

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this joint announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this joint announcement.

This joint announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of Macau Legend Development Limited nor is it a solicitation of any acceptance, vote or approval in any jurisdiction.



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

PERFECT ACHIEVER GROUP LIMITED **MACAU LEGEND DEVELOPMENT LIMITED**
達美集團有限公司 澳門勵駿創建有限公司*

(incorporated in the British Virgin Islands with limited liability)

(incorporated in the Cayman Islands with limited liability)
(Stock Code: 1680)

JOINT ANNOUNCEMENT

**(1) ACQUISITION OF SHARES IN MACAU LEGEND DEVELOPMENT LIMITED
BY PERFECT ACHIEVER GROUP LIMITED;**

**(2) POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER BY
LEGO SECURITIES LIMITED
FOR AND ON BEHALF OF PERFECT ACHIEVER GROUP LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF
MACAU LEGEND DEVELOPMENT LIMITED (OTHER THAN THOSE ALREADY
OWNED AND/OR AGREED TO BE ACQUIRED BY PERFECT ACHIEVER
GROUP LIMITED AND/OR PARTIES ACTING IN CONCERT WITH IT);**

(3) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER;

AND

(4) RESUMPTION OF TRADING

**Financial adviser to
Perfect Achiever Group Limited**



**Lego Corporate
Finance Limited**
力高企業融資有限公司

**Financial adviser to
Macau Legend Development Limited**



SOMERLEY CAPITAL LIMITED

Independent financial adviser to the Independent Board Committee

ALTUS CAPITAL LIMITED

** for identification purposes only*

THE SHARE PURCHASE AGREEMENT

The Company was informed by the Vendors that, on 11 September 2020 (after trading hours), the Vendors and the Offeror entered into the Share Purchase Agreement, pursuant to which the Vendors have conditionally agreed to collectively sell and the Offeror has conditionally agreed to purchase the Sale Shares, being 1,280,237,424 Shares, representing approximately 20.65% of the entire issued share capital of the Company as at the date of this joint announcement, for a total consideration of HK\$1,344,249,295.2, equivalent to HK\$1.05 per Sale Share, which was agreed between the Offeror and the Vendors after arm's length negotiations. Completion shall take place on the Completion Date where the transfer of the Sale Shares through the CCASS system will take place and the total consideration for the Sale Shares will be paid in full by the Offeror to the Vendors upon completion of transfer of the Sale Shares.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

On 28 December 2012, the Covenantors entered into the Transfer Restrictions Agreement (which was further amended and restated on 5 June 2013, and was terminated on 1 June 2020) pursuant to which 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 the remaining percentage and aggregate number of the Shares held by any such Covenantors and his/her/its affiliate in the total issued capital of the Company falls below the respective minimum percentage and number of the Shares held by any such Covenantors and his/her/its affiliate, where in aggregate shall not be less than 51% of the total issued share capital of the Company, or if any of the Covenantors proposes to directly or indirectly transfer any Shares registered in their respective names, all the other Covenantors shall have a right of first offer with respect to such transfer to acquire the relevant Shares.

As at the date of this joint announcement, the Offeror and its concert parties are interested in 6,661,000 Shares, which represents approximately 0.11% of the total issued share capital of the Company. Upon Completion, 920,541,424 Shares, 319,696,000 Shares and 40,000,000 Shares, representing approximately 14.84%, 5.16% and 0.65% of the total issued share capital of the Company, will be transferred to the Offeror from Mr. David Chow, All Landmark and PacBridge Capital respectively, where the Offeror and its concert parties (excluding the Covenantors and Mr. Sheldon Trainor-DeGirolamo) will be interested in 1,286,898,424 Shares, representing approximately 20.75% of the total issued share capital of the Company. After Completion, the Offeror will be acting in concert with the Covenantors where the Offeror Concert Party Group will be interested in 4,182,221,684 Shares in aggregate, representing approximately 67.44% of the total issued share capital of the Company, and the leader and make-up of the Offeror Concert Party Group will be changed, whereby the Offeror will become the leader of the Offeror Concert Party Group.

Pursuant to Note 1 to Rule 26.1 of the Takeovers Code, subject to Completion, the Offeror will be required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror Concert Party Group).

As at the date of this joint announcement, the Company has 6,201,187,120 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Principal terms of the Offer

Subject to Completion, Lego Securities, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares on terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share HK\$1.05 in cash

The Offer will be unconditional in all aspects when it is made.

The Offer Price of HK\$1.05 per Offer Share is equal to the per Sale Share consideration under the Share Purchase Agreement. The Offer Shares to be acquired under the Offer shall be fully paid and free and clear of any lien and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document.

IRREVOCABLE UNDERTAKINGS

Certain Shareholders have given the following undertakings in favour of the Offeror:

DC Irrevocable Undertaking

Immediately after the Completion, Mr. David Chow will be interested in 483,781,402 Shares, representing approximately 7.80% of the issued share capital of the Company. Mr. David Chow has given the DC Irrevocable Undertaking in favour of the Offeror, pursuant to which Mr. David Chow has undertaken that it (i) shall not accept the Offer in respect of the 483,781,402 Shares held by him; and (ii) shall not sell, transfer, encumber, grant any rights over or otherwise dispose of the 483,781,402 Shares and/or otherwise make these Shares available for acceptance of the Offer, directly or indirectly. The DC Irrevocable Undertaking shall terminate immediately if the Offer is not made in accordance with the requirements under the Takeovers Code or the Offer closes, lapses or is withdrawn.

MC Irrevocable Undertaking

As at the date of this joint announcement, Ms. Chan Mei Yi, Melinda is interested in 129,690,066 Shares, representing approximately 2.09% of the issued share capital of the Company. Ms. Chan Mei Yi, Melinda has given the MC Irrevocable Undertaking in favour of the Offeror, pursuant to which she has undertaken that she (i) shall not accept the Offer in respect of the 129,690,066 Shares held by her; and (ii) shall not sell, transfer, encumber, grant any rights over or otherwise dispose of the 129,690,066 Shares and/or otherwise make these Shares available for acceptance of the Offer, directly or indirectly. The MC Irrevocable Undertaking shall terminate immediately if the Offer is not made in accordance with the requirements under the Takeovers Code or the Offer closes, lapses or is withdrawn.

ST Irrevocable Undertakings

As at the date of this joint announcement, Mr. Sheldon Trainor-DeGirolamo is interested in 2,518,504 Shares in his personal capacity, representing approximately 0.04% of the issued share capital of the Company. Immediately after the Completion, PacBridge Capital (a company wholly-owned by Mr. Sheldon Trainor-DeGirolamo) will be interested in 42,813,000 Shares, representing approximately 0.69% of the issued share capital of the Company. Mr. Sheldon Trainor-DeGirolamo and PacBridge Capital have given the ST Irrevocable Undertakings in favour of the Offeror, pursuant to which Mr. Sheldon Trainor-DeGirolamo and PacBridge Capital have undertaken that they (i) shall not accept the Offer in respect of the aggregate of 45,331,504 Shares held by them; and (ii) shall not sell, transfer, encumber, grant any rights over or otherwise dispose of the 45,331,504 Shares and/or otherwise make these Shares available for acceptance of the Offer, directly or indirectly. The ST Irrevocable Undertakings shall terminate immediately if the Offer is not made in accordance with the requirements under the Takeovers Code or the Offer closes, lapses or is withdrawn.

VF Irrevocable Undertaking

As at the date of this joint announcement, VF, a wholly-owned subsidiary of SJM Holdings Limited, is interested in 209,068,781 Shares, representing approximately 3.37% of the issued share capital of the Company. VF has given the VF Irrevocable Undertaking in favour of the Offeror, pursuant to which VF has undertaken that it (i) shall not accept the Offer in respect of the 209,068,781 Shares held by it; and (ii) shall not sell, transfer, encumber, grant any rights over or otherwise dispose of the 209,068,781 Shares and/or otherwise make these Shares available for acceptance of the Offer, directly or indirectly. The VF Irrevocable Undertaking shall terminate immediately if the Offer is not made in accordance with the requirements under the Takeovers Code or the Offer closes, lapses or is withdrawn.

Save for the above undertakings, there is no other Shareholder who has given any undertaking to the Offeror.

Value of the Offer

As at the date of this joint announcement, there are 6,201,187,120 Shares in issue. On the basis of the Offer Price of HK\$1.05 per Offer Share, the entire issued ordinary share capital of the Company would be valued at HK\$6,511,246,476.

Excluding (i) the 4,182,221,684 Shares held by the Offeror Concert Party Group upon Completion; and (ii) the 209,068,781 Shares subject to the VF Irrevocable Undertaking and assuming no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offer, 1,809,896,655 Shares will be subject to the Offer. On the basis of full acceptance of the Offer, the maximum cash consideration payable by the Offeror under the Offer would be HK\$1,900,391,487.75 based on the Offer Price.

Confirmation of financial resources

The Offeror intends to finance and satisfy the consideration payable under the Share Purchase Agreement and the Offer with the internal resources of the Offeror.

Lego Corporate Finance, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration for the Sale Shares and the consideration payable by the Offeror upon full acceptance of the Offer.

INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors namely Mr. Fong Chung, Mark, Mr. Xie Min and Madam Tam Wai Chu, Maria, who have no direct or indirect interest in the Offer, has been established to make recommendations to the Offer Shareholders on whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

Although Mr. Tong Ka Wing, Carl and Ms. Ho Chiulin, Laurinda are non-executive Directors, Mr. Tong Ka Wing, Carl, being a former director, chief executive officer and consultant of a management service company wholly owned by Ms. Chan, and Ms. Ho Chiulin, Laurinda, being the daughter of Ms. Chan, who in turn is a member of the Offeror Concert Party Group, are considered to have conflict of interest in advising on the terms of the Offer and therefore have not been appointed as members of the Independent Board Committee.

INDEPENDENT FINANCIAL ADVISER

Altus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer is fair and reasonable and as to acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee. The advice of the Independent Financial Adviser and the recommendation of the Independent Board Committee will be included in the Composite Document to be despatched to the Shareholders.

DESPATCH OF THE COMPOSITE DOCUMENT

If the Offer materialises, it is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) the terms of the Offer; (ii) the recommendation from the Independent Board Committee to the Offer Shareholders; and (iii) the advice from the Independent Financial Adviser in respect of the Offer, together with the Form of Acceptance, will be despatched to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve. Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 14 September 2020 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 21 September 2020.

WARNING

The making of the Offer is subject to Completion taking place such that the Offer may or may not proceed. Accordingly, the sale and purchase of the Sale Shares may or may not be completed and the Offer may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the securities of the Company. If the Shareholders and potential investors are in any doubt about their position, they should consult their own professional advisers.

THE SHARE PURCHASE AGREEMENT

The Company was informed by the Vendors that on 11 September 2020 (after trading hours), the Vendors and the Offeror entered into the Share Purchase Agreement. The principal terms of the Share Purchase Agreement are summarised below:

Date: 11 September 2020

Parties:

Vendors:

- (a) Mr. David Chow (as to 920,541,424 Shares, representing approximately 14.84% of the entire issued share capital of the Company as at the date of the Share Purchase Agreement)
- (b) All Landmark (as to 319,696,000 Shares, representing approximately 5.16% of the entire issued share capital of the Company as at the date of the Share Purchase Agreement)
- (c) PacBridge Capital (as to 40,000,000 Shares, representing approximately 0.65% of the entire issued share capital of the Company as at the date of the Share Purchase Agreement)

Purchaser: Perfect Achiever Group Limited, being the Offeror

Subject of the Share Purchase Agreement

Pursuant to the Share Purchase Agreement, the Vendors have conditionally agreed to collectively sell and the Offeror has conditionally agreed to purchase the Sale Shares, being 1,280,237,424 Shares, representing approximately 20.65% of the entire issued share capital of the Company as at the date of this joint announcement, free and clear of any lien together with all rights and interests attaching thereto, including but not limited to all dividends or distribution which may be paid, declared or made in respect thereof as at the date of the Share Purchase Agreement.

Consideration for the Sale Shares

The aggregate consideration for the Sale Shares is HK\$1,344,249,295.2 (representing HK\$1.05 per Sale Share) which was agreed among the Offeror and the Vendors after arm's length negotiations. The Consideration shall be paid in cash by the Offeror at Completion in the following manner:

- (a) as to HK\$966,568,495.2 to Mr. David Chow in respect of 920,541,424 Shares;
- (b) as to HK\$335,680,800 to All Landmark in respect of 319,696,000 Shares; and
- (c) as to HK\$42,000,000 to PacBridge Capital in respect of 40,000,000 Shares.

Conditions precedent to the Share Purchase Agreement

Pursuant to the Share Purchase Agreement, Completion is subject to the satisfaction (or waiver, where applicable) of the following conditions on or before the Long Stop Date:

- (i) a letter from Luso International Banking Limited (“**Luso International**”) or Industrial and Commercial Bank of China (Macau) Limited (“**ICBC Macau**”) confirming that all liabilities under and security created in favour of ICBC Macau in connection with the transferable term loan facility granted by ICBC Macau to MFW Investment (“**ICBC Loan Facility**”) pursuant to the transferable term loan facility agreement dated 8 April 2014 and the variation agreement dated 29 March 2018 entered into between ICBC Macau and MFW Investment having been fully and unconditionally discharged and released, having been received by the Offeror from the Vendors;
- (ii) a letter addressed to Mr. David Chow from Luso International confirming that Mr. David Chow has delivered to Luso International a letter notifying Luso International of the transfer of the Sale Shares in accordance with the term loan facility agreement dated 4 September 2020 entered into among MFW Investment, Hong Hock Development, the Company, Mr. David Chow, Mr. Li, CMB Wing Lung Bank Limited (“**CMB Wing Lung**”) and Luso International, having been received by the Offeror from the Vendors; and
- (iii) the joint announcement made pursuant to Rule 3.5 of the Takeovers Code in connection with the Share Purchase Agreement and the Offer having been cleared by the SFC, and published by the Company and the Offeror.

Conditions (i) and (ii) above are waivable by the Offeror.

Background to condition (i)

On 4 September 2020, MFW Investment has obtained a new loan facility from Luso International and CMB Wing Lung (the “**New Facility**”) for the purpose of refinancing the existing ICBC Loan Facility. Upon completion of the drawdown of the New Facility, Luso International and CMB Wing Lung replaced ICBC Macau as the new lenders and the liabilities of the Company under the ICBC Loan Facility and the security created thereunder in favour of ICBC Macau have been discharged and released.

As at the date of the Share Purchase Agreement, the New Facility has not been drawn down and as such, the repayment of the ICBC Loan Facility has not been completed. Therefore, the parties to the Share Purchase Agreement considered and agreed that condition (i) above will be fulfilled upon by either Luso International (as the facility agent under the New Facility) or ICBC Macau (as the lender of the ICBC Loan Facility) confirming the full and unconditional discharge and release of the liabilities of MFW Investment and the security created under the ICBC Loan Facility. Further, as Luso International will repay the loan indebted to ICBC Macau directly for MFW Investment and discharge the relevant security, the parties to the Share Purchase Agreement considered that Luso International is in a position as well to confirm the release and discharge.

If any of the above conditions have not been satisfied (or waived by the Offeror, where applicable) on or before 5:00 p.m. on the Long Stop Date, each of the Vendors and the Offeror shall not be bound to proceed with the sale and purchase of the Sale Shares and the Share Purchase Agreement shall automatically and immediately terminate.

As at the date of this joint announcement, all of the conditions have been satisfied.

Completion

Pursuant to the Share Purchase Agreement, Completion will take place three Business Days after the conditions to the Share Purchase Agreement are satisfied (or waived, where applicable), or such other date as each of the Vendors and Offeror may agree in writing. The Offeror shall not be obliged to complete the purchase of any of the Sale Shares unless the purchase of all of the Sale Shares is completed simultaneously. The transfer of the Sale Shares through the CCASS system will take place on the Completion Date on the basis of delivery versus payment in accordance with the General Rules and the Operational Procedures of CCASS and the total consideration for the Sale Shares will be paid in full by the Offeror to the Vendors upon completion of transfer of the Sale Shares.

POSSIBLE MANDATORY UNCONDITIONAL CASH OFFER

On 28 December 2012, the Covenantors entered into the Transfer Restrictions Agreement (which was further amended and restated on 5 June 2013, and was terminated on 1 June 2020) pursuant to which 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 the remaining percentage and aggregate number of the Shares held by any such Covenantors and his/her/its affiliate in the total issued capital of the Company falls below the following minimum percentage and number of the Shares held by any such Covenantors and his/her/its affiliate, where in aggregate shall not be less than 51% of the total issued share capital of the Company, or if any of the Covenantors proposes to directly or indirectly transfer any Shares registered in their respective names, all the other Covenantors shall have a right of first offer with respect to such transfer to acquire the relevant Shares.

Name of Covenantors	Aggregate minimum shareholding required to be maintained as from the date of the amended and restated Transfer Restrictions Agreement	
	<i>Aggregate number of Share</i>	<i>Aggregate percentage of the post-IPO issued capital</i>
Mr. David Chow and All Landmark	1,243,818,051	17.61%
Mdm. Lam and Grand Bright	853,933,006	12.09%
Mr. Li and Elite Success	711,257,682	10.07%
Ms. Chan	793,190,046	11.23%
Total	3,602,198,785	51%

As at the date of this joint announcement, the Vendors have obtained a waiver letter dated 1 June 2020 from the rest of the Covenantors, pursuant to which such Covenantors have agreed, among others, (i) to waive their respective right of first offer with respect of the share transfer contemplated under the Share Purchase Agreement with nil consideration; and (ii) to terminate the Transfer Restrictions Agreement in full effective as of the date of the waiver letter.

As at the date of this joint announcement, the Offeror and its concert parties are interested in 6,661,000 Shares, which represents approximately 0.11% of the total issued share capital of the Company. Upon Completion, 920,541,424 Shares, 319,696,000 Shares and 40,000,000 Shares, representing approximately 14.84%, 5.16% and 0.65% of the total issued share capital of the Company, will be transferred to the Offeror from Mr. David Chow, All Landmark and PacBridge Capital respectively, where the Offeror and its concert parties (excluding the Covenantors and Mr. Sheldon Trainor-DeGirolamo) will be interested in 1,286,898,424 Shares, representing approximately 20.75% of the total issued share capital of the Company. After Completion, the Offeror will be acting in concert with the Covenantors where the Offeror Concert Party Group will be interested in 4,182,221,684 Shares in aggregate, representing approximately 67.44% of the total issued share capital of the Company, and the leader and make-up of the Offeror Concert Party Group will be changed, whereby the Offeror will become the leader of the Offeror Concert Party Group.

Pursuant to Note 1 to Rule 26.1 of the Takeovers Code, subject to Completion, the Offeror will be required to make a mandatory unconditional cash offer for all the issued Shares (other than those already owned and/or agreed to be acquired by the Offeror Concert Party Group).

Securities of the Company

As at the date of this joint announcement, the Company has 6,201,187,120 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Principal terms of the Offer

Subject to Completion, Lego Securities, on behalf of the Offeror and in compliance with the Takeovers Code, will make the Offer to acquire all the Offer Shares on the terms to be set out in the Composite Document to be issued in accordance with the Takeovers Code on the following basis:

For each Offer Share HK\$1.05 in cash

The Offer will be unconditional in all aspects when it is made.

The Offer Price of HK\$1.05 per Offer Share is equal to the per Sale Share consideration under the Share Purchase Agreement. The Offer Shares to be acquired under the Offer shall be fully paid and free and clear of any lien and together with all rights attaching to them, including all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the despatch of the Composite Document. The Company has no intention to make any distribution or declare dividends before the close of the Offer.

Comparison of value

The Offer Price of HK\$1.05 per Offer Share represents:

- (i) a premium of approximately 9.38% over the closing price of HK\$0.96 per Share as quoted on the Stock Exchange on 11 September 2020, being the Last Trading Day;
- (ii) a premium of approximately 14.13% over the average closing price of HK\$0.92 per Share based on the daily closing prices as quoted on the Stock Exchange for the five consecutive trading days immediately prior to and including the Last Trading Day;
- (iii) a premium of approximately 12.90% over the average closing price of approximately HK\$0.93 per Share based on the daily closing prices as quoted on the Stock Exchange for the 10 consecutive trading days immediately prior to and including the Last Trading Day;
- (iv) a premium of approximately 11.70% over the average closing price of approximately HK\$0.94 per Share based on the daily closing prices as quoted on the Stock Exchange for the 30 consecutive trading days immediately prior to and including the Last Trading Day;
- (v) a discount of approximately 12.50% to the audited consolidated net asset value attributable to the Shareholders of approximately HK\$1.20 per Share as at 31 December 2019, calculated by dividing the Group's audited consolidated net assets attributable to the Shareholders of approximately HK\$7,464,294,000 as at 31 December 2019 by 6,201,187,120 Shares in issue as at the date of this joint announcement; and
- (vi) a discount of approximately 5.41% to the unaudited consolidated net asset value attributable to the Shareholders of approximately HK\$1.11 per Share as at 30 June 2020, calculated by dividing the Group's unaudited consolidated net assets attributable to the Shareholders of approximately HK\$6,873,898,000 as at 30 June 2020 by 6,201,187,120 Shares in issue as at the date of this joint announcement.

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the commencement of the offer period (as defined under the Takeovers Code) (i.e. the date of this joint announcement) and up to and including the Last Trading Day were HK\$1.13 per Share (on 2 July 2020) and HK\$0.86 per Share (on 1 April 2020), respectively.

IRREVOCABLE UNDERTAKINGS

Certain Shareholders have given the following undertakings in favour of the Offeror:

DC Irrevocable Undertaking

Immediately after the Completion, Mr. David Chow will be interested in 483,781,402 Shares, representing approximately 7.80% of the issued share capital of the Company. Mr. David Chow has given the DC Irrevocable Undertaking in favour of the Offeror, pursuant to which Mr. David Chow has undertaken that it (i) shall not accept the Offer in respect of the 483,781,402 Shares held by him; and (ii) shall not sell, transfer, encumber, grant any rights over or otherwise dispose of the 483,781,402 Shares and/or otherwise make these Shares available for acceptance of the Offer, directly or indirectly. The DC Irrevocable Undertaking shall terminate immediately if the Offer is not made in accordance with the requirements under the Takeovers Code or the Offer closes, lapses or is withdrawn.

MC Irrevocable Undertaking

As at the date of this joint announcement, Ms. Chan Mei Yi, Melinda is interested in 129,690,066 Shares, representing approximately 2.09% of the issued share capital of the Company. Ms. Chan Mei Yi, Melinda has given the MC Irrevocable Undertaking in favour of the Offeror, pursuant to which she has undertaken that she (i) shall not accept the Offer in respect of the 129,690,066 Shares held by her; and (ii) shall not sell, transfer, encumber, grant any rights over or otherwise dispose of the 129,690,066 Shares and/or otherwise make these Shares available for acceptance of the Offer, directly or indirectly. The MC Irrevocable Undertaking shall terminate immediately if the Offer is not made in accordance with the requirements under the Takeovers Code or the Offer closes, lapses or is withdrawn.

ST Irrevocable Undertakings

As at the date of this joint announcement, Mr. Sheldon Trainor-DeGirolamo is interested in 2,518,504 Shares in his personal capacity, representing approximately 0.04% of the issued share capital of the Company. Immediately after the Completion, PacBridge Capital (a company wholly-owned by Mr. Sheldon Trainor-DeGirolamo) will be interested in 42,813,000 Shares, representing approximately 0.69% of the issued share capital of the Company. Mr. Sheldon Trainor-DeGirolamo and PacBridge Capital have given the ST Irrevocable Undertakings in favour of the Offeror, pursuant to which Mr. Sheldon Trainor-DeGirolamo and PacBridge Capital have undertaken that they (i) shall not accept the Offer in respect of the aggregate of 45,331,504 Shares held by them; and (ii) shall not sell, transfer, encumber, grant any rights over or otherwise dispose of the 45,331,504 Shares and/or otherwise make these Shares available for acceptance of the Offer, directly or indirectly. The ST Irrevocable Undertakings shall terminate immediately if the Offer is not made in accordance with the requirements under the Takeovers Code or the Offer closes, lapses or is withdrawn.

VF Irrevocable Undertaking

As at the date of this joint announcement, VF, a wholly-owned subsidiary of SJM Holdings Limited, is interested in 209,068,781 Shares, representing approximately 3.37% of the issued share capital of the Company. VF has given the VF Irrevocable Undertaking in favour of the Offeror, pursuant to which VF has undertaken that it (i) shall not accept the Offer in respect of the 209,068,781 Shares held by it; and (ii) shall not sell, transfer, encumber, grant any rights over or otherwise dispose of the 209,068,781 Shares and/or otherwise make these Shares available for acceptance of the Offer, directly or indirectly. The VF Irrevocable Undertaking shall terminate immediately if the Offer is not made in accordance with the requirements under the Takeovers Code or the Offer closes, lapses or is withdrawn.

Save for the above undertakings, there is no other Shareholder who has given any undertaking to the Offeror.

Value of the Offer

As at the date of this joint announcement, there are 6,201,187,120 Shares in issue. On the basis of the Offer Price of HK\$1.05 per Offer Share, the entire issued ordinary share capital of the Company would be valued at HK\$6,511,246,476.

Excluding (i) the 4,182,221,684 Shares held by the Offeror Concert Party Group upon Completion; and (ii) the 209,068,781 Shares subject to the VF Irrevocable Undertaking and assuming no change in the issued share capital of the Company from the date of this joint announcement up to the close of the Offer, 1,809,896,655 Shares will be subject to the Offer. On the basis of full acceptance of the Offer, the maximum cash consideration payable by the Offeror under the Offer would be HK\$1,900,391,487.75 based on the Offer Price.

Confirmation of financial resources

The Offeror intends to finance and satisfy the consideration payable under the Share Purchase Agreement and the Offer with the internal resources of the Offeror.

Lego Corporate Finance, being the financial adviser to the Offeror, is satisfied that sufficient financial resources are, and will remain, available to the Offeror to satisfy the consideration for the Sale Shares and the consideration payable by the Offeror upon full acceptance of the Offer.

Effect of accepting the Offer

Acceptance of the Offer by any Offer Shareholder will constitute a warranty by such person that all Offer Shares to be sold by such person under the Offer are fully paid and free and clear of all lien whatsoever together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date of the Composite Document.

Acceptances of the Offer will be irrevocable and not capable of being withdrawn, except as permitted under the Takeovers Code.

Hong Kong stamp duty

The seller's Hong Kong ad valorem stamp duty payable by the Offer Shareholders on acceptances of the Offer calculated at a rate of 0.1% of the consideration payable in respect of the relevant acceptances or, if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amounts payable by the Offeror to such person on acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the relevant Offer Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfers of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Payment

Payment in cash in respect of the Offer will be made as soon as possible but in any event within seven (7) business days (as defined in the Takeovers Code) of the date on which the duly completed acceptances of the Offer are received. Relevant documents evidencing title in respect of such acceptances must be received by the Offeror (or its agent) to render each such acceptance of the Offer complete and valid.

Taxation advice

Offer Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror Concert Party Group, the Company, Lego Securities, Lego Corporate Finance, Somerley and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents, advisers or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

Overseas Shareholders

The Offeror intends to make the Offer available to all Offer Shareholders who are not resident in Hong Kong. The availability of the Offer to any Overseas Shareholders may be affected by the applicable laws and regulations of their relevant jurisdictions of residence. Overseas Shareholders should fully observe any applicable legal and regulatory requirements and, where necessary, consult their own professional advisers. It is the responsibilities of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due by such Overseas Shareholders in respect of such jurisdiction).

If the receipt of the Composite Document by the Overseas Shareholders is prohibited by any applicable laws and regulations and may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, will not be despatched to such Overseas Shareholders. In those circumstances, the Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code at such time.

Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that the local laws and requirements have been complied with. The Overseas Shareholders should consult their own professional advisers if in doubt.

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands on 3 January 2020 with limited liability, and is directly wholly owned by Mr. Chan. Mr. Chan is the sole director of the Offeror. Mr. Chan, aged 47, is a businessman who possesses over 25 years of experience in the gaming industry and is the founder, major shareholder, chairman and chief executive officer of Tak Chun Group, a leading gaming promoter in Macau principally engaged in gaming and entertainment business.

DEALING AND INTERESTS IN THE SECURITIES OF THE COMPANY

The Offeror confirms that, save as disclosed herein, as at the date of this joint announcement:

- (i) save for 4,182,221,684 Shares (representing approximately 67.44% of the existing issued share capital of the Company) currently owned by the Offeror Concert Party Group, neither the Offeror nor any person acting in concert with it owned or had control or direction over any voting rights or rights over the Shares, options, derivatives, warrants, or other securities convertible into Shares;
- (ii) save for the acquisition of 1,280,237,424 Shares from the Vendors, neither the Offeror nor any person acting in concert with it had dealt for value in any Shares, options, derivatives, warrants or other securities convertible into Shares during the six-month period preceding the commencement of the offer period (as defined under the Takeovers Code) (i.e. the date of this joint announcement);
- (iii) save for the Share Purchase Agreement and the Irrevocable Undertakings, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the shares of the Offeror or the Shares and which might be material to the Offer;
- (iv) save for the Share Purchase Agreement, there is no agreement or arrangement to which the Offeror or any person acting in concert with it, is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;
- (v) neither the Offeror nor any person acting in concert with it has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vi) save for the Irrevocable Undertakings, none of the members of the Offeror Concert Party Group has received any irrevocable commitment to accept or reject the Offer;
- (vii) there is no outstanding derivative in respect of the securities of the Company entered into by the Offeror Concert Party Group;
- (viii) save for the consideration for the Sale Shares under the Share Purchase Agreement, there is no other consideration, compensation or benefits in whatever form paid or to be paid by any member of the Offeror Concert Party Group to any of the Vendors or any party acting in concert with any of them in connection with the sale and purchase of the Sale Shares under the Share Purchase Agreement;

- (ix) save for the Share Purchase Agreement, the DC Irrevocable Undertaking, the MC Irrevocable Undertaking and the ST Irrevocable Undertakings, there is no understanding, arrangement or special deal (as defined in Rule 25 of the Takeovers Code) between any of the Vendors or any parties acting in concert with any of them on one hand, and any member of the Offeror Concert Party Group on the other hand; and
- (x) save for the Share Purchase Agreement and the Irrevocable Undertakings, there is no understanding, arrangement or agreement or special deal (as defined in Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2)(a) any member of the Offeror Concert Party Group or (b) the Company, its subsidiaries or associated companies.

INFORMATION ON THE GROUP

The Company was incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the provision of entertainment and casino gaming services in Macau.

Set out below is a summary of the audited financial information of the Group for each of the two financial years ended 31 December 2018 and 2019 and the unaudited consolidated financial information of the Group for the six months ended 30 June 2020 as extracted from the annual report of the Company for the year ended 31 December 2019 and the interim results announcement of the Company for the six months ended 30 June 2020, respectively:

	For the six months ended 30 June 2020	For the year ended 31 December	
	2020	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	364,086	2,359,666	1,865,383
Profit/(loss) before taxation	(493,558)	(139,379)	2,451,181
Profit/(loss) for the period/year	(550,187)	(190,252)	1,966,106
	As at 30 June	As at 31 December	
	2020	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Total assets	9,899,157	11,179,838	10,993,171
Total liabilities	3,025,259	3,715,544	3,301,229
Net assets	6,873,898	7,464,294	7,691,942

SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before Completion; and (ii) immediately after Completion.

Shareholders	Immediately before Completion		Immediately after Completion	
	<i>Number of Shares</i>	<i>%</i> <i>(approximate)</i>	<i>Number of Shares</i>	<i>%</i> <i>(approximate)</i>
Mr. Chan (<i>Note 1</i>)	6,661,000	0.11	6,661,000	0.11
The Offeror	—	—	1,280,237,424	20.65
<i>Sub-total</i>	6,661,000	0.11	1,286,898,424	20.75
Mr. David Chow and his concert parties (<i>Note 2</i>)	1,854,308,892	29.90	614,071,468	9.90
Ms. Chan and her concert parties (<i>Note 3</i>)	1,012,768,609	16.33	1,012,768,609	16.33
Mr. Li and his concert parties (<i>Note 4</i>)	1,122,647,179	18.10	1,122,647,179	18.10
Mdm. Lam and her concert party (<i>Note 5</i>)	100,504,500	1.62	100,504,500	1.62
Mr. Sheldon Trainor-DeGirolamo and his concert party (<i>Note 6</i>)	85,331,504	1.38	45,331,504	0.73
Aggregate number of Shares held by the Offeror Concert Party Group	4,182,221,684	67.44	4,182,221,684	67.44
Other Director				
Mr. Tong Ka Wing, Carl (<i>Note 7</i>)	6,591,579	0.11	6,591,579	0.11
Public Shareholders				
VF	209,068,781	3.37	209,068,781	3.37
Other public Shareholders	1,803,305,076	29.08	1,803,305,076	29.08
Total	6,201,187,120	100.00	6,201,187,120	100.00

Notes:

1. *The 6,661,000 Shares are held by Mr. Chan in his personal capacity.*
2. *Mr. David Chow is an executive Director. Among the 1,854,308,892 Shares, 1,404,322,826 Shares are held by Mr. David Chow in his personal capacity, 319,696,000 Shares are held by All Landmark, 129,690,066 Shares are held by Ms. Chan Mei Yi, Melinda, the spouse of Mr. David Chow and an executive Director, in her personal capacity and 600,000 Shares are held by Mr. Chow Wan Hok, Donald, the son of Mr. David Chow and an executive Director, in his personal capacity.*
3. *Ms. Chan is a substantial Shareholder. Among the 1,012,768,609 Shares, 75,664,000 Shares are held by Ms. Chan in her personal capacity, 934,269,609 Shares are held by Earth Group Ventures Ltd. and 2,835,000 Shares are held by UNIR (HK) Management Limited, both are companies controlled by Ms. Chan.*
4. *Mr. Li is a substantial Shareholder. Among the 1,122,647,179 Shares, 110,047,429 Shares are held in his personal capacity and 1,012,599,750 Shares are held by Elite Success, a company controlled by Mr. Li.*
5. *Mdm. Lam is a Shareholder indirectly interested in 100,504,500 Shares being held by Grand Bright, a company controlled by her.*
6. *Mr. Sheldon Trainor-DeGirolamo is an executive Director. Among the 85,331,504 Shares, 2,518,504 Shares are held in his personal capacity and 82,813,000 Shares are held by PacBridge Capital, a company indirectly wholly owned by Mr. Sheldon Trainor-DeGirolamo. Mr. Sheldon Trainor-DeGirolamo is considered to be acting in concert with the Offeror.*
7. *Mr. Tong Ka Wing, Carl is a non-executive Director who is not a party to nor participated in the Share Purchase Agreement.*
8. *Shareholding percentages may not add up to 100% due to rounding.*

INTENTION OF THE OFFEROR ON THE GROUP

It is the intention of the Offeror that the Company will continue to focus on the development of its existing businesses, being the provision of entertainment and casino gaming services in Macau. The Offeror does not intend to introduce any major changes to the existing operations and business of the Group upon the close of the Offer.

Following the close of the Offer, the Offeror will conduct a review on the operations and financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth.

The Offeror has no intention to terminate the employment of any employees of the Group or to make significant changes to any employment (except for a proposed change to the members of the Board at a time no earlier than that permitted under the Listing Rules and the Takeovers Code or such later time as the Offeror considers to be appropriate as further disclosed in the paragraph headed “Proposed change to the Board composition of the Company” below and a change in company secretary) or to dispose of or re-allocate the Group’s fixed assets which are not in the ordinary and usual course of business of the Group as a result of completion of the Offer. However, the Offeror reserves the right to make any changes that it deems necessary or appropriate to the Group’s business and operations to optimise the value of the Group.

As at the date of this joint announcement, no investment or business opportunity has been identified nor has the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group.

PROPOSED CHANGE TO THE BOARD COMPOSITION OF THE COMPANY

As at the date of this joint announcement, the Board comprises Mr. David Chow, Ms. Chan Mei Yi, Melinda, Mr. Sheldon Trainor-DeGirolamo and Mr. Chow Wan Hok, Donald as executive Directors; Mr. Tong Ka Wing, Carl and Ms. Ho Chiulin, Laurinda as the non-executive Directors and Mr. Fong Chung, Mark, Mr. Xie Min and Madam Tam Wai Chu, Maria as the independent non-executive Directors.

No Directors will resign before the close of the Offer. The Offeror intends to nominate three new Directors to the Board for appointment with effect from a date which is no earlier than such date as permitted under Rule 26.4 of the Takeovers Code. It is the intention of the Offeror that after the close of the Offer, Mr. David Chow will continue to be the co-chairman of the Company and will become a non-executive Director and Ms. Chan Mei Yi, Melinda will continue to act as the executive Director and the chief executive officer of the Company, while Mr. Chow Wan Hok, Donald and Mr. Sheldon Trainor-DeGirolamo will resign as executive Directors and Mr. Tong Ka Wing, Carl will resign as the non-executive Director and the co-chairman of the Board, and the Offeror has no intention to change the other existing Directors. Such appointments and resignations will be made subject to the necessary procedure and approval of the Board and as and when appropriate in accordance with the Takeovers Code and the Listing Rules.

Further announcement(s) will be made upon any changes to the composition to the Board in compliance with the Takeovers Code and the Listing Rules as and when appropriate.

PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

The Offeror intends to maintain the listing of the Shares on the Main Board of the Stock Exchange upon the close of the Offer. As disclosed in the supplemental prospectus of the Company dated 26 June 2013, the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the minimum public float requirement of 25% and accepted a lower percentage of 19.04% upon listing of the Shares. The Stock Exchange has stated that if, upon closing of the Offer, less than the prescribed percentage applicable to the Company, being 19.04% of the issued Shares, are held by the public, or if the Stock Exchange believes that (i) a false market exists or may exist in the trading of the Shares; or (ii) there are insufficient Shares in public hands to maintain an orderly market, it will consider exercising its discretion to suspend trading in the Shares until the prescribed level of public float is restored.

The Offeror and the new Directors to be appointed to the Board (if any) will undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Shares, which may include but not limited to placing down of sufficient number of accepted Shares by the Offeror and/or issue of additional Shares by the Company for this purpose. No arrangements have been confirmed or put in place as at the date of this joint announcement. Further announcement(s) will be made in accordance with the requirements of the Listing Rules and the Takeovers Code as and when appropriate.

INDEPENDENT BOARD COMMITTEE

Pursuant to Rule 2.1 of the Takeovers Code, the Independent Board Committee, comprising all the independent non-executive Directors namely, Mr. Fong Chung, Mark, Mr. Xie Min and Madam Tam Wai Chu, Maria, who have no direct or indirect interest in the Offer, has been established to make recommendations to the Offer Shareholders on whether the terms of the Offer are fair and reasonable and as to the acceptance of the Offer.

Although Mr. Tong Ka Wing, Carl and Ms. Ho Chiulin, Laurinda are non-executive Directors, Mr. Tong Ka Wing, Carl, being a former director, chief executive officer and consultant of a management service company wholly owned by Ms. Chan, and Ms. Ho Chiulin, Laurinda, being the daughter of Ms. Chan, who in turn is a member of the Offeror Concert Party Group, are considered to have conflict of interest in advising on the terms of the Offer and therefore have not been appointed as members of the Independent Board Committee.

INDEPENDENT FINANCIAL ADVISER

Altus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee in respect of the Offer and, in particular, as to whether the Offer are fair and reasonable and as to acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee. The advice of the Independent Financial Adviser and the recommendation of the Independent Board Committee will be included in the Composite Document to be despatched to the Shareholders.

DESPATCH OF THE COMPOSITE DOCUMENT

If the Offer materialises, it is the intention of the Offeror and the Company to combine the offer document and the offeree board circular into the Composite Document. Pursuant to Rule 8.2 of the Takeovers Code, the Composite Document containing, among other things, (i) the terms of the Offer; (ii) the recommendation from the Independent Board Committee to the Offer Shareholders; and (iii) the advice from the Independent Financial Adviser in respect of the Offer, together with the Form of Acceptance, will be despatched to the Shareholders within 21 days after the date of this joint announcement, or such later date as the Executive may approve. Further announcement(s) regarding the despatch of the Composite Document will be made by the Offeror and the Company as and when appropriate.

The Offer Shareholders are encouraged to read the Composite Document carefully, including the advice of the Independent Financial Adviser to the Independent Board Committee and the recommendation from the Independent Board Committee to the Offer Shareholders in respect of the Offer, before deciding whether or not to accept the Offer.

DEALINGS DISCLOSURE

For the purposes of the Takeovers Code, the offer period has commenced on the date of this joint announcement.

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including but not limited to a person who owns or controls 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Offeror) are hereby reminded to disclose their dealings in the securities of the Company pursuant to the requirements of the Takeovers Code.

The full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below pursuant to Rule 3.8 of the Takeovers Code:

“Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediates are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 14 September 2020 pending the release of this joint announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 21 September 2020.

WARNING

The making of the Offer is subject to Completion taking place such that the Offer may or may not proceed. Accordingly, the sale and purchase of the Sale Shares may or may not be completed and the Offer may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. If the Shareholders and potential investors are in any doubt about their position, they should consult their own professional advisers.

DEFINITIONS

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

“acting in concert”	has the same meaning ascribed to it in the Takeovers Code
“All Landmark”	All Landmark Properties Limited, a company incorporated in the British Virgin Islands with limited liability wholly-owned by Mr. David Chow, which was interested in 319,696,000 Shares (representing approximately 5.16% of the issued share capital of the Company) as at the date of the Share Purchase Agreement, being one of the Vendors
“associate”	has the same meaning ascribed to it in the Takeovers Code
“Board”	the board of Directors

“Business Day(s)”	any day that is not a Saturday, Sunday, legal holiday or other day on which commercial banks are required or authorised by laws to be closed in Hong Kong and Macau
“CCASS”	the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited
“Company”	Macau Legend Development Limited (Stock code: 1680), an exempted company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the sale and purchase of the Sale Shares in accordance with the terms and conditions of the Share Purchase Agreement
“Completion Date”	the date on which Completion takes place, being three Business Days after all conditions are fulfilled or waived in accordance with the terms and conditions of the Share Purchase Agreement (or such later date as the parties thereto may agree in writing)
“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company in accordance with the Takeovers Code containing, among other things, details of the Offer, the recommendation from the Independent Board Committee to the Offer Shareholders and the advice from the Independent Financial Adviser to the Independent Board Committee in respect of the Offer
“Covenantors”	collectively, Mr. David Chow, All Landmark, Mdm. Lam, Grand Bright, Mr. Li, Elite Success and Ms. Chan, being the covenantors to the Transfer Restrictions Agreement
“DC Irrevocable Undertaking”	the irrevocable undertaking dated 21 September 2020 given by Mr. David Chow in favour of the Offeror that he will not, inter alia, accept the Offer with respect to the 483,781,402 Shares held by him following Completion
“Director(s)”	the director(s) of the Company
“Elite Success”	Elite Success International Limited, a company controlled by Mr. Li
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Form of Acceptance”	the form of acceptance and transfer of Shares in respect of the Offer
“Grand Bright”	Grand Bright Holdings Limited, a company controlled by Mdm. Lam
“Group”	the Company and its subsidiaries from time to time
“Hong Hock Development”	Hong Hock Development Company Limited, a directly wholly-owned subsidiary of the Company, which has no other relationship with the Offeror Concert Party Group save as the aforesaid

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board comprising all the independent non-executive Directors established for the purpose of advising the Offer Shareholders in respect of the Offer and in particular as to whether the terms of the Offer are fair and reasonable and as to acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code
“Independent Financial Adviser” or “Altus Capital”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO, and the independent financial adviser engaged by the Company to advise the Independent Board Committee in respect of the Offer
“Irrevocable Undertakings”	collectively, the DC Irrevocable Undertaking, the MC Irrevocable Undertaking, the ST Irrevocable Undertakings and the VF Irrevocable Undertaking
“Last Trading Day”	11 September 2020, being the last trading day of the Shares on the Stock Exchange before trading in the Shares was halted pending the publication of this joint announcement
“Lego Corporate Finance”	Lego Corporate Finance Limited, a corporation licensed by the SFC to conduct Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Offeror in respect of the Offer
“Lego Securities”	Lego Securities Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) regulated activities under the SFO, being the agent making the Offer on behalf of the Offeror
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	11 December 2020, or such other date as the Vendors and the Offeror may agree in writing
“Macau”	the Macau Special Administrative Region of the PRC
“MC Irrevocable Undertaking”	the irrevocable undertaking dated 21 September 2020 given by Ms. Chan Mei Yi, Melinda in favour of the Offeror that she will not, inter alia, accept the Offer with respect to the 129,690,066 Shares held by her
“Mdm. Lam”	Madam Lam Fong Ngo, a former Director, the mother of Mr. David Chow and a Shareholder
“MFW Investment”	Macau Fisherman’s Wharf International Investment Limited, an indirectly wholly-owned subsidiary of the Company

“Mr. Chan”	Mr. Chan Weng Lin, being the sole director and beneficial owner of the Offeror
“Mr. David Chow”	Mr. Chow Kam Fai, David, a co-chairman of the Company and an executive Director, who was interested in 1,404,322,826 Shares (representing approximately 22.65% of the issued share capital of the Company) in his personal capacity as at the date of the Share Purchase Agreement, being one of the Vendors
“Mr. Li”	Mr. Li Chi Keung, a substantial Shareholder
“Ms. Chan”	Ms. Chan Un Chan Ina, a substantial Shareholder
“Offer”	the mandatory unconditional cash offer to be made by Lego Securities on behalf of the Offeror to acquire all the Offer Shares in accordance with the Takeovers Code
“Offer Price”	the price at which the Offer is made, being HK\$1.05 per Offer Share
“Offer Shareholder(s)”	holder(s) of Share(s), other than members of the Offeror Concert Party Group
“Offer Share(s)”	any and all the Shares (other than those already owned and/or agreed to be acquired by the Offeror Concert Party Group)
“Offeror”	Perfect Achiever Group Limited (達美集團有限公司), a company incorporated under the laws of the British Virgin Islands with limited liability and beneficially and wholly-owned by Mr. Chan
“Offeror Concert Party Group”	the Offeror, Mr. David Chow, Ms. Chan Mei Yi, Melinda, Mr. Chow Wan Hok, Donald, Ms. Chan, Mr. Li, Mdm. Lam, Mr. Sheldon Trainor-DeGirolamo and respective parties acting in concert with each of them or party as specified and as determined in accordance with the Takeovers Code
“Overseas Shareholder(s)”	Shareholder(s) whose addresses, as shown on the register of members of the Company, are outside Hong Kong
“PacBridge Capital”	PacBridge Capital Partners (HK) Limited, a company incorporated in Hong Kong with limited liability indirectly wholly-owned by Mr. Sheldon Trainor-DeGirolamo which was interested in 82,813,000 Shares (representing approximately 1.34% of the issued share capital of the Company) as at the date of the Share Purchase Agreement, being one of the Vendors
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, shall exclude Hong Kong, Macau and Taiwan

“Sale Share(s)”	any and all of 1,280,237,424 Shares beneficially owned by the Vendors as at the date of the Share Purchase Agreement and representing approximately 20.65% of the total issued share capital of the Company as at the date of the Share Purchase Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Purchase Agreement”	the share purchase agreement dated 11 September 2020 entered into between the Vendors and the Offeror in respect of the sale and purchase of the Sale Shares
“Somerley”	Somerley Capital Limited, a corporation licensed by the SFC to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the financial adviser to the Company in respect of the Offer
“ST Irrevocable Undertakings”	the respective irrevocable undertakings dated 21 September 2020 given by Mr. Sheldon Trainor-DeGirolamo and PacBridge Capital in favour of the Offeror that he and PacBridge Capital will not, inter alia, accept the Offer with respect to the 45,331,504 Shares collectively held by them following Completion
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Codes on Takeovers and Mergers of Hong Kong
“Transfer Restrictions Agreement”	the transfer restrictions agreement dated 28 December 2012 (as amended and restated on 5 June 2013) entered into by the Covenantors, which was terminated on 1 June 2020, details of which are described in the section headed “Possible Mandatory Unconditional Cash Offer” in this joint announcement
“Vendors”	collectively, Mr. David Chow, All Landmark and PacBridge Capital
“VF”	Vast Field Investments Limited, a Shareholder which holds 209,068,781 Shares as at the date of this joint announcement, representing approximately 3.37% of the total issued share capital of the Company, and is a wholly-owned subsidiary of SJM Holdings Limited, a company listed on the Stock Exchange with stock code 880

“VF Irrevocable Undertaking”	the irrevocable undertaking dated 14 September 2020 given by VF in favour of the Offeror that it will not, inter alia, accept the Offer with respect to the 209,068,781 Shares held by it
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the board of
Perfect Achiever Group Limited
Chan Weng Lin
Sole Director

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

Hong Kong, 21 September 2020

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

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Offeror or any of its associates or parties acting in concert with it), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Chan Weng Lin.

The sole director of the Offeror accepts full responsibility for the accuracy of information contained in this joint announcement (other than those relating to the Group, the Vendors or any of their associates or any parties acting in concert with them) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.