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澳門勵駿創建有限公司
Macau Legend Development Ltd

Macau Legend Development Limited

澳門勵駿創建有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1680)

CONTINUING CONNECTED TRANSACTIONS

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The Board announces that on 26 April 2018 (after trading hours of the Stock Exchange), Legend King and Lai Ou, entered into the Service Agreement in relation to the provision of the laundry management service to the Group for the period from 1 May 2018 and ending on 31 December 2019 (both days inclusive).

The maximum aggregate Annual Caps for the transactions contemplated under the Service Agreement for the year ending 31 December 2018 and 31 December 2019 will be HK\$14,000,000 and HK\$20,000,000 respectively.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Mr. David Chow is an executive Director and a controlling Shareholder of the Company. Lai Ou is owned as to 10% by Mr. David Chow and 90% by a company established in Macau which is, in turn, owned as to 90% by Mr. David Chow and 10% by Ms. Melinda Chan Mei Yi, the spouse of Mr. David Chow. Lai Ou being an associate of Mr. David Chow, is a connected person of the Company. Accordingly, the transactions contemplated under the Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the percentage ratios (other than the profits ratio) of the Annual Caps are less than 5%, the entering into of the Service Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

Pursuant to Rule 14A.83 of the Listing Rules, the Stock Exchange may aggregate all continuing connected transactions with a connected person. Hence, the Service Agreement may be aggregated with the Previous Annual Caps under the Connected Procurement Agreements, which were entered into between the Group and Mr. David Chow's associate. However, even if the Annual Caps are aggregated with the Previous Annual Caps, it would not result in a higher transaction classification. As the Previous Annual Caps have been approved by the independent Shareholders at the extraordinary general meeting of the Company held on 29 December 2016, the Annual Caps, the entering into of the Service Agreement and the transactions contemplated thereunder are only subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

The Service Agreement

Date: 26 April 2018

Parties: (1) Lai Ou and (2) Legend King

Mr. David Chow is an executive Director and a controlling Shareholder of the Company. Lai Ou is owned as to 10% by Mr. David Chow and 90% by a company established in Macau which is, in turn, owned as to 90% by Mr. David Chow and 10% by Ms. Melinda Chan Mei Yi, the spouse of Mr. David Chow. Lai Ou is regarded as an associate of Mr. David Chow, and Lai Ou, being an associate of Mr. David Chow, is a connected person of the Company.

Term

The Term of the Service Agreement will be from 1 May 2018 to 31 December 2019 (both days inclusive).

Principal terms of the Service Agreement

Pursuant to the Service Agreement, Lai Ou shall provide:

- (1) the Exclusive Area;
- (2) the management service for the Laundry Service Centre in the Exclusive Area; and
- (3) the management, maintenance and security services for the Exclusive Area.

Pursuant to the Service Agreement, Legend King shall be responsible for the renovation work of the Exclusive Area as well as the purchase of equipment for setting up the Laundry Service Centre.

Upon signing of the Service Agreement, Legend King had paid to Lai Ou a refundable management service surety of HK\$1,072,084, which shall be returned to Legend King upon the expiry of the Term.

During the Term, Legend King shall pay Lai Ou a fee for the actual laundry service volume procured by the Group on monthly basis. The fee consists of:

- (1) the service fee of HK\$536,042 per month;
- (2) the actual labour costs incurred for the provision of the management service for the Laundry Service Centre; and
- (3) other laundry related costs and expense reimbursement, if any, in respect of the Laundry Service Centre.

Lai Ou shall issue invoices for the management service provided by it to the Group pursuant to the Service Agreement on monthly basis. Legend King shall settle the relevant fee within 30 days after such invoices are received.

The Service Agreement may be terminated at any time by either party upon 30 Business Days' prior written notice to the other party in the event that:

- (1) the counterparty to the Service Agreement has been continuing or materially in breach of the Service Agreement and fails to take the remedial action within a reasonable time;
- (2) the counterparty party is in liquidation (either voluntary or compulsory); and
- (3) the business of the counterparty ceases to be operated to the material extent.

Annual Caps and basis of determination

The Annual Caps for the aggregate amount payable by Legend King to Lai Ou under the Service Agreement for the two years ending 31 December 2018 and 2019 will be HK\$14,000,000 and HK\$20,000,000 respectively.

The Annual Caps are determined based on the agreed service fee and management fee payable by Legend King to Lai Ou under the Service Agreement and the actual volume of laundry services procured by the Group. The service fee and management fee are determined with reference to the actual size of the Exclusive Area and the market rate payable for same size of area of similar property in the vicinity. The labour cost, the outgoings will be payable by the Group on disbursement basis depending on the actual volume of laundry services procured by the Group.

The Directors (including the independent non-executive Directors) believe that the management fee and Annual Caps are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

Information about the parties to the Service Agreement

Lai Ou Industrial Limited, a company incorporated in Macau and is owned as to 10% by Mr. David Chow and 90% by a company established in Macau which is, in turn, owned as to 90% by Mr. David Chow and 10% by Ms. Melinda Chan Mei Yi. Lai Ou is principally engaged in property investment and the management services.

Legend King is a company established in Macau with limited liability, and indirectly wholly-owned by the Company. Legend King is principally engaged in service management, marketing publication, advertising, customers management, event coordination and ancillary service in relation to entertainment business.

Reasons for and benefits of the Continuing Connected Transaction

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

The Group has been engaging laundry services from NLC Laundry pursuant to the NLC Laundry Service Agreement. In accordance with the arrangement contemplated under the Service Agreement, all the laundry machineries and equipment in the Exclusive Area will be purchased by the Group while Lai Ou is required to provide the Exclusive Area, manpower for the laundry services and management service for the operation of the Laundry Service Centre. The Group shall operate the laundry sales and business. Apart from carrying out the laundry services for the Group, if the Laundry Service Centre has spare space, the Group can share spare space of the Laundry Service Centre with inter-group companies for better use of available space.

The Directors (including all independent non-executive Directors but excluding Mr. David Chow) consider that the entering into of the Service Agreement is in the usual and ordinary course of business of the Group and the terms of the Service Agreement were negotiated on an arm's length basis and on normal commercial terms between the Group and Lai Ou. The Directors (including all independent non-executive Directors but excluding Mr. David Chow) are of view that the terms and conditions of the Service Agreement including the Annual Caps, are fair and reasonable and in the interest of the Company and its Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, Mr. David Chow is an executive Director and a controlling Shareholder of the Company. Lai Ou is owned as to 10% by Mr. David Chow and 90% by a company established in Macau which is, in turn, owned as to 90% by Mr. David Chow and 10% by Ms. Melinda Chan Mei Yi, the spouse of Mr. David Chow. Lai Ou being an associate of Mr. David Chow, is a connected person of the Company. Accordingly, the transactions contemplated under the Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As all the percentage ratios (other than the profits ratio) of the Annual Caps are less than 5%, the entering into of the Service Agreement and the transactions contemplated thereunder are subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

Pursuant to Rule 14A.83 of the Listing Rules, the Stock Exchange may aggregate all continuing connected transactions with a connected person. Hence, the Service Agreement may be aggregated with the Previous Annual Caps under the Connected Procurement Agreements, which were entered into between the Group and Mr. David Chow's associate. However, even if the Annual Caps are aggregated with the Previous Annual Caps, it would not result in a higher transaction classification. As the Previous Annual Caps have been approved by the independent Shareholders at the extraordinary general meeting of the Company held on 29 December 2016, the Annual Caps, the entering into of the Service Agreement and the transactions contemplated thereunder are only subject to the reporting and announcement requirements, but are exempt from the circular (including independent financial advice) and the independent Shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

DEFINITIONS

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

“Annual Caps”	the annual amount to be payable by the Group to Lai Ou pursuant to the Service Agreement
“Board”	the board of Directors
“Business Day”	any day (other than Saturday and Sunday and public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. to 5:00 p.m. and is not lowered at or before 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m. and is not discontinued at or before 5:00 p.m.) on which licensed banks in Macau are generally open for business throughout their normal business hours
“Company”	Macau Legend Development Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Connected Procurement Agreements”	collectively, <ol style="list-style-type: none">(1) the framework agreement dated 7 November 2016 between the Company and On Kei Management Services Company Limited, a connected person of the Company, for the procurement of property cleaning services;(2) the framework agreement dated 7 November 2016 between the Company and Ou Kei Cleaning Services Limited, a connected person of the Company, for the procurement of property cleaning services;

- (3) the framework agreement dated 7 November 2016 between the Company and Royal Garden Flower and Fruit Company Limited, a connected person of the Company, for the procurement of fruit and flower supplies; and
- (4) the NLC Laundry Service Agreement

Details of the Connected Procurement Agreements are disclosed in the announcement of the Company dated 7 November 2016 and the circular of the Company dated 2 December 2016

“Director(s)”	the director(s) of the Company
“Exclusive Area”	an area of 50,570 square feet on level 3 of a six-storey building erected on Parcela “C2” at Zhuhai-Macau Cross-Border Industrial Zone – Macau Zone designated for the Group’s exclusive use
“Group”	the Company and its subsidiaries
“Lai Ou”	Lai Ou Industrial Limited, a company incorporated in Macau and is owned as to 10% by Mr. David Chow and 90% by a company established in Macau which is, in turn, owned as to 90% by Mr. David Chow and 10% by Ms. Melinda Chan Mei Yi
“Laundry Service Centre”	the laundry service centre set up in the Exclusive Area and exclusively used by the Group or its designated persons
“Legend King”	Legend King International Limited, a company incorporated in Macau and an indirect wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	Macau Special Administrative Region of the People’s Republic of China

“Mr. David Chow”	Chow Kam Fai, David, a co-chairman of the Board, executive Director and chief executive officer of the Company and a controlling Shareholder (as defined under the Listing Rules)
“NLC Laundry”	New Legend Club Laundry Co. Ltd., a company incorporated in Macau and a connected person of the Company
“NLC Laundry Service Agreement”	the framework agreement dated 7 November 2016 between the Company and NLC Laundry for the procurement of laundry and cleaning services, further details please refer to the circular of the Company dated 2 December 2016
“Previous Annual Caps”	the aggregated annual caps under the Connected Procurement Agreements
“Service Agreement”	the service agreement dated 26 April 2018 and entered into between Legend King and Lai Ou in relation to the management of the Laundry Service Centre
“Share(s)”	ordinary share(s) of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“SJM”	Sociedade de Jogos de Macau, S. A.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	the term of the Service Agreement with effect from 1 May 2018 to 31 December 2019, both days inclusive
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
%	per cent.

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

Hong Kong, 26 April 2018

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

** for identification purposes only*