



珍寶王國

JUMBO KINGDOM

Aberdeen Restaurant Enterprises Limited

(Incorporated in Hong Kong with limited liability)

Directors:

Mr. Evan Andrew Winkler
Mr. Chung Yuk Man, Clarence
Mr. Leung Hoi Wai, Vincent

Registered office:

38th Floor, The Centrium,
60 Wyndham Street,
Central, Hong Kong

19 August 2019

To the AREL Shareholders

Dear Sir/Madam,

**PROPOSED PRIVATISATION OF
ABERDEEN RESTAURANT ENTERPRISES LIMITED
BY
MELCO LEISURE AND ENTERTAINMENT GROUP LIMITED
BY WAY OF A SCHEME OF ARRANGEMENT
UNDER SECTION 673 OF THE COMPANIES ORDINANCE**

INTRODUCTION

This Scheme Document relates to the proposed privatisation of AREL by the Offeror by way of the Scheme under section 673 of the Companies Ordinance. This Scheme Document is addressed to AREL Shareholders. Shareholders of MIDL need not take any actions in relation to this Proposal.

So far as MIDL (a company having its shares listed on the Stock Exchange) is concerned, none of the applicable percentage ratios (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) in respect of the Proposal exceeds 5%. Therefore, full implementation of the Proposal does not constitute a notifiable transaction for MIDL under Chapter 14 of the Listing Rules.

On 5 June 2019, the boards of directors of the Offeror, AREL and MIDL jointly announced that the Offeror had requested the AREL Board to put forward the Proposal to the Scheme Shareholders regarding a proposed privatisation of AREL by way of the Scheme involving the cancellation of all the Scheme Shares, as a result of which it is intended that the Offeror and MIDL’s wholly owned subsidiaries, Melco Nominees and Melco Services, will hold 100% of the issued share capital of AREL.

The Offeror has appointed Lego as its financial adviser in connection with the Proposal.

Mr. Evan Andrew Winkler and Mr. Chung Yuk Man, Clarence, being AREL Directors, concurrently serve on the respective boards of the Offeror and its holding company, MIDL. Mr. Leung Hoi Wai, Vincent, also an AREL Director, is a director appointed to the AREL Board by an affiliate of the Offeror and is an executive of MIDL. It is therefore not possible for AREL to form an independent board committee to advise the Independent Shareholders on the Proposal pursuant to Rule 2.1 of the Takeovers Code. Accordingly, under Rule 2.8 of the Takeovers Code, the AREL Board has appointed Crescendo Capital as the independent financial adviser to advise the Independent Shareholders on the Proposal.

The purpose of this Scheme Document is to provide you with further information regarding the Proposal and to give you notices of the Court Meeting and the EGM (together with proxy forms in relation thereto). Your attention is also drawn to:

- (i) the letter from Crescendo Capital, the independent financial adviser to the Independent Shareholders, set out on pages 12 to 26 of this Scheme Document;
- (ii) the Explanatory Statement set out on pages 27 to 43 of this Scheme Document; and
- (iii) the Scheme set out on pages 97 to 102 of this Scheme Document.

TERMS OF THE PROPOSAL

Cancellation of Scheme Shares

The Scheme provides that the Scheme Shares be cancelled in exchange for the payment to each Scheme Shareholder of:

for each Scheme Share HK\$8,895.76 in cash

Only Independent Shareholders may vote at the Court Meeting on the resolution to approve the Scheme. The Offeror and MIDL's wholly owned subsidiaries, Melco Nominees and Melco Services, and any other persons acting in concert with the Offeror will not vote at the Court Meeting on the resolution to approve the Scheme.

As at the Latest Practicable Date, the Independent Shareholders were interested in 5,592 AREL Shares, made up of 3,399 Class A AREL Shares and 2,193 Class B AREL Shares (together representing approximately 13.32% of the issued share capital of AREL as at the date of the Latest Practicable Date). As at the Latest Practicable Date, and the Offeror and persons acting in concert with the Offeror were interested in 36,398 AREL Shares, made up of 4,661 Class A AREL Shares and 31,737 Class B AREL Shares (together representing approximately 86.68% of the issued share capital of AREL as at the Latest Practicable Date).

Under the Articles, AREL Shareholders holding Class A AREL Shares and Class B AREL shares have the same rights. Accordingly, Class A AREL Shares and Class B AREL Shares will vote as a single class of Scheme Shares at the Court Meeting to be convened to approve the Scheme.

No Price Increase Statement

The Cancellation Price will not be increased and the Offeror does not reserve the right to do so.

Terms of the Proposal

The detailed terms of the Proposal are set out in the Explanatory Statement on pages 27 to 43 of this Scheme Document.

Dealings in AREL Shares

As the AREL Shares are not listed on the Stock Exchange or any other stock exchanges, there is no information in relation to the prices of the AREL Shares quoted on the Stock Exchange or any other stock exchanges.

Except for the sale of 96 Class A AREL Shares and 25 Class B AREL Shares by a then Independent Shareholder to an independent third party for a consideration of HK\$96,000 and HK\$12,500 on 24 June 2019, respectively (as notified to AREL by the transferring Independent Shareholder), no transactions have taken place during the Relevant Period in respect of any AREL Shares.

CONDITIONS OF THE PROPOSAL

The Proposal is conditional upon the fulfilment or waiver, as applicable, of the Conditions set out in the section headed “Conditions of the Proposal” in the Explanatory Statement on pages 28 to 30 of this Scheme Document.

When the Conditions are fulfilled or, where applicable, waived, the Scheme will become effective and binding on the Offeror, AREL and all the Scheme Shareholders. The Scheme will lapse if it does not become effective on or before the Long Stop Date, or such later date as the Offeror and AREL may agree and the Court may allow.

AREL Shareholders and potential investors should be aware that implementation of the Proposal is subject to the Conditions being fulfilled or waived, as applicable, and thus the Proposal may or may not become effective. AREL Shareholders and potential investors are advised to exercise caution when dealing in AREL Shares.

REASONS FOR AND BENEFITS OF THE PROPOSAL

Your attention is drawn to the section headed “Reasons for and Benefits of the Proposal” in the Explanatory Statement on pages 37 to 38 of this Scheme Document.

INFORMATION ON AREL AND THE OFFEROR

Your attention is drawn to the section headed “Information on AREL” set out in the Explanatory Statement on page 37 of this Scheme Document and the section headed “Information on the Offeror and MIDL” set out in the Explanatory Statement on page 37 of this Scheme Document.

Your attention is also drawn to the “Financial Information of AREL” set out in Appendix I to this Scheme Document.

INTENTION OF THE OFFEROR WITH REGARD TO AREL

Your attention is drawn to the section headed “Intention of the Offeror with regard to AREL” in the Explanatory Statement on page 37 of this Scheme Document.

The AREL Board has noted the intentions of the Offeror in respect of AREL and the employees of AREL, as disclosed in the section headed “Intention of the Offeror with regard to AREL” in the Explanatory Statement on page 37 of this Scheme Document. The AREL Board welcomes the stated intentions of the Offeror in that regard in respect of AREL and its employees.

OVERSEAS SHAREHOLDERS OF AREL

Your attention is drawn to the section headed “Overseas Shareholders of AREL” set out in the Explanatory Statement on page 39 of this Scheme Document.

COURT MEETING AND EGM

In accordance with the direction of the Court, the Court Meeting has been scheduled to be held on Thursday, 12 September 2019, for the purpose of considering and, if thought fit, passing an appropriate resolution to approve the Scheme (with or without modifications). The Scheme is subject to approval by the Independent Shareholders at the Court Meeting in the manner referred to in paragraph (a) of the section headed “Conditions of the Proposal” set out in the Explanatory Statement on pages 28 to 30 of this Scheme Document.

Only Independent Shareholders may vote at the Court Meeting on the resolution to approve the Scheme. The Offeror and MIDL’s wholly owned subsidiaries, Melco Nominees and Melco Services, and any other persons acting in concert with the Offeror will not vote at the Court Meeting on the resolution to approve the Scheme.

Immediately following the Court Meeting, the EGM will be held for the purpose of considering and, if thought fit, passing a special resolution to approve and give effect to the Scheme including the cancellation of the Scheme Shares and the reduction of the issued share capital of AREL. The special resolution will be passed provided that it is approved by a majority of at least 75% of the votes cast by AREL Shareholders present and voting, in person or by proxy, at the EGM. All AREL Shareholders will be entitled to attend and vote on such special resolution at the EGM.

Notice of the Court Meeting is set out on pages 103 to 105 of this Scheme Document. The Court Meeting will be held at 2:00 p.m. on Thursday, 12 September 2019 at the Jumbo Floating Restaurant, Shum Wan Pier Drive, Wong Chuk Hang, Aberdeen, Hong Kong.

Notice of the EGM is set out on pages 106 to 108 of this Scheme Document. The EGM will be held at 2:30 p.m. (or as soon thereafter as the Court Meeting shall have been concluded or adjourned) on Thursday, 12 September 2019 at the Jumbo Floating Restaurant, Shum Wan Pier Drive, Wong Chuk Hang, Aberdeen, Hong Kong.

ACTION TO BE TAKEN BY AREL SHAREHOLDERS

Your attention is drawn to the section headed “Action to be Taken by AREL Shareholders” in the Explanatory Statement set out on page 42 of this Scheme Document. Shareholders of MIDL need not take any actions in relation to the Proposal.

EXPLANATORY STATEMENT

Please refer to the Explanatory Statement set out on pages 27 to 43 of this Scheme Document, for detailed information in relation to the terms of the Proposal and a detailed explanation of the effects of the Proposal.

RECOMMENDATION

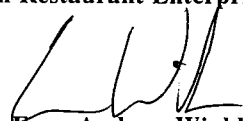
The AREL Directors consider that the terms of the Proposal are fair and reasonable so far as the Independent Shareholders are concerned. Crescendo Capital has been appointed as the independent financial adviser to advise the Independent Shareholders in respect of the Proposal and the Scheme in this regard. Your attention is drawn to the letter from Crescendo Capital, the independent financial adviser, on pages 12 to 26 of this Scheme Document which contains its advice to the Independent Shareholders in respect of the Proposal and the Scheme.

FURTHER INFORMATION

You are urged to read carefully:

- (i) the letter from Crescendo Capital, the independent financial adviser to the Independent Shareholders, set out on pages 12 to 26 of this Scheme Document;
- (ii) the Explanatory Statement set out on pages 27 to 43 of this Scheme Document;
- (iii) the Appendices to this Scheme Document, including the Scheme, set out on pages 44 to 96 of this Scheme Document;
- (iv) the notice of the Court Meeting set out on pages 103 to 105 of this Scheme Document; and
- (v) the notice of the EGM set out on pages 106 to 108 of this Scheme Document.

Yours faithfully,
For and on behalf of the board of
Aberdeen Restaurant Enterprises Limited


Evan Andrew Winkler
Director