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澳門博彩控股有限公司
SJM HOLDINGS LIMITED

incorporated in Hong Kong with limited liability Stock Code : 880

**REVISION OF ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO PROVISION OF L'ARC SERVICES AND
LICENSING FOR USE OF SPACES IN
L'ARC HOTEL BY L'ARC ENTERTAINMENT TO
SJM RESORTS FOR THE OPERATION OF A CASINO
FOR THE TWO YEARS ENDING 31 DECEMBER 2025**

REVISION OF FY2024 ANNUAL CAP AND FY2025 ANNUAL CAP

Reference is made to the announcements of the Company dated 28 February 2023 and 12 October 2023 regarding the L'Arc Services Continuing Connected Transactions and, among others, the revision of the FY2023 Annual Cap, respectively.

In view of the strong growth in the L'Arc Services fees since the beginning of 2023 as explained below, the Company proposes to revise the existing FY2024 Annual Cap and FY2025 Annual Cap.

LISTING RULES IMPLICATIONS

Ms. Leong is a connected person of the Company under the Listing Rules by virtue of her being a Director. As at the date of this announcement, L'Arc Entertainment is indirectly and wholly owned by Ms. Leong. Accordingly, L'Arc Entertainment is a connected person of the Company under the Listing Rules by virtue of it being an associate of Ms. Leong.

Since all the applicable percentage ratios (as defined in the Listing Rules) as determined by reference to the revised FY2024 Annual Cap and the revised FY2025 Annual Cap, on an annual basis, exceed 0.1% but are less than 5%, the L’Arc Services Continuing Connected Transactions and the revision of the FY2024 Annual Cap and the FY2025 Annual Cap are subject to announcement, reporting and annual review requirements but exempt from circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

REVISION OF FY2024 ANNUAL CAP AND FY2025 ANNUAL CAP

(i) Background

Reference is made to the announcements of the Company dated 28 February 2023 and 12 October 2023 regarding the L’Arc Services Continuing Connected Transactions and, among others, the revision of the FY2023 Annual Cap, respectively.

(ii) Reasons for and details of revision of the FY2024 Annual Cap and the FY2025 Annual Cap

In view of the strong growth in the L’Arc Services fee since the beginning of 2023 as explained below, the Company proposes to revise the existing FY2024 Annual Cap and FY2025 Annual Cap.

The following table sets out the historical amount of services fee paid to L’Arc Entertainment under the L’Arc Services Agreement recognised in the consolidated financial statements of the Group for the three months ended 31 March 2024, as well as the existing and the revised FY2024 Annual Cap and FY2025 Annual Cap for the L’Arc Services Continuing Connected Transactions.

(HK\$ million)

Aggregate amount of services fee paid for the three months ended 31 March 2024 (unaudited)		157.2
	Existing	Revised
FY2024 Annual Cap	351.7	908.3
FY2025 Annual Cap	450.1	960.0

The amount of services fee paid/payable to L’Arc Entertainment mainly represents the fee for the L’Arc Services provided by L’Arc Entertainment to SJM Resorts, as well as to authorise SJM Resorts to use the designated area of the L’Arc Hotel for

the operation of a casino, including mass gaming area, VIP room and slot machines. The Annual Caps represent the maximum amounts payable by the Group to L’Arc Entertainment for the provision of the L’Arc Services on an annual basis.

The aggregate amount of services fee paid for the three months ended 31 March 2024 was HK\$157.2 million, representing approximately 44.7% of the existing FY2024 Annual Cap. The actual amount of services fee had been increasing every quarter since 2023, from HK\$49.2 million in the first quarter of 2023 to HK\$157.2 million in the first quarter of 2024. Such increase was mainly attributable to the increase in the gross gaming revenue generated by the Casino L’Arc Macau, primarily due to (i) the recovery of Macau gaming industry in the post-COVID-19 period, which could be evidenced by the increase in gross gaming revenue in Macau from approximately MOP11.6 billion (equivalent to approximately HK\$11.3 billion) in January 2023 to approximately MOP19.5 billion (equivalent to approximately HK\$18.9 billion) in March 2024 according to the Gaming Inspection and Coordination Bureau of the Macau Government; and (ii) the increase in visitor arrivals, from approximately 1.4 million in January 2023 to approximately 2.7 million in March 2024 according to the Statistics and Census Service of the Macau Government.

In view of the strong growth in services fees as discussed above, the FY2024 Annual Cap and the FY2025 Annual Cap are proposed to be revised by reference to the following factors: (i) actual gross gaming revenue of Casino L’Arc Macau; (ii) expected growth in gross gaming revenue and visitor arrivals in Macau in the remaining period of 2024 and in 2025, in particular the expected growth in the holiday seasons; (iii) the actual costs and expenses for provision of the L’Arc Services for the first quarter of 2024; and (iv) up to 10% buffer to provide flexibility for unforeseeable changes in business needs.

Please refer to the announcements of the Company dated 28 February 2023 and 12 October 2023 for the reasons for and benefits of entering into the L’Arc Services Continuing Connected Transactions.

The Board (excluding Ms. Leong but including all independent non-executive Directors) considers that the revision of the FY2024 Annual Cap and the FY2025 Annual Cap is in the ordinary and usual course of business of the Group, and the revised FY2024 Annual Cap and FY2025 Annual Cap are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

Ms. Leong is a connected person of the Company under the Listing Rules by virtue of her being a Director. As at the date of this announcement, L’Arc Entertainment is indirectly and wholly owned by Ms. Leong. Accordingly, L’Arc Entertainment is a connected person of the Company under the Listing Rules by virtue of it being an associate of Ms. Leong.

Since all the applicable percentage ratios (as defined in the Listing Rules) as determined by reference to the revised FY2024 Annual Cap and the revised FY2025 Annual Cap, on an annual basis, exceed 0.1% but are less than 5%, the L’Arc Services Continuing Connected Transactions and the revision of the FY2024 Annual Cap and the FY2025 Annual Cap are subject to announcement, reporting and annual review requirements but exempt from circular and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Directors confirmed that, save for Ms. Leong, none of them have a material interest in the revision of the FY2024 Annual Cap and the FY2025 Annual Cap. Ms. Leong was absent from the Board meeting of the Company while the relevant resolution was being discussed and has abstained from voting on the Board resolution on approving the revision of the FY2024 Annual Cap and the FY2025 Annual Cap.

DEFINITIONS

Unless defined otherwise, the terms used in this announcement shall have the following meanings:

“Annual Cap(s)”	the annual maximum aggregate value(s) for the transactions contemplated under the L’Arc Services Continuing Connected Transactions
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Casino L’Arc Macau”	the casino in the L’Arc Hotel
“Company”	SJM Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“FY2023 Annual Cap”	the Annual Cap for the year ended 31 December 2023
“FY2024 Annual Cap”	the Annual Cap for the year ending 31 December 2024
“FY2025 Annual Cap”	the Annual Cap for the year ending 31 December 2025

“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“L’Arc Entertainment”	L’Arc Entertainment Group Company Limited, a company incorporated in Macau
“L’Arc Hotel”	the L’Arc Hotel Macau located at Avenida 24 de Junho, No.278, NAPE, Macau
“L’Arc Services”	selling, promotion, advertising, customer development and introduction, coordination of activities as well as other mutually agreed services to be provided by L’Arc Entertainment to SJM Resorts
“L’Arc Services Agreement”	the agreement entered into between SJM Resorts and L’Arc Entertainment dated 30 December 2022 (as amended by the first addendum dated 3 April 2023) regarding the provision of the L’Arc Services and licensing for use of the designated area in the L’Arc Hotel by L’Arc Entertainment to SJM Resorts for the operation of a casino
“L’Arc Services Continuing Connected Transactions”	the transactions contemplated under the L’Arc Services Agreement
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“MOP”	Macanese Pataca(s), the lawful currency of Macau
“Ms. Leong”	Deputada Leong On Kei, Angela, a Director
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“SJM Resorts”	SJM Resorts, S.A. (in Portuguese) SJM Resorts, Limited (in English) (name changed from Sociedade de Jogos de Macau, S.A. on 9 June 2021), a joint stock company “ <i>sociedade anónima</i> ” incorporated under the laws of Macau and a subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VIP”	very important person
“%”	per cent.

For the purpose of this announcement, the translation of MOP into HK\$ is based on the approximate exchange rate of MOP1.03 = HK\$1.00. Such translation should not be construed as a representation that the amount in question has been, could have been or could be converted at any exchange rate or at all.

By order of the Board
SJM Holdings Limited
Ho Chiu Fung, Daisy
Chairman and Executive Director

Hong Kong, 31 May 2024

As at the date of this announcement, the executive directors of the Company are Ms. Ho Chiu Fung, Daisy, Mr. Fok Tsun Ting, Timothy, Deputada Leong On Kei, Angela, Dr. Chan Un Chan and Mr. Shum Hong Kuen, David, the non-executive director of the Company is Mr. Tsang On Yip, Patrick and the independent non-executive directors of the Company are Mr. Tse Hau Yin, Ms. Wong Yu Pok, Marina, Mr. Yeung Ping Leung, Howard and Mr. Ho Hau Chong, Norman.