner	100	0.01%
	Madam Lam	Controlled corporation	100 ⁽²⁾	0.01%
New Macau Landmark	Mr David Chow	Beneficial owner	1,000	1.0%
Grand Merit Retail Group Limited	Mr David Chow	Beneficial owner	1,000	1.0%
Legend King International Limited	Mr David Chow	Beneficial owner	1,000	1.0%

Notes:

- All the above associated corporations are limited companies incorporated in Macau. The number of shares in these associated corporations expressed above refers to the nominal value of share capital in MOP.
- These shares were held by Grand Bright.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(4) Short Position in Shares of the Company

Name of Director	Capacity	Number of Shares	*Approximate percentage of total issued Shares
Mr David Chow	Beneficial owner	1,458,331,654	22.61%
	Controlled corporation	319,696,000 ^(Note)	4.96%
		1,778,027,654	27.57%

Note: The short position in the Shares was held by All Landmark.

* The percentage represents the number of Shares involved in the short position divided by the number of the issued Shares as at 30 June 2015.

Save as disclosed above, none of the Directors or chief executive of the Company, as at 30 June 2015, had registered an interest or a short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

(1) David Chow Share Options

Pursuant to two employment agreements entered into between the Company and Mr David Chow, the Company has granted the David Chow Share Options to Mr David Chow.

The following table discloses movements of the David Chow Share Options during the six months ended 30 June 2015:

Name of participant	Date of grant	At 1 January 2015	Granted during the period	Exercised/ forfeited/ expired during the period	At 30 June 2015	Exercise period	Exercise price per Share
Mr David Chow	23/11/2011	24,412,724	—	—	24,412,724	23/11/2011– 22/11/2016	HK\$2.0

(2) Share Option Scheme

On 5 June 2013, the Company adopted the Share Option Scheme for the purpose of providing incentives or rewards to eligible participants for their contribution or potential contribution to the Group. Eligible participants of the Share Option Scheme include, among others, the Directors, including non-executive Directors and independent non-executive Directors, full-time or part-time employees, executives or officers of the Group, advisors, consultants, suppliers, customers and agents. The Share Option Scheme became effective on 5 July 2013 upon the Listing and shall be valid and effective for a period of 10 years from that date.

No share option has been granted since the adoption of the Share Option Scheme.

CORPORATE GOVERNANCE AND OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITION IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2015, so far as the Directors are aware, the following parties (other than the Directors and chief executives of the Company) had interests or short position in the Shares and underlying Shares as recorded in the register of interests required to be kept by the Company pursuant to section 336 of the SFO:

(1) Long Position in Shares of the Company

Name of substantial shareholders	Capacity	Number of Shares	*Approximate percentage of total issued Shares
All Landmark	Beneficial owner	401,653,780 ⁽¹⁾	6.23%
Ms Melinda Chan	Beneficial owner	129,690,066	2.01%
	Interests of spouse	1,903,674,943 ⁽²⁾	29.52%
		2,033,365,009	31.53%
Grand Bright	Beneficial owner	812,704,500 ⁽³⁾	12.60%
Elite Success	Beneficial owner	710,925,750	11.02%
Mr Li Chi Keung	Beneficial owner	79,550,429	1.24%
	Controlled corporation	710,925,750 ⁽⁴⁾	11.02%
		790,476,179	12.26%
Ms Wong Hoi Ping	Controlled corporation	710,925,750 ⁽⁴⁾	11.02%
	Interests of spouse	79,550,429 ⁽⁵⁾	1.24%
		790,476,179	12.26%
Ms Chan Un Chan	Beneficial owner	77,264,000	1.20%
	Founder of discretionary trust	934,269,609 ⁽⁶⁾	14.49%
	Controlled corporation	2,835,000 ⁽⁷⁾	0.04%
		1,014,368,609	15.73%
Earth Group Ventures Ltd.	Beneficial owner	934,269,609 ⁽⁶⁾	14.49%
UBS TC (Jersey) Ltd.	Trustee/controlled corporation	934,269,609 ⁽⁶⁾	14.49%

CORPORATE GOVERNANCE AND OTHER INFORMATION

Notes:

1. The interest of All Landmark was disclosed as the interest of Mr David Chow in the above section headed “Directors’ and Chief Executives’ Interests and Short Position in Shares and Underlying Shares of the Company and its Associated Corporations”.
 2. Ms Melinda Chan was deemed to be interested in 1,903,674,943 Shares through the interest of her spouse, Mr David Chow.
 3. The interest of Grand Bright was disclosed as the interest of Madam Lam in the above section headed “Directors’ and Chief Executives’ Interests and Short Position in Shares and Underlying Shares of the Company and its Associated Corporations”.
 4. These Shares were held by Elite Success (a company in which each of Mr Li Chi Keung and Ms Wong Hoi Ping, spouse of Mr Li Chi Keung, held 44.5% of the total issued capital).
 5. Ms Wong Hoi Ping was deemed to be interested in 79,550,429 Shares through the interest of her spouse, Mr Li Chi Keung.
 6. These Shares were held directly by UBS Nominees Limited, which is a nominee holding the Shares for Earth Group Ventures Ltd., a company wholly owned by UBS TC (Jersey) Ltd. as trustee of the Earth Settlement. Earth Settlement is a discretionary trust set up by Ms Chan Un Chan as founder for her assets planning purposes.
 7. These Shares were held by UNIR (HK) Management Limited, a controlled corporation of Ms Chan Un Chan.
- * The percentage represents the number of Shares interested divided by the number of the issued Shares as at 30 June 2015.

(2) Long Position in Underlying Shares of the Company

(i) Share options — physically settled unlisted equity derivatives

Name of substantial shareholder	Capacity	Number of underlying Shares in respect of the share options granted	*Approximate percentage of total issued Shares
Ms Melinda Chan	Interest of spouse	24,412,724 ^(Note)	0.38%

Note: Ms Melinda Chan was deemed to be interested in 24,412,724 share options of the Company through the interest of her spouse, Mr David Chow. Details of the above share options have been disclosed in the above section headed “Share Options”.

* The percentage represents the number of underlying Shares interested divided by the number of the issued Shares as at 30 June 2015.

(ii) Director’s reward shares

Name of substantial shareholder	Capacity	Number of Shares	*Approximate percentage of total issued Shares
Ms Melinda Chan	Interest of spouse	6,751,526 ^(Note)	0.10%

Note: Ms Melinda Chan was deemed to be interested in 6,751,526 reward shares through the interest of her spouse, Mr David Chow. Details of the above reward shares have been disclosed in the above section headed “Directors’ and Chief Executives’ Interests and Short Position in Shares and Underlying Shares of the Company and its Associated Corporations”.

* The percentage represents the number of underlying Shares interested divided by the number of the issued Shares as at 30 June 2015.

CORPORATE GOVERNANCE AND OTHER INFORMATION

(3) Short Position in Shares of the Company

Name of substantial shareholders	Capacity	Number of Shares	*Approximate percentage of total issued Shares
Ms Melinda Chan	Interests of spouse	1,778,027,654 ⁽¹⁾	27.57%
All Landmark	Beneficial owner	319,696,000 ⁽²⁾	4.96%

Notes:

1. Ms Melinda Chan was deemed to have a short position in 1,778,027,654 Shares through the short position of her spouse, Mr David Chow. Details of the above short position in Shares have been disclosed in the above section headed "Directors' and Chief Executives' Interests and Short Position in Shares and Underlying Shares of the Company and its Associated Corporations".
2. The short position of All Landmark was disclosed as the short position of Mr David Chow in the above section headed "Directors' and Chief Executives' Interests and Short Position in Shares and Underlying Shares of the Company and its Associated Corporations".

* The percentage represents the number of Shares involved in the short position divided by the number of the issued Shares as at 30 June 2015.

Save as disclosed above, the Directors are not aware of any other corporation or individual (other than a Director or the chief executive of the Company) who, as at 30 June 2015, had registered an interest or a short position in the Shares or underlying Shares as recorded in the register of interests required to be kept pursuant to section 336 of the SFO.

LOAN AGREEMENTS WITH COVENANTS RELATING TO SPECIFIC PERFORMANCE OF THE CONTROLLING SHAREHOLDERS

Pursuant to the Facility Agreement, the following specific performance obligations have been imposed on the controlling shareholders of the Company unless consented by the Majority Lenders:

- (i) Mr David Chow, All Landmark, Madam Lam, Grand Bright and certain substantial shareholders of the Company are required to hold directly or indirectly in aggregate not less than 51% of the issued share capital of the Company; and
- (ii) the majority of the Board, being Mr David Chow, Madam Lam, Mr Sheldon Trainor-DeGirolamo and Mr Tong Ka Wing, Carl, shall remain the same during the life of the Facility.

Such requirements as to the maintenance of the level of ownership and composition of the members of the Board result in the disclosure obligation under Rule 13.18 of the Listing Rules.

TRANSFER RESTRICTIONS AMONG CERTAIN SHAREHOLDERS

On 28 December 2012, an agreement (the "Transfer Restrictions Agreement"), which was subsequently amended and restated on 5 June 2013, was entered into among Mr David Chow, All Landmark, Madam Lam, Grand Bright, Mr Li Chi Keung, Elite Success and Ms Chan Un Chan (together the "Covenantors"). Pursuant to the Transfer Restrictions Agreement, the Covenantors agreed not to transfer, whether directly or indirectly, any Shares registered in their respective names, or any right, title or interest therein or thereto such that, among others, the total number of Shares held by the Covenantors should not be less than 51% of the total issued capital of the Company. Further details of the Transfer Restrictions Agreement are set out in the Prospectus and the Supplemental Prospectus.

CORPORATE GOVERNANCE AND OTHER INFORMATION

UPDATE ON DIRECTORS' INFORMATION

Details of the biography of each of the Directors are set out in the 2014 Annual Report of the Company dated 26 March 2015.

Set out below is the change in information of a Director pursuant to Rule 13.51B(1) of the Listing Rules:

- Mr Fong Chung, Mark has been appointed as an independent non-executive director of China Oilfield Services Limited (SEHK: 2883) since 2 June 2015.

CORPORATE GOVERNANCE

Compliance with the 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. Throughout the six months ended 30 June 2015, the Company has complied with the CG Code except for 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.

Compliance with the Model Code and Employees Written Guidelines

The Company has adopted the Model Code as its code of conduct governing directors' dealings in the Company's securities. Specific enquiry has been made of all the Directors and they have confirmed their compliance with the Model Code during the six months ended 30 June 2015.

The Company also has established written guidelines on no less exacting terms than the Model Code (the "Employees Written Guidelines"), governing securities transactions by relevant employees who are likely to possess inside information of the Company and/or its securities. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company during the six months ended 30 June 2015.

CORPORATE GOVERNANCE AND OTHER INFORMATION

Review of 2015 Interim Report and Unaudited Condensed Consolidated Financial Statements

The 2015 Interim Report including unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2015 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 the non-executive Director, Mr Tong Ka Wing, Carl. The unaudited condensed consolidated financial statements of the Company for the six months ended 30 June 2015 have also been reviewed by the Company's independent auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

Investor Relations

Information regarding the Company is published on its website at "www.macaulegend.com". Interim and annual reports, circulars and notices of the Company are dispatched to shareholders of the Company at appropriate times. The website of the Company provides information such as e-mail address, correspondence address and telephone numbers for inquiries, and provides information on business activities of the Group.

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

Hong Kong, 19 August 2015

REPORT ON REVIEW OF CONDENSED CONSOLIDATED FINANCIAL STATEMENTS



TO THE BOARD OF DIRECTORS OF MACAU LEGEND DEVELOPMENT LIMITED

澳門勵駿創建有限公司

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated financial statements of Macau Legend Development Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 31 to 49, which comprise the condensed consolidated statement of financial position as of 30 June 2015 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six-month period then ended, and certain explanatory notes. The Main Board Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with HKAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of these condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated financial statements are not prepared, in all material respects, in accordance with HKAS 34.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

19 August 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	Notes	Six months ended 30 June	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
REVENUE	3	698,229	917,493
Cost of sales and services		(497,406)	(421,326)
Other income, gains and losses		200,823	496,167
Marketing and promotional expenses		65,754	(27,196)
Operating, administrative and other expenses		(64,832)	(23,400)
Finance costs	5	(229,881)	(185,293)
		(42,795)	(36,396)
(LOSS) PROFIT BEFORE TAXATION	6	(70,931)	223,882
Taxation credit	7	2,490	2,490
(LOSS) PROFIT AND TOTAL COMPREHENSIVE (EXPENSE) INCOME FOR THE PERIOD, ATTRIBUTABLE TO OWNERS OF THE COMPANY		(68,441)	226,372
(Loss) earnings per share	9		
Basic (HK cents)		(1.1)	3.5
Diluted (HK cents)		N/A	3.5

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

	Notes	At 30 June 2015 HK\$'000 (unaudited)	At 31 December 2014 HK\$'000 (audited)
NON-CURRENT ASSETS			
Investment properties	10	377,258	248,906
Property and equipment	10	3,833,379	3,653,802
Prepaid lease payments		1,767,812	1,770,626
Goodwill		681,986	681,986
Other intangible assets		284,513	302,211
Deposits paid	11	716,514	705,317
		7,661,462	7,362,848
CURRENT ASSETS			
Inventories		40,939	54,423
Prepaid lease payments		53,346	52,648
Trade and other receivables	12	416,829	499,822
Pledged bank deposits		20,581	20,581
Bank balances and cash			
— Cash at banks and on hand		4,412,292	4,047,398
— Short-term bank deposits with original maturity over three months		—	500,200
		4,943,987	5,175,072
CURRENT LIABILITIES			
Trade and other payables	13	685,890	665,326
Taxation		825	1,650
Bank and other borrowings — due within one year	14	554,417	448,601
		1,241,132	1,115,577
NET CURRENT ASSETS			
		3,702,855	4,059,495
TOTAL ASSETS LESS CURRENT LIABILITIES			
		11,364,317	11,422,343
NON-CURRENT LIABILITIES			
Bank borrowings — due after one year	14	3,785,186	3,777,815
Deferred tax liability	15	181,521	184,836
		3,966,707	3,962,651
NET ASSETS			
		7,397,610	7,459,692
CAPITAL AND RESERVES			
Share capital	16	644,926	644,926
Reserves		6,752,684	6,814,766
Equity attributable to owners of the Company		7,397,610	7,459,692

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015

	Share capital HK\$'000	Share premium HK\$'000	Other reserve HK\$'000 (note)	Share options reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 January 2014 (audited)	624,672	3,034,967	(323,835)	37,862	2,222,811	5,596,477
Profit and total comprehensive income for the period	—	—	—	—	226,372	226,372
Share-based payments	—	—	—	16,762	—	16,762
Placement of shares	18,800	1,344,200	—	—	—	1,363,000
Transaction costs attributable to placement of shares	—	(12,250)	—	—	—	(12,250)
At 30 June 2014 (unaudited)	643,472	4,366,917	(323,835)	54,624	2,449,183	7,190,361
At 1 January 2015 (audited)	644,926	4,398,182	(323,835)	38,667	2,701,752	7,459,692
Loss and total comprehensive expense for the period	—	—	—	—	(68,441)	(68,441)
Share-based payments	—	—	—	6,359	—	6,359
At 30 June 2015 (unaudited)	644,926	4,398,182	(323,835)	45,026	2,633,311	7,397,610

Note: The other reserve of the Group represents the difference between the nominal value of the shares of subsidiaries acquired by the Company and the nominal value of the shares of the Company issued for acquisition at the time of group reorganisation in December 2006.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2015

	Six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Net cash (used in) from operating activities	(10,117)	450,611
Investing activities		
Interest received	67,326	45,099
Purchase of property and equipment	(206,135)	(614,341)
Proceed from disposal of property and equipment	—	22
Deposits paid	—	(697,824)
Decrease (increase) in short-term bank deposits with original maturity over three months	500,200	(1,892,930)
Addition to prepaid lease payments	(24,440)	(24,440)
Net cash from (used in) investing activities	336,951	(3,184,414)
Financing activities		
New bank borrowings raised	197,000	3,738,559
Repayment of bank and other borrowings	(95,000)	(1,414,000)
Interest paid	(58,337)	(22,891)
Proceeds from placement of shares	—	1,363,000
Transaction costs on placement of shares	—	(12,250)
Net cash from financing activities	43,663	3,652,418
Net increase in cash and cash equivalents	370,497	918,615
Cash and cash equivalents at 1 January	4,047,398	1,006,527
Effect of foreign exchange rate changes	(5,603)	(32,073)
Cash and cash equivalents at 30 June	4,412,292	1,893,069
Analysis of the cash and cash equivalents:		
Bank balances and cash	4,412,292	4,576,699
Less: Short-term bank deposits with original maturity over three months	—	(2,683,630)
	4,412,292	1,893,069

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. GENERAL INFORMATION AND BASIS OF PREPARATION

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 of Hong Kong Limited (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 21/F, Macau Landmark Building, 555 Avenida da Amizade, Macau.

The Group is one of the leading owners of entertainment and casino gaming facilities in Macau. The Group currently has two major properties, The Landmark Macau and Macau Fisherman's Wharf ("MFW"). The Landmark Macau is an award-winning integrated hotel, casino and luxury shopping complex, featuring a five-star hotel and Macau's first themed casino. MFW is a waterfront integrated gaming, hotel, convention and entertainment complex located on the outer harbour of the Macau Peninsula.

These condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange.

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Group.

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis.

The accounting policies and methods of computations used in the condensed consolidated financial statements for the six months ended 30 June 2015 are the same as those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA that are relevant for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle

The application of the above amendments to HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

3. REVENUE

Revenue mainly represents the amounts received and receivable for goods sold and services rendered by the Group to outside customers, less discounts. An analysis of the Group's revenue during the period is as follows:

	Six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Revenue from provision of gaming related facilities and gaming related general management services under the Service Agreement (as defined in note 4) in respect of:		
— Mass market tables	360,701	572,225
— Outsourced VIP rooms	22,824	77,745
— Indirect participation in the gaming promotion business through New Legend (as defined in note 4) under the variable-interest entities structure (the "VIE Structure")	62,178	—
— Slot machines	4,229	4,966
	449,932	654,936
Revenue from non-gaming operations:		
— Rental income from hotel rooms	91,517	93,982
— Licensing income from investment properties	60,557	48,526
— Income from building management services	32,874	38,187
— Food and beverage	50,057	59,372
— Sales of merchandise	10,472	19,417
— Others	2,820	3,073
	248,297	262,557
	698,229	917,493

4. SEGMENT INFORMATION

The executive directors of the Company (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 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 rooms and slot machines. No operating result or discrete financial information is presented to the Executive Directors in relation to the above analysis. 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

4. SEGMENT INFORMATION (continued)

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 — gaming related services for mass market tables, VIP rooms and slot machines under the service agreement dated 25 September 2006 and its related amendments (collectively the “Service Agreement”) entered into between Hong Hock Development Company Limited (“Hong Hock”) and a gaming operator, Sociedade de Jogos de Macau, S.A. (“SJM”), 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 gaming tables in VIP rooms operated by New Legend VIP Club Limited (“New Legend”), whose financial results are consolidated into the Group upon implementation of the VIE Structure during the year ended 31 December 2014.

Non-gaming — operations at The Landmark Macau and MFW including hotel and other operations such as licensing income from the shops, provision of building management services, food and beverage and others.

Segment revenue and results

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

For the six months ended 30 June 2015 (unaudited)

	Gaming HK\$’000	Non-gaming HK\$’000	Segment total HK\$’000	Elimination HK\$’000	Consolidated HK\$’000
External revenue	449,932	248,297	698,229	—	698,229
Inter-segment revenue	—	32,058	32,058	(32,058)	—
Segment revenue	449,932	280,355	730,287	(32,058)	698,229
Segment profit (loss)	122,712	(45,493)	77,219	—	77,219
Unallocated depreciation, release of prepaid lease payments and amortisation					(51,414)
Unallocated corporate expenses					(48,338)
Unallocated unrealised exchange loss, net					(5,603)
Finance costs					(42,795)
Loss before taxation					(70,931)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

4. SEGMENT INFORMATION (continued)

Segment revenue and results (continued)

For the six months ended 30 June 2014 (unaudited)

	Gaming HK\$'000	Non-gaming HK\$'000	Segment total HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
External revenue	654,936	262,557	917,493	—	917,493
Inter-segment revenue	—	29,349	29,349	(29,349)	—
Segment revenue	654,936	291,906	946,842	(29,349)	917,493
Segment profit	421,327	18,714	440,041	—	440,041
Unallocated depreciation and release of prepaid lease payments					(33,717)
Unallocated corporate expenses					(72,153)
Unallocated unrealised exchange loss, net					(73,893)
Finance costs					(36,396)
Profit before taxation					223,882

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 profit (loss) represents the results of each segment without allocation of depreciation of investment properties and property and equipment, release of prepaid lease payments arising from the fair value adjustments on acquisition of Macau Fisherman's Wharf International Investment Limited ("MFW Investment") and its subsidiaries (collectively referred to as the "MFW Group"), amortisation of other intangible assets, expenses relating to 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

5. FINANCE COSTS

	Six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Interest on bank borrowings which is wholly repayable within five years	58,997	30,421
Amortisation of finance costs on bank borrowings	11,186	13,071
Other finance costs	545	2,316
Total borrowing costs	70,728	45,808
Less: Capitalised borrowing costs in construction in progress (included in property and equipment)	(27,933)	(9,412)
	42,795	36,396

Borrowing costs capitalised during the period arose from the general borrowing pool and are calculated by applying a capitalisation rate of approximately 3.5% (six months ended 30 June 2014: 4.3%) per annum to expenditure on qualifying assets.

6. (LOSS) PROFIT BEFORE TAXATION

	Six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
(Loss) profit before taxation has been arrived at after charging (crediting):		
Depreciation of investment properties	5,633	4,039
Depreciation of property and equipment	112,499	84,198
Amortisation of other intangible assets	17,698	—
Release of prepaid lease payments	26,557	25,871
Operating lease rentals in respect of leasehold land and buildings	6,369	5,823
Reversal of allowance for inventories	(204)	(184)
Cost of inventories recognised as an expense (included in cost of sales and services)	26,784	30,879
Unrealised exchange loss, net	5,603	73,893
Loss on disposal of property and equipment	16	20,785
Pre-opening expenses	37,051	—
Interest income	(54,869)	(52,307)
Gross licensing income from investment properties	(60,557)	(48,526)
Less: Direct operating expenses that generate licensing income	5,633	4,039
Net licensing income	(54,924)	(44,487)

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

7. TAXATION CREDIT

	Six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Current tax charge	(825)	(825)
Deferred taxation credit (note 15)	3,315	3,315
Income tax credit	2,490	2,490

Macau Complementary Tax is calculated at the maximum progressive rate of 12% on the estimated assessable profit for the period. No provision for Macau Complementary Tax and Hong Kong Profits Tax has been made in the condensed consolidated financial statements as either the relevant group entities incurred tax losses or the estimated assessable profits were fully absorbed by tax losses brought forward from prior years.

Pursuant to the Dispatch of the Macau Financial Services Bureau dated 17 November 2006 and a confirmation letter issued by the Macau Financial Services Bureau dated 14 January 2013, gaming related revenue generated from the Service Agreement is not subject to Macau Complementary Tax since it is derived from SJM gaming revenue, which 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 and further by Dispatch no. 378/2011 of 23 November 2011.

Pursuant to the Dispatch of the Macau Financial Services Bureau dated 28 June 2013, Hong Hock, a wholly-owned subsidiary of the Company, is 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 through to 2016 as payment in lieu of Macau Complementary Tax 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 are required regardless of whether dividends were actually distributed or whether Hong Hock has distributable profits in the relevant years. During the six months ended 30 June 2015, provision for taxation of HK\$825,000 (six months ended 30 June 2014: HK\$825,000) has been made.

8. DIVIDEND

No dividend was paid, declared or proposed in respect of both interim periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

9. (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

(Loss) earnings

	Six months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
(Loss) profit for the period for the purposes of basic and diluted (loss) earnings per share	(68,441)	226,372

Number of shares

	Six months ended 30 June	
	2015 '000	2014 '000
Weighted average number of ordinary shares for the purpose of basic (loss) earnings per share	6,449,261	6,410,830
Effect of diluted potential ordinary shares (note)		
— Share options	N/A	16,944
— Directors' reward shares	N/A	29,083
Weighted average number of ordinary shares for the purpose of diluted (loss) earnings per share	N/A	6,456,857

Note: The computation of diluted loss per share for the six months ended 30 June 2015 does not assume the conversion of the Company's outstanding share options and directors' reward shares since their exercise would result in a decrease in loss per share.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

10. INVESTMENT PROPERTIES AND PROPERTY AND EQUIPMENT

The addition of investment properties during the period includes amount of HK\$133,985,000 (six months ended 30 June 2014: nil) for redevelopment of MFW.

The addition of property and equipment during the period includes amounts of HK\$15,233,000 (six months ended 30 June 2014: HK\$112,185,000) and HK\$251,901,000 (six months ended 30 June 2014: HK\$476,493,000) for renovation of The Landmark Macau and redevelopment of MFW, respectively.

11. DEPOSITS PAID

	At 30 June 2015 HK\$'000 (unaudited)	At 31 December 2014 HK\$'000 (audited)
Deposits paid for acquisition of property and equipment	18,690	7,493
Other deposit (note)	697,824	697,824
	716,514	705,317

Note: The other deposit represents a refundable deposit paid in respect of a potential long-term investment project.

12. TRADE AND OTHER RECEIVABLES

	At 30 June 2015 HK\$'000 (unaudited)	At 31 December 2014 HK\$'000 (audited)
Trade receivables (note)	296,770	309,836
Less: Allowance for doubtful debts	(14)	(14)
	296,756	309,822
Other receivables and deposits	25,159	35,915
Prepayments	35,361	19,855
Receivables from gaming operator received on behalf of gaming promoters	59,553	134,230
Total trade and other receivables	416,829	499,822

Note: Included in trade receivables as at 30 June 2015 are amounts due from related companies of HK\$1,730,000 (31 December 2014: HK\$2,337,000). The amounts are unsecured, non-interest bearing and aged within an average credit period of three months. The Group did not hold any collateral over the balance.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

12. TRADE AND OTHER RECEIVABLES (continued)

The receivables from a gaming operator are non-trading in nature, unsecured, non-interest bearing and repayable on demand.

Before accepting any new customers, the Group assesses the potential customer's credit quality by evaluating their historical credit records and defines credit limits by customers. Recoverability and credit limit of the existing customers are reviewed by the Group regularly. At the end of the reporting period, included in the Group's trade receivable balances are receivables with aggregate carrying amount of HK\$104,476,000 (31 December 2014: HK\$89,830,000), which are neither past due nor impaired. The directors considered that trade receivables which are neither past due nor impaired are of good credit quality given the continuous subsequent settlements from gaming operator and other customers.

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 hotel guests and an average of 15 days to its tenants. The following is an aged 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:

	At 30 June 2015 HK\$'000 (unaudited)	At 31 December 2014 HK\$'000 (audited)
Within 3 months	129,602	194,646
Over 3 months but within 6 months	27,563	6,496
Over 6 months but within 1 year	63,497	49,429
Over 1 year	76,094	59,251
	296,756	309,822

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

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.

	At 30 June 2015 HK\$'000 (unaudited)	At 31 December 2014 HK\$'000 (audited)
Trade payables	37,470	59,554
Deposits received from tenants	52,080	56,641
Accrued staff costs	106,120	117,568
Other accruals	30,591	39,184
Other payables	424,354	280,818
Amounts due to gaming promoters	35,275	111,561
Total trade and other payables	685,890	665,326

The amounts due to gaming promoters are non-trading in nature, unsecured, non-interest bearing and repayable on demand.

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

	At 30 June 2015 HK\$'000 (unaudited)	At 31 December 2014 HK\$'000 (audited)
Within 3 months	35,524	57,686
Over 3 months but within 6 months	274	1,570
Over 6 months but within 1 year	1,375	264
Over 1 year	297	34
	37,470	59,554

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

14. BANK AND OTHER BORROWINGS

	At 30 June 2015 HK\$'000 (unaudited)	At 31 December 2014 HK\$'000 (audited)
Bank borrowings, secured (note i)	4,163,603	3,955,416
Other borrowings (note ii)	176,000	271,000
	4,339,603	4,226,416
Analysed for reporting purposes as:		
Current liabilities	554,417	448,601
Non-current liabilities	3,785,186	3,777,815
	4,339,603	4,226,416

Notes:

- (i) Bank borrowings, secured

	At 30 June 2015 HK\$'000 (unaudited)	At 31 December 2014 HK\$'000 (audited)
Secured bank borrowings due		
— within one year	378,417	177,601
— more than one year, but not exceeding two years	781,734	579,846
— more than two years, but not more than five years	3,003,452	3,197,969
	4,163,603	3,955,416
Less: Amount due within one year shown under current liabilities	(378,417)	(177,601)
Amount due after one year	3,785,186	3,777,815

The bank borrowings are denominated in HK\$.

During the year ended 31 December 2014, the Group entered into a facility agreement with banks relating to a new five-year syndicated bank term loan facility in the amount of HK\$4,221.0 million, of which HK\$1,324.0 million was used to repay the then outstanding bank borrowings and the remaining HK\$2,897.0 million was to partially finance the redevelopment project costs of MFW. As at 30 June 2015, the Group has fully drawn down the whole amount (31 December 2014: HK\$4,024.0 million) under the facility.

As at 30 June 2015, the bank borrowings bear interests at Hong Kong Interbank Offered Rate ("HIBOR") plus 2.5% per annum (31 December 2014: HIBOR plus 2.5% per annum) and the weighted average effective interest rate was 2.88% (31 December 2014: 2.95%) per annum.

- (ii) Other borrowings represent the amount due to a gaming operator which is denominated in HK\$ and is non-interest bearing, unsecured and repayable within one year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

15. DEFERRED TAX LIABILITY

The following is the movements of deferred tax liability recognised for the six months ended 30 June 2015 and the year ended 31 December 2014:

	HK\$'000
At 1 January 2014 (audited)	191,465
Credit to profit or loss	(6,629)
At 31 December 2014 (audited)	184,836
Credit to profit or loss (note 7)	(3,315)
At 30 June 2015 (unaudited)	181,521

The deferred tax liability represents the temporary differences between fair value adjustments of investment properties, property and equipment and prepaid lease payments acquired upon acquisition of MFW Group in May 2012 and their corresponding tax bases.

16. SHARE CAPITAL

	Number of shares	Amount HK\$'000
Ordinary shares of HK\$0.10 each		
Authorised:		
At 1 January 2014 (audited), 31 December 2014 (audited) and 30 June 2015 (unaudited)	10,000,000,000	1,000,000
Issued and fully paid:		
At 1 January 2014 (audited)	6,246,719,623	624,672
Placement of shares (note i)	188,000,000	18,800
Issue of shares as a part of directors' reward shares (note ii)	14,541,747	1,454
At 31 December 2014 (audited) and 30 June 2015 (unaudited)	6,449,261,370	644,926

Notes:

- (i) On 16 January 2014, All Landmark, a controlling shareholder of the Company, entered into a placing agreement for the placement of up to 188,000,000 ordinary shares of the Company (the "Placing Shares") to certain independent professional, institutional and other investors (the "Placees") at HK\$7.25 per share. On the same date, All Landmark also entered into a conditional subscription agreement with the Company for the subscription of 188,000,000 ordinary shares of the Company (the "Subscription Shares") at HK\$7.25 per share.

The placement of the Placing Shares by All Landmark to the Placees was completed on 21 January 2014 and the Subscription Shares were issued to All Landmark on 24 January 2014. The net proceeds received by the Company from this top-up placement amounted to approximately HK\$1,350,750,000.

- (ii) On 31 December 2014, the Company issued a total of 14,541,747 ordinary shares pursuant to the service contracts or letter of appointment dated 5 June 2013 entered into between the Company and each of Mr. David Chow, Mr. Sheldon Trainor-DeGirolamo and Mr. Tong Ka Wing, Carl.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

17. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments in respect of leasehold land, office properties, warehouse and staff quarters rented under non-cancellable operating leases which fall due as follows:

	At 30 June 2015 HK\$'000 (unaudited)	At 31 December 2014 HK\$'000 (audited)
Within one year	36,955	62,420
In the second to fifth year inclusive	14,022	15,542
	50,977	77,962

Operating lease payments represent rentals payable by the Group for certain of its leasehold land, office properties, warehouse and staff quarters. Lease term of leasehold land in Macau is negotiated for a term of 25 years at a fixed rental and is subject for renewal in accordance with applicable laws and regulations. Leases for office properties, warehouse and staff quarters are negotiated for an average term of two years and rentals are fixed for an average term of two years.

The Group as lessor

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

	At 30 June 2015 HK\$'000 (unaudited)	At 31 December 2014 HK\$'000 (audited)
Within one year	126,079	133,081
In the second to fifth year inclusive	294,708	308,492
Over five years	174,938	200,772
	595,725	642,345

Operating lease income represents licensing income receivable by the Group from its own premises and certain of its rented premises. Licensing arrangements are negotiated for an average term of five years and licensing fees are fixed for an average term of two years. In addition to the fixed licensing income which is disclosed above, pursuant to the terms of certain licensing arrangements, the Group has licensing income based on certain percentage of gross sales of relevant shop. The contingent licensing income contributed an insignificant amount of licensing income earned by the Group during both reporting periods.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

18. CAPITAL COMMITMENTS

At the end of the reporting period, the Group had capital commitments in respect of the acquisition of property and equipment and construction in progress which are contracted but not provided for in the amount of approximately HK\$752,553,000 (31 December 2014: approximately HK\$773,871,000).

At the end of the reporting period, the Group had capital commitments which are authorised but not contracted for in respect of (i) renovation work of The Landmark Macau of approximately HK\$27,269,000 (31 December 2014: approximately HK\$36,621,000); and (ii) the redevelopment plan of MFW of approximately HK\$6,377,160,000 (31 December 2014: approximately HK\$6,877,337,000).

19. CONTINGENT LIABILITIES

The Group had the following contingent liabilities at the end of the reporting period:

- (i) Pursuant to the amendment in the Service Agreement on 16 December 2011, in the event of any non-payment by the gaming promoters or any failure to fulfill their obligations related to gaming promotion agreements as entered with SJM and gaming promoters, the Group undertakes to reimburse SJM for any loss caused by such misconduct of the gaming promoters as well as any possible legal costs associated with litigation. There are no such claims from SJM during the six months ended 30 June 2015 and the year ended 31 December 2014.
- (ii) Prior to the acquisition by the Group, MFW Investment initiated repossession proceedings against a former tenant at MFW with rental arrears in dispute of approximately MOP89,008,000 (equivalent to approximately HK\$86,416,000) in 2009. The former tenant initiated a counterclaim from MFW Investment an amount of approximately MOP90,728,000 (equivalent to approximately HK\$88,085,000) in 2009 for alleging breach of undertakings pursuant to a memorandum of understanding on 19 October 2006 and an escrow undertaking letter on 5 September 2008, as well as seeking compensation for amounts spent on improvements to the premises. The Macau Court of First Instance dismissed the counterclaim from the former tenant on 29 April 2013 and the former tenant was condemned to pay MFW Investment the amount of approximately MOP67,151,000 (equivalent to approximately HK\$65,195,000) as principal and the respective interests to be computed. This legal proceeding is pending before the Macau Court of Second Instance. The directors believe the aforementioned case would not result in any material adverse effect on the financial position of the Group as at 30 June 2015. Accordingly, no further provision has been made in the condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

19. CONTINGENT LIABILITIES (continued)

- (iii) Prior to the acquisition by the Group, MFW Investment received a claim for outstanding payments on construction work at MFW from a contractor in 2008. The contractor claimed from MFW Investment an amount of approximately MOP23,709,000 (equivalent to approximately HK\$23,018,000) and MFW Investment counterclaimed an amount of approximately MOP14,451,000 (equivalent to approximately HK\$14,030,000) for defective construction work carried out by the contractor. In April 2010, the Macau Court of First Instance dismissed all claims from the contractor and awarded approximately MOP462,000 (equivalent to approximately HK\$449,000) to MFW Investment. The contractor did not agree the court's judgement and appealed to the Macau Court of Second Instance. The Macau Court of Second Instance dismissed the appeal from the contractor and agreed to award MFW Investment the amount of damages. The contractor lodged an appeal to the Macau Last Instance Court but it did not submit the legal arguments. The court final bill was received on 16 February 2015 and fully paid by MFW Investment. The directors believe the aforementioned case would not result in any material adverse effect on the financial position of the Group as at 30 June 2015. Accordingly, no further provision has been made in the condensed consolidated financial statements.
- (iv) Pursuant to a revolving credit facility agreement and a supplementary agreement dated 1 July 2013 and 22 October 2013, respectively, a gaming promoter, New Legend, which has been consolidated into the Group upon the approval from independent shareholders of the Company on 3 July 2014, has been offered for total facility amount of HK\$320 million from SJM to purchase rolling chips to be used in the VIP room(s) at the Pharaoh's Palace Casino as well as Babylon Casino, where applicable. The revolving credit facility agreement is valid for one year from 3 July 2013 and all borrowed amounts should be repaid by 2 July 2014. The Group has provided a guarantee to SJM under the revolving credit facility agreement. If New Legend defaults on any payments or breaches any of its obligations under the agreement, the Group is liable to SJM and SJM is entitled to withhold monthly service income or deduct outstanding amounts from the monthly service income payable to the Group under the Service Agreement. The revolving credit facility was renewed from 3 July 2014 to 2 July 2015. As at 30 June 2015, an amount of HK\$176 million (31 December 2014: HK\$271 million) under the facility was utilised by New Legend and remained outstanding. Such facility was further renewed on 23 July 2015 and is valid for one year till 2 July 2016.

Save and except for the matters specified above, the Group does not have any litigations or claims of material importance and, so far as the directors are aware, no litigation or claims of material importance are pending or threatened by or against any companies of the Group.

20. RELATED PARTY TRANSACTIONS

Apart from transactions and amounts due from (to) related companies as set out in respective notes, the Group did not have other significant transactions with related companies during both interim periods.

21. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 22 July 2015, the Group entered into several agreements with the Government of the Republic of Cabo Verde ("Cape Verde") in respect of an investment project by the Group in Cape Verde. The investment amount is expected to be approximately Euro250 million (equivalent to approximately HK\$2,150 million). Further details of the investment project in Cape Verde are set out in the Company's announcement dated 22 July 2015.

DEFINITIONS

In this report, the following expressions shall, unless the content otherwise requires, have the following meanings:

“Adjusted EBITDA”	the Group’s earnings before interest income, finance costs, income taxes, depreciation, release of prepaid lease payments, amortisation, loss on disposal of property and equipment, unrealised exchange gain/loss, share-based payments, pre-opening expenses and one-off costs incurred or associated with corporate exercises, where applicable
“ADR”	average daily room rate
“All Landmark”	All Landmark Properties Limited, a controlled corporation of Mr David Chow
“Board”	the board of Directors
“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
“Corporate Guarantors”	the Company, New Macau Landmark and Hong Hock
“David Chow Share Options”	the option to subscribe for 24,412,724 Shares, as adjusted, granted by the Company to Mr David Chow in November 2011
“DICJ”	Direcção de Inspeção e Coordenação de Jogos, the Gaming Inspection and Coordination Bureau in Macau
“Directors”	the directors of the Company
“Elite Success”	Elite Success International Limited, a company in which each of Mr Li Chi Keung and Ms Wong Hoi Ping, the spouse of Mr Li Chi Keung, held 44.5% of the total issued capital
“Facility”	a five-year transferable term loan facility in the amount of HK\$4,221,000,000 provided by the Lenders to MFW Investment
“Facility Agreement”	the facility agreement dated 8 April 2014 and entered into among MFW Investment, the Corporate Guarantors, ICBC Macau and the other Lenders relating to the Facility
“Grand Bright”	Grand Bright Holdings Limited, a controlled corporation of Madam Lam
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“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
“ICBC Macau”	Industrial and Commercial Bank of China (Macau) Limited
“Lenders”	the lenders of the Facility which are banks and financial institutions
“Listing”	the listing of the Shares on the Main Board of the Stock Exchange with effect from 5 July 2013
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Madam Lam”	Madam Lam Fong Ngo, the vice chairman, an executive Director and a controlling shareholder (as defined in the Listing Rules) of the Company
“Majority Lenders”	Lenders who have participated in 66 ² / ₃ % or more of the total commitments, or if the Facility has been drawn, 66 ² / ₃ % or more of the total outstanding under the Facility
“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
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules
“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
“Ms Melinda Chan”	Ms Chan Mei Yi, Melinda, the spouse of Mr David Chow
“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

DEFINITIONS

“New Macau Landmark”	New Macau Landmark Management Limited, a company incorporated in Macau and a subsidiary of the Company
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus of the Company dated 17 June 2013
“REVPAR”	revenue per available room
“RMB”	Renminbi, the lawful currency of the PRC
“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
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share Option Scheme”	the share option scheme adopted by the Company
“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” or “SEHK”	The Stock Exchange of Hong Kong Limited
“Supplemental Prospectus”	the supplemental prospectus of the Company dated 26 June 2013
“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
“€”	Euro, the lawful currency of the European Union
“%”	per cent