
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in SJM Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser(s) or the transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



澳門博彩控股有限公司 SJM HOLDINGS LIMITED

incorporated in Hong Kong with limited liability Stock Code : 880

PROPOSED DISCLOSEABLE AND CONNECTED TRANSACTIONS (I) ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN ARC OF TRIUMPH DEVELOPMENT COMPANY LIMITED; AND (II) LOAN AGREEMENT AND NOTICE OF EGM

Financial Adviser to the Company



SOMERLEY CAPITAL LIMITED

Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders

AMASSE CAPITAL
寶 積 資 本

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" of this circular.

A letter from the Board is set out on pages 7 to 31 of this circular. A letter from the Independent Board Committee is set out on pages 32 and 33 of this circular.

A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 34 to 77 of this circular.

A notice convening the EGM of SJM Holdings Limited to be held at Artyzen Club, 401A, 4th Floor, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Monday, 15 December 2025 at 9:00 a.m. to approve the matters referred to in this circular is set out in Appendix III to this circular. A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the websites of Hong Kong Exchanges and Clearing Limited (<https://www.hkexnews.hk>) and the Company (<https://www.sjmholdings.com>).

Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed proxy form in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (excluding public holiday in Hong Kong). Completion and return of the proxy form will not preclude you from attending and voting at the EGM or any adjourned meeting should you so wish.

Please note that the Company will NOT PROVIDE ANY GIFT OR SERVICE OF REFRESHMENT at the EGM.

28 November 2025

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DEFINITIONS

In this circular, unless the context states otherwise, the following expressions shall have the following meanings:

“Acquisition”	the acquisition of the entire issued share capital in the Target Company by the Purchasers from the Vendors contemplated under the Acquisition Agreement
“Acquisition Agreement”	the agreement dated 20 November 2025 entered into between the Purchasers, Ms. Leong as the Guarantor and the Vendors in respect of the Acquisition
“Announcement”	the Company’s announcement in relation to the Acquisition Agreement, the Loan Agreement and the Termination Agreement dated 20 November 2025
“Arc of Triumph Development” or “Target Company”	Arc of Triumph Development Company Limited, a company incorporated in Macau
“Arc of Triumph Hotel Management”	Arc of Triumph Hotel Management Company Limited, a company incorporated in Macau
“Board”	the board of directors of the Company
“Business Day”	a day (other than a Saturday or Sunday) on which banks are open for general business in Hong Kong and Macau
“Cash”	cash (whether in hand or credited to any account with any financial or similar institution or organisation) and cash equivalents (including all interest accrued thereon) recorded in the books and records of each Target Group company (where cash equivalents means all bonds, notes, certificates of deposit and commercial paper with a maturity of not more than three months)
“Charged Shares”	such number of Shares subject to the Share Charge under the Deed of Share Charge
“Closing Accounts”	the audited consolidated statement of financial position of the Target Group (together with closing statement setting out, among others, the Cash, Indebtedness and Working Capital) as at the date of Completion to be prepared by the Purchasers and their accountants
“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 (Stock Code: 880)

DEFINITIONS

“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Conversion Share(s)”	conversion Share(s) pursuant to the issuance of a Convertible Bond and further adjusted by the issue of rights Shares completed on 21 September 2022
“Convertible Bond”	the convertible bond issued by Champion Power Global Limited, a wholly-owned subsidiary of the Company, to STDM on 22 June 2022 in the principal amount of HK\$1,906 million at 2% coupon rate with 5-year maturity
“Deed of Share Charge”	the deed to be entered into between the Borrower as the chargor and the Lender as the chargee in relation to the Share Charge
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Artyzen Club, 401A, 4th Floor, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Monday, 15 December 2025 at 9:00 a.m. for the purpose of considering and, if thought fit, approving the Acquisition Agreement and the Loan Agreement, and the transactions contemplated thereunder
“Finance Document(s)”	the Loan Agreement and the Share Charge and any other document designated as such by the Lender and the Borrower
“Group”	the Company and its subsidiaries
“HK\$” or “Hong Kong dollar”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“ICBC”	Industrial and Commercial Bank of China (Macau) Limited
“ICBC Loan”	the aggregated amount outstanding as at the date of the Acquisition Agreement owing by the Target Company to ICBC pursuant to a facility agreement between ICBC and the Target Company dated 22 November 2021 (as subsequently amended and/or supplemented)

DEFINITIONS

“Indebtedness”	debts and liabilities of the Target Group companies including but not limited to, provision for profit tax, current portion of bank loan, long term bank loan, dividend payable (if any), fixed assets payable, committed amount (if any) and transaction costs payable (if any)
“Independent Board Committee”	the independent committee of the Board comprising Mr. Ho Hau Chong, Norman, Ms. Wong Yu Pok, Marina and Mr. Yeung Ping Leung, Howard, being the independent non-executive Directors appointed by the Board for the purpose of advising the Independent Shareholders in relation to the Acquisition Agreement and the Loan Agreement
“Independent Financial Adviser”	Amasse Capital Limited, a licensed corporation registered under the SFO to conduct Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO, being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition Agreement and the Loan Agreement
“Independent Shareholders”	Shareholders other than those which is/are interested in the Acquisition Agreement and the Loan Agreement
“L’Arc Entertainment”	L’Arc Entertainment Group Company Limited, a company incorporated in Macau, indirectly wholly-owned by Ms. Leong and a connected person of the Company. As at the Latest Practicable Date, L’Arc Entertainment is directly and wholly-owned as to 96% and 4% equity interests by Goldarch Holdings Limited and Solar King Investments Limited (the Vendors), respectively
“L’Arc Hotel”	Hotel L’Arc at Nos. 238 – 320, Avenida 24 de Junho, NAPE, Macau, the property on which Casino L’Arc Macau is located
“L’Arc Services Agreement”	the agreement entered into between SJM Resorts and L’Arc Entertainment dated 30 December 2022 (as amended by an addendum dated 3 April 2023) regarding the provision of the services and licensing for use of designated areas in the L’Arc Hotel by L’Arc Entertainment to SJM Resorts for the operation of a casino. Details of the L’Arc Service Agreement are outlined in the announcements of the Company dated 28 February 2023, 12 October 2023 and 31 May 2024
“Latest Practicable Date”	25 November 2025, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Loan”	the secured loan to be made by SJM Resorts to Ms. Leong in the principal amount of HK\$177,525,000 repayable by Ms. Leong on the date of the third anniversary following Completion
“Loan Agreement”	the loan agreement to be entered into between Ms. Leong and SJM Resorts in relation to the Loan made by SJM Resorts to Ms. Leong
“Longstop Date”	31 December 2025 (or such later date as the parties to the Acquisition Agreement may agree in writing)
“LRA Property Management”	Le Royal Arc Property Management Company Limited, a company incorporated in Macau
“Macau”	Macau Special Administrative Region of the People’s Republic of China
“Maturity Date”	the date of the third anniversary following Completion, being the date which the Borrower shall repay the Loan
“MOP”	Macau Patacas, the lawful currency of Macau
“Ms. Leong” or “Guarantor” or “Borrower”	Deputada Leong On Kei, Angela or Leong On Kei, a Director
“Option(s)”	share option(s) pursuant to the share option scheme of the Company approved in May 2009, and the said scheme lapsed in May 2019
“Pre-sale Reorganisation”	the corporate actions and events being carried out by the Target Group companies prior to Completion as detailed in the sub-section headed “Pre-sale Reorganisation and Set-off of Intercompany Balances” in the Letter from the Board
“Purchaser(s)”	SJM Investment and/or SJM Resorts
“Set-off of Intercompany Balances”	the setting off of all loans and current accounts between the Target Group companies and any Vendors’ group company or the Guarantor (or any affiliate of any of them) being carried out by the Target Group companies prior to Completion as detailed in the sub-section headed “Pre-sale Reorganisation and Set-off of Intercompany Balances” in the Letter from the Board

DEFINITIONS

“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholders”	the shareholders of the Company
“Share Charge”	the charge over shares to be entered into by the Borrower as chargor and the Lender as chargee in respect of the Shares owned by the Borrower pursuant to the Deed of Share Charge
“SJM Investment” or “Purchaser”	SJM – Investimentos Limitada (in Portuguese) SJM – Investment Limited (in English), a limited liability company by quotas incorporated under the laws of Macau and a wholly-owned subsidiary of SJM Resorts and an indirect subsidiary of the Company
“SJM Resorts” or “Purchaser” or “Lender”	SJM Resorts, S.A. (in Portuguese) SJM Resorts, Limited (in English) (name changed from Sociedade de Jogos de Macau, S.A. since 9 June 2021), a limited liability company by shares (“ <i>sociedade anónima</i> ”) incorporated under the laws of Macau and a subsidiary of the Company
“STDM”	Sociedade de Turismo e Diversões de Macau, S.A. (in Portuguese) Macau Tourism and Amusement Company Limited (in English), a joint stock company “ <i>sociedade anónima</i> ” incorporated under the laws of Macau and the controlling Shareholder
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Group”	Target Company together with Arc of Triumph Hotel Management and LRA Property Management
“Transaction Security”	the security created or evidenced or expressed to be created or evidenced under the Transaction Security Documents
“Transaction Security Document(s)”	the Share Charge and any other document designated as such by the Lender and the Borrower
“Valuation”	the property valuation of the L’Arc Hotel prepared by the Valuer
“Valuer”	CBRE Advisory Hong Kong Limited
“Vendor(s)”	Goldarch Holdings Limited and/or Solar King Investments Limited

DEFINITIONS

“Working Capital”	the aggregate working capital of the Target Group companies including but not limited to, deposit (non-current), account and other receivables, inventory, prepaid expenses and deposit, account and other payables, accrual for staff related expenses, patrons commission, salary tax and other expenses, provision for staff bonus and/or tourism tax, construction retention, receipt in advance and guarantee deposit from tenants
“%”	per cent.

For the purposes of this circular, the translation of MOP into HK\$ is based on an 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, or can be converted at this rate or any other rates.

LETTER FROM THE BOARD



澳門博彩控股有限公司 SJM HOLDINGS LIMITED

incorporated in Hong Kong with limited liability Stock Code : 880

Executive Directors:

Ms. Ho Chiu Fung, Daisy (*Chairman*)
Mr. Fok Tsun Ting, Timothy (*Co-Chairman*)
Deputada Leong On Kei, Angela (*Co-Chairman*)
Dr. Chan Un Chan
Mr. Shum Hong Kuen, David

Registered Office:

18th Floor
China Merchants Tower
Shun Tak Centre
Nos. 168 – 200 Connaught Road Central
Hong Kong

Non-executive Director:

Mr. Tsang On Yip, Patrick

Independent Non-executive Directors:

Mr. Ho Hau Chong, Norman
Ms. Wong Yu Pok, Marina
Mr. Yeung Ping Leung, Howard

28 November 2025

To Shareholders

Dear Sirs or Madams,

**PROPOSED DISCLOSEABLE AND CONNECTED TRANSACTIONS
(I) ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN
ARC OF TRIUMPH DEVELOPMENT COMPANY LIMITED; AND
(II) LOAN AGREEMENT**

(A) INTRODUCTION

Reference is made to the announcement of the Company dated 9 June 2025 and the Announcement in relation to, among other things, the Acquisition and the Loan Agreement. On 20 November 2025 (after trading hours), (i) the Purchasers, each of them being a subsidiary of the Company; (ii) Ms. Leong (as the Guarantor); and (iii) the Vendors, each of them being indirectly wholly-owned by Ms. Leong, entered into the Acquisition Agreement pursuant to which the Vendors have agreed to sell, and the Purchasers have agreed to acquire, the entire issued share capital of the Target Company.

LETTER FROM THE BOARD

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Acquisition Agreement and the Loan Agreement (on an aggregated basis) are more than 5% but less than 25%, the entering into of the Acquisition Agreement and the Loan Agreement constitutes a discloseable transaction of the Company which is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Ms. Leong is a connected person of the Company under the Listing Rules by virtue of her being a Director. As at the Latest Practicable Date, each of the Vendors is indirectly wholly-owned by Ms. Leong. Accordingly, the Vendors are connected persons of the Company under the Listing Rules by virtue of them being associates of Ms. Leong, and the Acquisition and the Loan (on an aggregated basis) would thus constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. The Acquisition Agreement and the Loan Agreement are subject to reporting, announcement 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 Acquisition Agreement and the Loan Agreement, and the transactions contemplated thereunder. Ms. Leong was physically absent from the relevant Board meeting of the Company while the relevant resolutions approving the Acquisition Agreement and the Loan Agreement and the transactions contemplated thereunder, were being discussed and voted on by the other Directors, and Ms. Leong also abstained from voting on the relevant resolutions.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Acquisition Agreement and the Loan Agreement and the transactions contemplated thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in the same regard.

The purpose of this circular is to provide you with, among other things, (i) further information about the Acquisition Agreement and the Loan Agreement; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the advice from the Independent Financial Adviser on the Acquisition Agreement and the Loan Agreement; (iv) a property valuation report of L'Arc Hotel; and (v) other information as required under the Listing Rules, together with the notice of the EGM.

LETTER FROM THE BOARD

(B) PRINCIPAL TERMS OF THE ACQUISITION AGREEMENT

Date: 20 November 2025 (after trading hours)

Parties: (i) Goldarch Holdings Limited (as a Vendor);

(ii) Solar King Investments Limited (as a Vendor);

(iii) Ms. Leong On Kei (as the Guarantor);

(iv) SJM – Investment Limited (as a Purchaser); and

(v) SJM Resorts, Limited (as a Purchaser).

(collectively, the “**Parties**”)

Each of the Vendors is indirectly wholly-owned by Ms. Leong, being a Director.

Subject matter

Subject to the terms and conditions of the Acquisition Agreement, the Vendors have agreed to sell, and the Purchasers have agreed to acquire, the entire issued share capital of the Target Company.

Pre-sale Reorganisation and Set-off of Intercompany Balances

Pursuant to the terms of the Acquisition Agreement, subject to the terms and conditions thereunder, the Target Group will complete the Pre-sale Reorganisation prior to Completion, such that immediately prior to Completion, the Target Group will only comprise the Target Company and its subsidiaries, Arc of Triumph Hotel Management and LRA Property Management. At the time of entering into the Acquisition Agreement, the Target Group companies consist of the Target Company, Arc of Triumph Hotel Management, LRA Property Management, and other subsidiaries namely L’Arc Consultancy Company Limited, Genius Union Consultant Limited and Arc of Triumph Hotel Management (HK) Limited.

LETTER FROM THE BOARD

Chart 1: Simplified existing Target Group structure

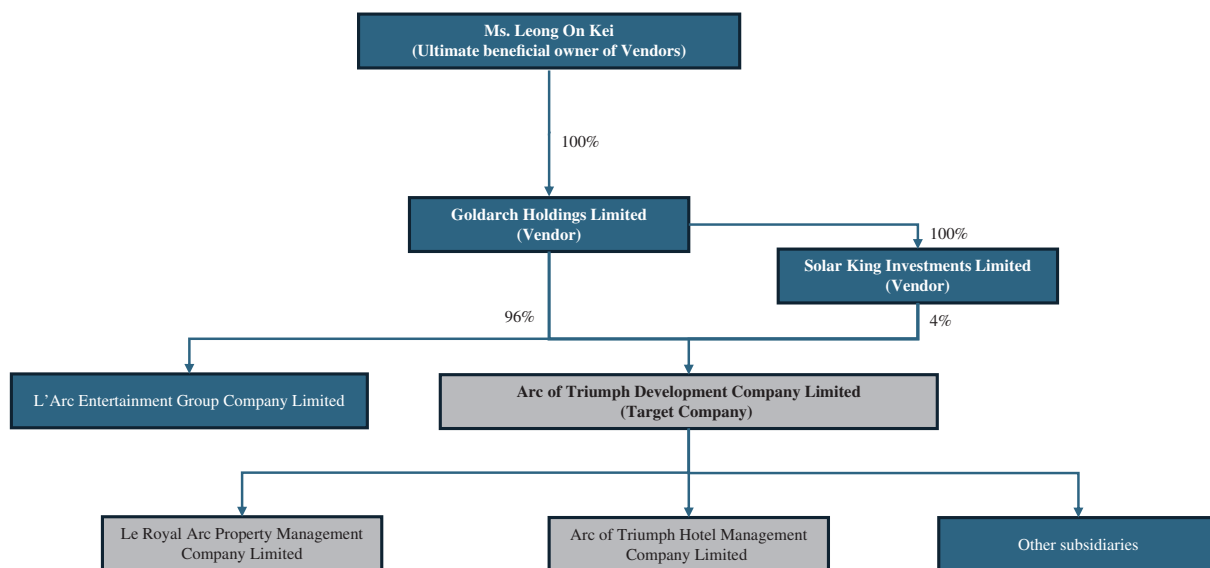
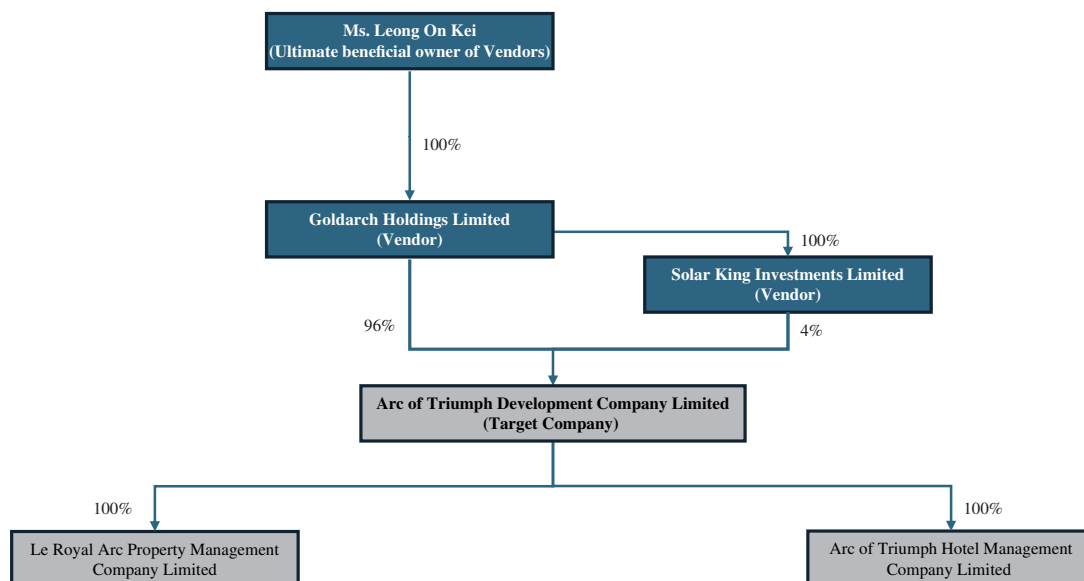


Chart 2: Simplified Target Group structure after Pre-sale Reorganisation



As at the Latest Practicable Date, the Pre-sale Reorganisation has not been completed.

LETTER FROM THE BOARD

As disclosed in the sub-section headed “Conditions precedent” below, under condition (xiii), it was further agreed between the Parties that a Set-off of Intercompany Balances will be completed prior to Completion, such that all loans and current accounts between the Target Group companies and any Vendors’ group company or the Guarantor (or any affiliate of any of them) will be repaid and satisfied or otherwise set-off in full, together with all accrued but unpaid interest and any tax exposure arising from the settlement of these loans and current accounts, and all related security being fully and unconditionally discharged, on or before Completion. Based on the latest unaudited consolidated accounts of the Target Group for the eight months ended 31 August 2025, the Set-off of Intercompany Balances involved outstanding amounts due to the Target Group of approximately MOP3,783,311,676 (or approximately HK\$3,673,118,132) and outstanding amounts payable by the Target Group of approximately MOP3,283,903,026 (or approximately HK\$3,188,255,365).

Upon completion of the Pre-sale Reorganisation and the Set-off of Intercompany Balances:

- (i) the principal assets of the Target Group will comprise the L’Arc Hotel. Based on the property valuation of the L’Arc Hotel issued by CBRE Advisory Hong Kong Limited (an independent professional valuer) for the purposes of the Acquisition, the market value of the L’Arc Hotel was approximately HK\$1,750,000,000 as at 30 September 2025; and
- (ii) the principal liabilities of the Target Group will comprise mainly the ICBC Loan, the outstanding amount of which as at the date of the Acquisition Agreement was HK\$1,927,525,000.

Consideration

The Parties have determined the purchase price for the Target Company on a debt-free basis.

Taking into account the net liabilities position of the Target Group and the loss-making performance of the Target Group for the latest financial year, after arm's length negotiations between the Parties, the Parties have agreed that: (i) the purchase price of all the issued shares of the Target Company under the Acquisition Agreement shall be their nominal value, being MOP180,000 (or approximately HK\$174,757) (“**Share Purchase Price**”); and (ii) the Purchasers shall upon Completion procure the repayment of the ICBC Loan up to an amount of HK\$1,749,825,243 which is equal to HK\$1,750,000,000 (being the valuation of the L’Arc Hotel property) less the Share Purchase Price. Hence the total amount payable by the Purchasers at Completion shall be HK\$1,750,000,000 which is equal to the Valuation of the L’Arc Hotel as at 30 September 2025, and will be funded by the Acquisition Facility (as defined below) of the Group.

LETTER FROM THE BOARD

Under the terms of the Acquisition Agreement, the Parties have further agreed that Ms. Leong and the Vendors shall procure the repayment, simultaneously with Completion, of (i) the balance of the ICBC Loan, being the sum of HK\$177,525,000 and HK\$174,757 (in aggregate, the “**Loan Balance**”), which will be financed by the Loan and the Share Purchase Price, respectively; and (ii) all interest accrued to the date of Completion and related repayment expenses in relation to the ICBC Loan. As part of the negotiation of the terms of the Acquisition, SJM Resorts has agreed to advance the Loan of HK\$177,525,000 (being the Loan Balance less the Share Purchase Price, hereafter referred to as “**Loan Shortfall**”) to Ms. Leong to finance her portion of the repayment of the ICBC Loan, in accordance with the terms of the Loan Agreement. For further information on the Loan, please refer to the section headed “(C) THE LOAN” in this Letter from the Board.

The repayment of the Purchaser’s portion of the ICBC Loan and the advancement of the Loan, are expected to be funded by the Group’s credit facilities. As at the Latest Practicable Date, the Group had available Acquisition Facility amount of approximately HK\$3,325 million, which is sufficient to satisfy its portion of the ICBC Loan and the advancement of the Loan.

Based on the information provided by the Vendors, the last acquisition cost of the Target Group in 2020 was based on a valuation of approximately HK\$3.5 billion.

Closing Accounts and Closing Accounts payments

Following the determination of the Cash, Indebtedness and Working Capital which shall be derived from the Closing Accounts:

- (i) the Vendors shall be entitled to receive by way of a Closing Accounts payment of HK\$1 for each HK\$1 by which Cash and Working Capital net of Indebtedness exceeds HK\$0, up to a maximum aggregate amount of HK\$16 million; and
- (ii) the Purchasers shall be entitled to receive by way of a Closing Accounts payment of HK\$1 for each HK\$1 by which Cash and Working Capital net of Indebtedness is less than HK\$0.

Such Closing Accounts payments shall become payable on the Business Day which is or immediately follows the date which is 14 days after the final agreement or determination of Working Capital, Cash and Indebtedness and shall be paid to the Vendors in cash, or such other settlement method agreed by the Parties in writing (including, for the avoidance of doubt, any set-offs or extensions of proportionate amounts due pursuant to the Loan Agreement).

The maximum aggregate amount of HK\$16 million payable to the Vendors is an estimate determined with reference to the unaudited consolidated total asset of the Target Group as at 31 August 2025, excluding the book value of the L’Arc Hotel and assuming completion of the Pre-sale Reorganisation and the Set-off of Intercompany Balances.

LETTER FROM THE BOARD

Conditions precedent

Completion is conditional on the following conditions being satisfied (or, if applicable, waiver) on or before the Longstop Date:

- (i) the making of such enquiries, investigations and due diligence reviews of the business, affairs, operations, commercial, legal, financial, tax and accounting position of the Target Group by the Purchasers and any of its officers, employees, agents, professional advisers or other persons authorised by the Purchasers which the Purchasers in their absolute discretion deem necessary, desirable or appropriate, and confirmation by the Purchasers that the results of such enquiries, investigations and due diligence reviews are satisfactory to the Purchasers;
- (ii) in relation to each Vendor, the passing, notarisation and legalisation of board resolutions, in a form and content acceptable to the Purchasers, (a) approving the sale of the shares of the Target Company owned respectively by each of those Vendors pursuant to the Acquisition Agreement, and (b) appointing authorised signatories to execute the documents related to the Acquisition;
- (iii) the passing of resolutions by the board of directors of SJM Resorts and resolutions by the shareholders of SJM Investment, (a) approving the purchase of the shares of the Target Company pursuant to the Acquisition Agreement and (b) appointing authorised signatories to execute the documents related to the Acquisition;
- (iv) the passing of all required resolutions by shareholders of the Company approving the Acquisition in accordance with the Listing Rules;
- (v) the actions and events comprising the Pre-sale Reorganisation being fully and effectively completed to the Purchasers' satisfaction, in accordance with the terms of the Acquisition Agreement;
- (vi) the obtaining of all mandatory or appropriate consents, approvals, clearances and permission by the Vendors, the Purchasers, the Guarantor and any Target Group company in relation to the Acquisition and the Loan Agreement, including but not limited to:
 - (a) the authorisation of the transmission of the hotel property (L'Arc Hotel) by the Chief Executive of Macau as required under Article 154 of the Land Law and Clause 11.2 of the Land Concession Agreement, with no terms and conditions attached which are unacceptable to the Purchasers in their absolute discretion;
 - (b) the authorisation of the Loan Agreement by the Secretary of Economy and Finance of Macau; and
 - (c) the compliance of all applicable requirements imposed by the Stock Exchange in respect to the Acquisition;

LETTER FROM THE BOARD

- (vii) the termination of all existing agreements between any Target Group company and any affiliate of the Guarantor on terms to the satisfaction of the Purchasers (other than (a) existing agreements among the Target Group companies^{Note 1}; and (b) such other existing agreements which the Purchasers, in their absolute discretion, elect and specify to be maintained in writing);
- (viii) the termination of such occupational agreements^{Note 2} (other than the occupational agreements entered into with the other Target Group companies) in respect of L'Arc Hotel as the Purchasers may specify prior to Completion at the Vendors' costs;
- (ix) completion of the drawdown of bank financing by SJM Resorts for the purpose of partial repayment of the ICBC Loan;
- (x) all requisite consents to the Acquisition having been obtained from the existing lenders of the Target Group companies for the proposed repayment of the ICBC Loan, all indebtedness of the Vendors and the Guarantor and all intra-group indebtedness;
- (xi) the full repayment of all outstanding indebtedness owed by any Target Group company to the existing lenders of the Target Group companies immediately prior to the Completion^{Note 3}, and the discharge and release of all existing encumbrances, other than the ICBC Loan or encumbrances in connection therewith (which will be discharged simultaneously on Completion);
- (xii) a term extension request to be submitted by Arc of Triumph Hotel Management to the Macau Labour Department requesting the extension of the deadline stipulated in the work permits and applicable legislation;
- (xiii) all loans and current accounts between the Target Group companies and any Vendors' group company or the Guarantor (or any affiliate of any of them), whether such loans are documented or undocumented, being repaid and satisfied in full, or otherwise set-off or written-off, together with all accrued but unpaid interest and any tax exposure arising from the settlement of these loans and current accounts, and all related security being fully and unconditionally discharged;
- (xiv) the opening of bank accounts in the name of each Target Group company with mandates issued giving authority to persons nominated by the Purchasers to operate such accounts following Completion; and

Note 1 Existing agreements among the Target Group companies described therein mainly refer to, among others, service agreements for the L'Arc Hotel property. Existing agreements among the Target Group and affiliates of Ms. Leong that the Purchasers intend to maintain include ongoing tenancy agreements.

Note 2 The occupational agreements mentioned therein mainly refer to the existing tenancy agreements between the Target Group companies with other third parties in relation to the leasing of retail/commercial areas of L'Arc Hotel property.

Note 3 Based on the latest unaudited consolidated accounts of the Target Group for the eight months ended 31 August 2025, outstanding indebtedness owed by the Target Group mentioned therein are mainly relating to account payables, operation expense accruals and provisions as well as fees received in advance. Such amounts are due to independent third parties of the Target Group.

LETTER FROM THE BOARD

- (xv) the Vendor warranties remaining true and accurate and not misleading in any material respect at Completion as if repeated at Completion and at all times between the date of the Acquisition Agreement and Completion.

The Purchasers may, by notice to the Vendors, waive the conditions precedent set out in (i), (ii), (v), (vii), (viii), (ix), (xi), (xii), (xiii), (xiv) and (xv) in whole or in part at any time on or before the Longstop Date.

The right to waive conditions precedent set out above are exercisable only by the Purchasers and exercisable at its sole discretion. The availability of such right to the Company which, if exercised, will be exercised only when it is in the interests of the Company to do so. This right provides greater flexibility to the Company and is considered to be fair, reasonable and in the interests of the Company and the Shareholders. As at the Latest Practicable Date, none of the conditions precedent has been waived and/or fulfilled and the Purchasers do not have current intention to waive any of the conditions precedent set out above.

Completion

Subject to the satisfaction or (if capable of waiver) waiver of all the conditions, Completion will take place on 18 December 2025 or such other date and time as the Parties shall agree.

Immediately after Completion, each of the Target Group companies will become an indirect subsidiary of the Company.

Post-Completion

Immediately upon Completion and registration of the transfer of shares in the Target Company, SJM Resorts shall apply to the Gaming Inspection and Coordination Bureau of Macau (*Direcção de Inspeção e Coordenação de Jogos*) (“**DICJ**”) for the requisite approval to operate casino games of fortune at Casino L’Arc Macau as a self-owned, self-managed and self-operated casino (“**DICJ Approval**”). Under the terms of the Acquisition Agreement, the Vendors shall use all reasonable endeavours to provide assistance to SJM Resorts in connection with such application.

As of the Latest Practicable Date, SJM Resorts has received a written confirmation from the Macau Government of its intention to grant such approval prior to 31 December 2025, subject to the timely receipt of an application from SJM Resorts which complies with all applicable legal and procedural requirements.

LETTER FROM THE BOARD

Termination of the L’Arc Services Agreement

Casino L’Arc Macau is currently operated by SJM Resorts under the L’Arc Services Agreement. As a result of the Acquisition, on the same date of the Acquisition Agreement, a termination agreement (“**Termination Agreement**”) was entered into between SJM Resorts and L’Arc Entertainment, pursuant to which (i) services under the L’Arc Services Agreement regarding the operation of Casino L’Arc Macau as a satellite casino will cease from the date of Completion; and (ii) the L’Arc Services Agreement will be terminated in its entirety at the earlier of (a) date of receiving DICJ Approval; or (b) 31 December 2025.

Pursuant to the Acquisition Agreement, following Completion and until the DICJ Approval has been obtained, L’Arc Entertainment shall not be entitled to any service fees or other compensation that would otherwise be payable pursuant to the L’Arc Services Agreement (the “**Service Fees**”). The Parties agree that L’Arc Entertainment shall only be entitled to invoice or otherwise charge SJM Resorts for amounts that become due in respect of such Service Fees up to and until 23:59 p.m. on the Completion date.

Transactions under the L’Arc Services Agreement are continuing connected transactions of the Company, thus the Termination Agreement is subject to the announcement requirement under Rule 14A.35 of the Listing Rules. For further information on the Termination Agreement, please refer to the Announcement.

Termination

The Acquisition Agreement shall automatically terminate with immediate effect and each Party’s rights and obligations shall cease to have force and effect:

- (i) if, before Completion, the Purchasers become aware that any of the warranties provided by the Vendors under the Acquisition Agreement that is material to the sale of the shares of the Target Company was at the date of the Acquisition Agreement, or has since become, untrue or misleading or has been breached, whether or not such breach is repudiatory, and the Purchasers give notice to the Vendors that they wish to terminate;
- (ii) if, before Completion, any of the Vendors is in breach, whether repudiatory or not, of any term of the Acquisition Agreement which is material to the sale of the shares of the Target Company and the Purchasers give notice to the Vendors that they wish to terminate;
- (iii) if, before Completion, any event occurs which would have, or could be reasonably expected to have, or be likely to result in, a material adverse effect on the financial position or business prospects of the Target Group and the Purchasers give notice to the Vendors that they wish to terminate;

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- (iv) if the Purchasers give notice to the Vendors that they wish to terminate the Acquisition Agreement in the case that one or more of the conditions precedent of the Acquisition Agreement (a) remains unsatisfied on the Longstop Date and has not been waived on or before that date; or (b) becomes impossible to satisfy on or before the Longstop Date and, if it is a condition precedent which can be waived by a Party, has not been waived within five Business Days of such party becoming aware that such condition precedent has become impossible to satisfy;
- (v) if the Vendors have not complied with the requirements of the Vendors' completion obligations under the Acquisition Agreement at the time and on the date set for Completion, and the Purchasers give notice to the Vendors that they wish to terminate the Acquisition Agreement; or
- (vi) if the Parties fail to repay the ICBC Loan in full and fully release all guarantors from liability for the ICBC Loan agreement upon the terms and subject to the conditions set out in the Acquisition Agreement.

(C) THE LOAN

Loan Agreement

Pursuant to the Acquisition Agreement, and subject to authorisation by the Secretary of Economy and Finance of Macau, prior to Completion, the Loan Agreement will be entered into pursuant to which SJM Resorts intends to advance the Loan in the principal amount of HK\$177,525,000 (being the Loan Shortfall) to Ms. Leong with a term of three years to finance her portion of the repayment of the ICBC Loan. Set out below are the principal terms of the Loan Agreement.

Lender	:	SJM Resorts
Borrower	:	Ms. Leong
Principal amount	:	HK\$177,525,000
Use of the Loan	:	Repayment of the Loan Shortfall under the ICBC Loan to ICBC.

LETTER FROM THE BOARD

Pursuant to the Acquisition Agreement, in the event that, following Completion, any payments become payable by any Party to another Party in accordance with the terms of the Acquisition Agreement (“**Settlement Amount**”), the Parties agree that:

- (i) if a Settlement Amount becomes payable by any of the Vendors or Ms. Leong to the Purchasers under the terms of the Acquisition Agreement, and the Vendors or Ms. Leong (as the case may be) fails to make such payment on the date when it falls due under the Acquisition Agreement, and the Parties agree that the relevant clause under the Acquisition Agreement and Loan Agreement shall apply, subject to all applicable laws and regulations (including without limitation the Listing Rules), such Settlement Amount (or if applicable, its equivalent in Hong Kong dollar) shall be consolidated to and form part of the Loan on and from its due date. For the avoidance of doubt, subject to all applicable laws and regulations (including without limitation the Listing Rules), such Settlement Amount (or if applicable, its equivalent in Hong Kong dollar) shall be treated as part of the principal amount of the Loan and accrue interest at the applicable interest rate on and from the due date (inclusive), provided that such Settlement Amount (or if applicable, its equivalent in Hong Kong dollar) and any interest accrued thereon shall remain payable by the Vendors to the Purchasers on demand;
- (ii) if a Settlement Amount becomes payable by any of the Purchasers to any Vendor under the Acquisition Agreement, subject to all applicable laws and regulations (including without limitation the Listing Rules), the principal amount of the Loan shall be reduced automatically by an amount equal to that Settlement Amount (or if applicable, its equivalent in Hong Kong dollar) on and from the date on which such Settlement Amount becomes payable by the Purchasers to the Vendors under the Acquisition Agreement and that Settlement Amount should be deemed satisfied by way of set-off; and
- (iii) if any of the Settlement Amount is denominated in a currency other than Hong Kong dollar, the Settlement Amount may be converted at a specified exchange rate or otherwise at a foreign exchange rate reasonably chosen by SJM Resorts.

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Loan term	:	Three (3) years
Interest	:	<p>The interest rate for the Loan shall mirror the same interest rate determined under the Acquisition Facility (as defined below) of the Group.</p> <p>Accrued interest on the Loan shall be paid on the date on which the Loan becomes due and payable.</p>
Repayment period	:	The Borrower shall repay the Loan on the date of the third anniversary of Completion date.
Prepayment	:	Any time prior to the Maturity Date and with at least seven Business Days' prior written notice.
Security	:	The initial security level of the Share Charge is determined based on a loan-to-value ratio (" LTV Ratio ") of 50%, calculated using the following formula:

$$\text{Loan-to-value ratio} = \frac{A}{B}$$

Where:

A = the total sum of principal accrued and interest accrued under the Loan; and

B = the value of the Share Charge

The number of Shares subjected to the Share Charge is calculated based on the weighted average price of the closing price per Share published by the Stock Exchange for the last 30 trading days prior to the date of the Deed of Share Charge.

At any time on or after the occurrence of an event of default under the Loan Agreement, the security created pursuant to the Deed of Share Charge shall be immediately enforceable and SJM Resorts may in its absolute discretion and without notice to Ms. Leong or the prior authorisation of any court:

- (a) enforce all or any part of the security created by the Deed of Share Charge and take possession of or dispose of all or any of the Charged Shares in each case at such times and upon such terms as it sees fit; and
- (b) whether or not it has appointed a receiver, exercise all of the powers, authorities and discretions granted to a receiver by the Deed of Share Charge or by law.

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- Default interest : If the Borrower fails to pay any amount payable on the due date, interest shall accrue on the unpaid amount from the due date up to the date of actual payment (both before and after judgement) at a rate of 3% per annum above the interest rate which would have been payable if the unpaid amount had, during the period of non-payment, constituted a part of the Loan in the currency of the unpaid amount for successive interest periods, each of a duration selected by the Lender (acting reasonably) (“**Default Interest**”). Such Default Interest mirrors the default interest under the Acquisition Facility (as defined below) of the Group.
- Events of default : Upon occurrence of any of the following events, the Lender shall have the right to cancel drawdown and/or declare all or part of the Loan, together with interest and all other amounts accrued or outstanding under the Finance Documents, including any applicable Default Interest, be immediately due and payable, whereupon they shall become immediately due and payable; and/or demand immediate repayment of the Loan together with interest and all other amounts accrued or outstanding under the Finance Documents, including any applicable Default Interest, and/or exercise any or all of its rights, remedies, powers or discretions under the Finance Documents (including enforcing any Transaction Security) or under applicable law:
- (a) The Borrower fails to pay any amount due and payable (other than capitalised interest) by her under a Finance Document at the place/and in the currency in which it is expressed to be payable unless failure to pay is caused by an administrative or technical errors and the payment is made within three Business Days of its due date;
 - (b) The Borrower does not comply with any of the provisions of the Finance Documents;
 - (c) Any representation or statement made or deemed to be made by the Borrower in any Finance Document or any other document delivered by or on behalf of the Borrower under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;

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- (d) The Borrower is presumed or deemed under applicable laws or regulations to be unable to, or admits inability to, pay her debts as they fall due, suspends making payments on any of her debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Lender in its capacity as such) with a view to rescheduling any of her indebtedness;
- (e) A moratorium is declared in respect of her indebtedness;
- (f) Any action, legal proceedings or other procedure or step is taken in relation to:
 - a. the suspension of payments, a moratorium of any indebtedness, of the Borrower;
 - b. a composition, compromise or arrangement with any creditor of the Borrower, or an assignment for the benefit of creditors generally of the Borrower or a class of such creditors;
 - c. the appointment of a liquidator, bankruptcy officer, receiver, administrator, administrative receiver, compulsory manager, provisional supervisor or other similar officer in respect of the Borrower or any of its assets; or
 - d. enforcement of any security over any assets of the Borrower, or any analogous procedure or step is taken in any jurisdiction.
- (g) Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Borrower having an aggregate value of not less than HK\$5,000,000 and is not discharged within 15 days;
- (h) It is or becomes unlawful for the Borrower to perform any of her obligations under the Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective;

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- (i) Any obligation or obligations of the Borrower under any Finance Documents are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the finance parties under the Finance Documents;
- (j) Any Finance Document ceases to be in full force and effect or any Transaction Security ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Lender) to be ineffective; or
- (k) The Borrower (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.

The Deed of Share Charge has not been entered into as at the Latest Practicable Date. For illustrative purposes only and with reference to the LTV Ratio mechanism outlined above, the expected number of Charged Shares would be approximately 143,057,717, assuming the calculation based on the weighted average price of the closing price per Share published by the Stock Exchange for the last 30 trading days prior to the date of the Acquisition Agreement.

(D) INFORMATION ON THE COMPANY AND THE PURCHASERS

The principal activity of the Company is investment holding whilst its operating subsidiaries are principally engaged in the development and operations of casinos and related facilities, and hotel, catering, retail, leasing and related services in Macau.

SJM Resorts, one of the Purchasers, is a limited liability company by shares incorporated under the laws of Macau and a subsidiary of the Company. SJM Resorts is one of the six concessionaires in Macau, authorised by the Macau Government to operate casinos and gaming areas.

SJM Investment, one of the Purchasers, is a limited liability company by quotas incorporated under the laws of Macau and a wholly-owned subsidiary of SJM Resorts and an indirect subsidiary of the Company. Its principal business is investment holding.

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(E) INFORMATION ON THE VENDORS AND THE GUARANTOR

Goldarch Holdings Limited is a company incorporated in the British Virgin Islands with limited liability on 3 January 2012, with its principal business being investment holding.

Solar King Investments Limited is a company incorporated in the British Virgin Islands with limited liability on 30 November 2011, with its principal business being investment holding.

Each of the Vendors is indirect wholly-owned by Ms. Leong, being a Director and the Guarantor.

(F) INFORMATION ON THE TARGET GROUP AND THE L'ARC HOTEL

The Target Group will comprise Arc of Triumph Development, Arc of Triumph Hotel Management and LRA Property Management. Each of Arc of Triumph Hotel Management and LRA Property Management is a wholly-owned subsidiary of Arc of Triumph Development.

Arc of Triumph Development

Arc of Triumph Development is a company incorporated in Macau held as to 96% and 4% equity interests by Goldarch Holdings Limited and Solar King Investments Limited respectively. Each of Arc of Triumph Hotel Management, and LRA Property Management is a wholly-owned subsidiary of Arc of Triumph Development. Arc of Triumph Development, being the owner of L'Arc Hotel is principally engaged in property construction and real estate development and property acquisition and management. The principal business of the Target Group as a whole is hotel operation and provision of property management businesses.

Set out below is the audited financial information of Arc of Triumph Development for the years ended 31 December 2023 and 2024 respectively prepared in accordance with General Auditing Standards of Macau:

	For the year ended 31 December	
	2023	2024
	<i>MOP million</i>	<i>MOP million</i>
Net (loss) before taxation	(117.0)	(99.0)
Net (loss) after taxation	(117.0)	(99.0)

As at 31 August 2025, the unaudited net liabilities of Arc of Triumph Development was approximately MOP728.2 million (equivalent to approximately HK\$707.0 million).

Arc of Triumph Hotel Management

Arc of Triumph Hotel Management is a company incorporated in Macau which 100% equity interests are held directly and indirectly by Arc of Triumph Development. Arc of Triumph Hotel Management is principally engaged in hotel business.

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Set out below is the audited financial information of Arc of Triumph Hotel Management for the years ended 31 December 2023 and 2024 respectively prepared in accordance with General Auditing Standards of Macau:

	For the year ended 31 December	
	2023	2024
	<i>MOP million</i>	<i>MOP million</i>
Net profit/(loss) before taxation	3.3	(28.7)
Net profit/(loss) after taxation	3.3	(28.7)

The decrease in net profit before and after taxation reported for the year ended 31 December 2024 was mainly attributable to the decrease in revenue derived from hotel rooms and sales of food and beverage. As at 31 August 2025, the unaudited net liabilities of Arc of Triumph Hotel Management was approximately MOP150.1 million (equivalent to approximately HK\$145.7 million).

LRA Property Management

LRA Property Management is a company incorporated in Macau which 100% equity interests are held directly and indirectly by Arc of Triumph Development. LRA Property Management is principally engaged in providing property management services to the owners in residential apartments of Le Royal Arc.

Set out below is the audited financial information of LRA Property Management for the years ended 31 December 2023 and 2024 respectively prepared in accordance with General Auditing Standards of Macau:

	For the year ended 31 December	
	2023	2024
	<i>MOP million</i>	<i>MOP million</i>
Net profit before taxation	0.2	0.1
Net profit after taxation	0.3	0.1

As at 31 August 2025, the unaudited net asset value of LRA Property Management was approximately MOP3.3 million (equivalent to approximately HK\$3.2 million).

As at 31 August 2025, the unaudited consolidated net liabilities of the Target Group was approximately MOP875.3 million (equivalent to approximately HK\$849.8 million).

LETTER FROM THE BOARD

L’Arc Hotel

L’Arc Hotel is situated at Nos. 238 – 320 Avenida 24 de Junho, NAPE, Macau, with gross floor area of approximately 86,438 square meters and it comprises the hotel and commercial portion from G/F to 22/F and carpark facilities from B1/F to B3/F. Casino L’Arc Macau, located on the ground and first floors of the L’Arc Hotel, is currently operated by SJM Resorts under the L’Arc Services Agreement.

The Valuation of the L’Arc Hotel was conducted by the Valuer, CBRE Advisory Hong Kong Limited, an independent professional valuer, in accordance with the latest edition of the RICS Valuation – Global Standards issued by the Royal Institution of Chartered Surveyors and the International Valuation Standards issued by the International Valuation Standards Council. The total market value of the L’Arc Hotel according to the Valuation was HK\$1,750,000,000, based on a valuation benchmark date of 30 September 2025. The valuation report issued by the Valuer is set out in Appendix I to this circular.

According to the Valuer, the income approach was adopted given it indicates value by converting future cash flows to a single current capital value. Alternative methods such as market approach was not adopted due to limited sales transactions for properties with similar magnitude and characteristics in Macau.

The principal assumptions made by the Valuer for the Valuation include, among other things: (i) L’Arc Hotel is freely disposable and transferable for the whole of the unexpired term without legal impediment; (ii) government lease could be automatically renewed without any land premium payment; (iii) L’Arc Hotel is free from encumbrances, restrictions and outgoings of an onerous nature; and (iv) L’Arc Hotel to be sold in the open market without the benefit and burden of any deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement.

The Board has reviewed the Valuation prepared by the Valuer and is of the view that the methodology, and assumptions used in the Valuation are fair, reasonable and appropriate given the Valuation methodology and assumptions used are common for the purpose of valuing properties similar to that of L’Arc Hotel. Furthermore, the Board has also reviewed the inputs adopted by the Valuer that are predominately chosen with reference to market comparables and is of the view that the market comparables referred to are fair and reasonable.

(G) POSSIBLE FINANCIAL EFFECT OF THE ACQUISITION AND THE LOAN

Upon Completion, each company of the Target Group shall become a subsidiary of the Company, and the Target Group’s results will be consolidated into the financial statements of the Group. As the purchase price for the shares of the Target Company will be settled in full in cash funded by the Acquisition Facility (as defined below) of the Group upon Completion, the Group expects that there will be no material change on the net assets of the Group immediately upon Completion.

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It is expected that L’Arc Hotel will contribute rental income to the Group following Completion. The Company further expects that there will be no material gain or loss arising from the Acquisition for the Group immediately upon Completion.

Shareholders should note that the actual amount of gain/loss on the Acquisition to be recorded by the Group (if any) will be subject to review by the auditors of the Group. The aforesaid estimation is for illustrative purpose only and does not purport to represent the financial position of the Group after Completion. The actual financial effect of the Acquisition will be determined with reference to the financial status of the Target Group as at the date of Completion.

(H) REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE LOAN

The Acquisition

The Acquisition aligns with SJM Resorts’ strategic objective to consolidate and focus resources on locations that offer long-term value and synergies. The L’Arc Hotel is located within the Macau Peninsula, closely connected to the heart of the city and conveniently accessible by 5-minute drive from the Macau Ferry Terminal. Through the Acquisition, the Group will benefit from the synergies of operating the entire L’Arc Hotel with hotel accommodation, as well as food and beverage operations. The Acquisition is also expected to offer synergy with the existing operations of the Group given the proximity of the L’Arc Hotel to the Group’s existing casinos such as Casino Lisboa, which will further strengthen the Group’s foundation for sustainable growth and reinforce SJM Resorts’ market positioning in the Macau Peninsula. The L’Arc Hotel’s central location and established operations make it an attractive asset, which is expected to enhance operational efficiency. Accordingly, the Board considers that the Acquisition will be of strategic importance to the long-term development of the Group.

In addition to the non-gaming synergistic benefits which L’Arc Hotel is expected to bring to the Group’s existing casinos, SJM Resorts also intends to apply for the DICJ Approval immediately following Completion. As at the Latest Practicable Date, SJM Resorts operates a satellite casino at Casino L’Arc Macau under the profit-sharing model. As set out under the announcement of the Company dated 9 June 2025, under the Macau gaming law revised in 2022, SJM Resorts is allowed to operate satellite casinos under the profit-sharing model for a transition period of three years, ending on 31 December 2025 (“**Transition Period**”). Upon termination of the Transition Period, such satellite casinos must be directly owned by SJM Resorts or transition to a management agreement structure with no profit-sharing arrangement in order to continue to operate beyond 2025. If SJM Resorts is granted the DICJ Approval, SJM Resorts will be able to operate casino games of fortune at Casino L’Arc Macau beyond the Transition Period. Taking into account factors such as alignment with SJM Resorts’ long-term objectives and competitiveness, the strategic location and well-established brand of Casino L’Arc Macau, the Group believes that continuing operations at Casino L’Arc Macau will be beneficial to the Group and in the best interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

As mentioned above, Casino L’Arc Macau is currently operated by SJM Resorts under the L’Arc Services Agreement and a Termination Agreement has been entered into. As per the Acquisition Agreement, the Parties have also agreed that, during the interim period following Completion and until the DICJ Approval has been obtained, L’Arc Entertainment shall not invoice or otherwise charge any Service Fees and SJM Resorts shall be entitled to withhold payment of all amounts that would otherwise become due in respect of such Service Fees, without such withholding constituting a breach of any obligation under the existing L’Arc Services Agreement. This would allow SJM Resorts to entitle to greater revenue from the operations at Casino L’Arc Macau from such date. In any event, based on the aforementioned Termination Agreement, the L’Arc Services Agreement will be terminated on the earlier of (i) date of receiving DICJ Approval; or (ii) 31 December 2025.

In accordance with the relevant Macau law, SJM Resorts will submit an application for the DICJ Approval immediately upon Completion and registration of the transfer of the shares in the Target Company. If SJM Resorts is granted the DICJ Approval prior to the end of the Transition Period, the Group expects operations at Casino L’Arc Macau to continue on an uninterrupted basis. If SJM Resorts is not granted the DICJ Approval prior to the end of the Transition Period, the Group intends to redeploy all the gaming tables currently placed at Casino L’Arc Macau to other casinos of SJM Resorts until the DICJ Approval is obtained. As such, the Group does not expect the application for the DICJ Approval to have a material adverse effect on the gaming operations of the Group as a whole. As of the Latest Practicable Date, SJM Resorts has received a written confirmation from the Macau Government of its intention to grant such approval prior to 31 December 2025, subject to the timely receipt of an application from SJM Resorts which complies with all applicable legal and procedural requirements.

The Acquisition also reflects the Group’s commitment to its employees and the local community, as it will continue to provide stability and employment opportunities for Macau residents currently employed by the Target Group. If the DICJ Approval is granted, the continued operation of Casino L’Arc Macau is anticipated to be beneficial not only to the Group, but also to the Shareholders, by preserving a meaningful revenue stream and ensuring compliance with local regulatory requirements, minimising operational disruption, and supporting the sustainable growth of the Company’s Macau portfolio.

Although the Group notes the financial position of the Target Group as at the date of Acquisition Agreement, however, as stated in the sub-section headed “Consideration” above, the purchase price for the Target Company was determined on a debt-free basis and in view of the reasons for and benefits of the Acquisition as discussed above, the Acquisition is nevertheless still regarded as being in the interests of the Company and the Shareholders.

In light of the above, the Board (including the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee in this circular, and excluding Ms. Leong) is of the view the terms of the Acquisition Agreement are on normal commercial terms and fair and reasonable and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

The Loan and Share Charge

As discussed in the sub-section headed “Consideration” above, upon completion of the Pre-sale Reorganisation and the Set-off of Intercompany Balances, the principal liabilities of the Target Group companies would comprise the ICBC Loan, which, as at the date of the Acquisition Agreement, has an outstanding balance of approximately HK\$1,927,525,000. As part of the commercial negotiations between the Parties, and as the Parties have determined the purchase price for the Target Company on a debt-free basis, the Parties have agreed that the Purchasers shall upon Completion procure the repayment of the ICBC Loan only up to an amount of HK\$1,749,825,243, which is equal to HK\$1,750,000,000 (being the valuation of the L’Arc Hotel property) less the Share Purchase Price; hence the total amount payable by Purchasers at Completion shall be HK\$1,750,000,000. As such, the Loan is provided to Ms. Leong under the Loan Agreement solely for the purpose of repayment of the Loan Shortfall and to facilitate the Acquisition. Given the reasons for and benefits of the Acquisition to the Group as discussed above, the Company considers it to be in the interests of the Company and the Shareholders to make the Loan to Ms. Leong so as to facilitate the Completion in an effective and efficient manner with minimised uncertainties.

The Loan will be funded by utilisation of credit facility of SJM Resorts (the “**Acquisition Facility**”). The interest rate of the Loan, which is determined after arm’s length negotiation with reference to the finance costs of SJM Resorts, is agreed to be equivalent to the interest rate payable by SJM Resorts from the utilised Acquisition Facility charged by independent third party financial institution, which would safeguard SJM Resorts’ interests by ensuring that the interest rates would commensurate with its cost of funding.

In addition, Ms. Leong is required to provide the Share Charge as a security based on a LTV Ratio of 50%. As a result, the value of the Share Charge would be greater than the principal amount of the Loan. Despite that the interest payment under the Loan will be accrued and be repaid only upon maturity, given the fact that (i) the interest rate charged under the Loan mirrors the same interest rate under the Acquisition Facility of the Group; and (ii) SJM Resorts will be provided with security by way of Share Charge not only on the principal amount but also on the accrued interest of the Loan as illustrated above, the Board considers the interest payment under the Loan is fair and reasonable.

Taking into account the above, and considering the Group is entitled to sell the pledged Shares and apply the proceeds onto the repayment of any outstanding amounts in the case of default by Ms. Leong, the Directors are of the view that the risk exposure of the Loan is adequately mitigated by the above measures.

LETTER FROM THE BOARD

Taking into account the above, and after further considering that (i) the expected financial effect of the Acquisition and the Loan to the Group would be immaterial; and (ii) the Loan Agreement is entered into on normal commercial terms after arm's length negotiations and taking into account, among other things, the back-to-back interest rate under the Loan Agreement and the Share Charge, the Board (including the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee in this circular and excluding Ms. Leong) is of the view that the terms of the Loan Agreement are fair and reasonable, and the Loan and transactions contemplated under the Loan Agreement, although are not in the ordinary and usual course of business, are to be entered into on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

(I) LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Acquisition Agreement and the Loan Agreement (on an aggregated basis) are more than 5% but less than 25%, the entering into of the Acquisition Agreement and the Loan Agreement constitutes a discloseable transaction of the Company which is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

Ms. Leong is a connected person of the Company under the Listing Rules by virtue of her being a Director. As at the Latest Practicable Date, each of the Vendors is indirectly wholly-owned by Ms. Leong. Accordingly, the Vendors are connected persons of the Company under the Listing Rules by virtue of them being associates of Ms. Leong, and the Acquisition and the Loan (on an aggregated basis) would thus constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. Accordingly, the Acquisition Agreement and the Loan Agreement are subject to reporting, announcement 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 Acquisition Agreement and the Loan Agreement, and the transactions contemplated thereunder. Ms. Leong was physically absent from the relevant Board meeting of the Company while the relevant resolutions approving the Acquisition Agreement and the Loan Agreement, and the transactions contemplated thereunder, were being discussed and voted on by the other Directors, and Ms. Leong also abstained from voting on the relevant resolutions.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders in respect of the Acquisition Agreement and the Loan Agreement and the transactions contemplated thereunder. The Independent Financial Adviser has been appointed to advise the Independent Board Committee and the Independent Shareholders in the same regard.

LETTER FROM THE BOARD

(J) VOTING UNDERTAKING

Each of STDM and its indirect wholly-owned subsidiary, Konrad Investments Limited has given an undertaking to vote in favour of the resolutions to be proposed at the EGM in relation to the proposed transactions set out in this circular. Based on the information available to the Company as at the Latest Practicable Date, the aforesaid Shareholders hold or otherwise control an aggregate of over 50% of the voting rights of the Company.

(K) THE EGM AND CLOSURE OF REGISTER OF MEMBERS

The EGM will be held at Artyzen Club, 401A, 4th Floor, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Monday, 15 December 2025 at 9:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the relevant resolution(s) in relation to the Acquisition Agreement and the Loan Agreement and the transactions contemplated thereunder.

Ms. Leong and her close associates, who, in aggregate, can control or exercise the control of approximately 8.09% of the issued Shares, will abstain from voting on the proposed resolution(s) at the EGM in respect of the Acquisition Agreement and the Loan Agreement and the transactions contemplated thereunder. As at the Latest Practicable Date, to the best knowledge and belief of the Directors having made all reasonable enquiries, save as disclosed herein, no other Shareholders will be required to abstain from voting in respect of the relevant resolution(s).

The register of members of the Company will be closed from Wednesday, 10 December 2025 to Monday, 15 December 2025 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify to attend and vote at the EGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 9 December 2025 (last share registration date).

(L) RECOMMENDATION

You are advised to read carefully the letter from the Independent Board Committee on pages 32 and 33 of this circular. The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, the text of which is set out on pages 34 to 77 of this circular, consider that the Acquisition Agreement and the Loan Agreement, although not in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole. The Independent Board Committee is also of the view that the terms of the Acquisition Agreement and the Loan Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the resolution to approve the Acquisition Agreement and the Loan Agreement at the EGM.

The Board considers that the terms of the Acquisition Agreement and the Loan Agreement are fair and reasonable and the entering into of the Acquisition Agreement and the Loan Agreement is in the interests of the Company and the Shareholders as a whole, and recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM.

LETTER FROM THE BOARD

(M) ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

Completion is subject to the fulfilment of a number of conditions, and may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

Yours faithfully,
For and on behalf of the Board of
SJM Holdings Limited
Ho Chiu Fung, Daisy
Chairman and Executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the letter of advice from the Independent Board Committee to the Independent Shareholders, which has been prepared for the purpose of this circular.



澳門博彩控股有限公司
SJM HOLDINGS LIMITED

incorporated in Hong Kong with limited liability Stock Code : 880

28 November 2025

To the Independent Shareholders

Dear Sirs or Madams,

**PROPOSED DISCLOSEABLE AND CONNECTED TRANSACTIONS
(I) ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN
ARC OF TRIUMPH DEVELOPMENT COMPANY LIMITED; AND
(II) LOAN AGREEMENT**

We refer to the circular of the Company dated 28 November 2025 (the “**Circular**”) of which this letter forms part. Unless the context otherwise requires, capitalised terms defined in the Circular shall have the same meanings when used herein.

We have been appointed by the Board to form the Independent Board Committee to consider and advise the Independent Shareholders as to whether, in our opinion, the Acquisition Agreement and the Loan Agreement are in the ordinary and usual course of business of the Group and the interests of the Company and the Shareholders as a whole and the terms of Acquisition Agreement and the Loan Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned and to recommend whether or not the Independent Shareholders should vote for the resolution to be proposed at the EGM to approve the Acquisition Agreement and the Loan Agreement. The appointment of Amasse Capital Limited as the Independent Financial Adviser to advise you and us in this regard has been approved by us. Details of its advice, together with the principal factors and reasons it has taken into consideration in arriving at such advice, are set out on pages 34 to 77 of the Circular.

Your attention is drawn to the “Letter from the Board” and “Letter from the Independent Financial Adviser” as set out in pages 7 to 31 and pages 34 to 77 of the Circular respectively.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

RECOMMENDATION

Having considered the terms of the Acquisition Agreement and the Loan Agreement and taking into account the independent advice from Amasse Capital Limited, and in particular, the principal factors and reasons considered and opinion and recommendation as set out in its letter, we are of the opinion that the Acquisition Agreement and the Loan Agreement, although not in the ordinary and usual course of business of the Group, are in the interests of the Company and the Shareholders as a whole. The Independent Board Committee is also of the view that the terms of the Acquisition Agreement and the Loan Agreement are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Acquisition Agreement and the Loan Agreement.

Yours faithfully,

for and on behalf of the Independent Board Committee

Ho Hau Chong, Norman

Wong Yu Pok, Marina

Yeung Ping Leung, Howard

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the text of a letter received from Amasse Capital Limited, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Acquisition and the Loan prepared for the purpose of inclusion in this circular.

AMASSE CAPITAL
寶 積 資 本

28 November 2025

To: The Independent Shareholders and the Independent Board Committee

Dear Sirs or Madams,

PROPOSED DISCLOSEABLE AND CONNECTED TRANSACTIONS

(I) ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN ARC OF TRIUMPH DEVELOPMENT COMPANY LIMITED; AND (II) LOAN AGREEMENT

INTRODUCTION

We refer to our appointment to advise the Independent Board Committee and the Independent Shareholders in respect of the Acquisition Agreement and the Loan Agreement and the transactions contemplated thereunder. Details of the aforesaid transactions are set out in the “Letter from the Board” (the “**Letter from the Board**”) contained in the circular of the Company dated 28 November 2025 (the “**Circular**”), of which this letter forms part. Unless otherwise defined, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

The Board announced that on 20 November 2025 (after trading hours), (i) the Purchasers, each of them being a subsidiary of the Company; (ii) Ms. Leong (as the Guarantor); and (iii) the Vendors, each of them being indirectly wholly-owned by Ms. Leong, entered into the Acquisition Agreement, pursuant to which the Vendors have agreed to sell, and the Purchasers have agreed to acquire, the entire issued share capital of the Target Company. Pursuant to the Acquisition Agreement, and subject to authorisation by the Secretary of Economy and Finance of Macau, prior to Completion, the Loan Agreement will be entered into pursuant to which SJM Resorts intends to advance the Loan in the principal amount of HK\$177,525,000 to Ms. Leong with a term of three years to finance her portion of the repayment of the ICBC Loan.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Acquisition Agreement and the Loan Agreement (on an aggregated basis) are more than 5% but less than 25%, the entering into of the Acquisition Agreement and the Loan Agreement constitute a discloseable transaction of the Company which is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Ms. Leong is a connected person of the Company under the Listing Rules by virtue of her being a Director. As at the Latest Practicable Date, each of the Vendors is indirectly wholly-owned by Ms. Leong. Accordingly, the Vendors are connected persons of the Company under the Listing Rules by virtue of them being associates of Ms. Leong and the Acquisition and the Loan (on an aggregated basis) would thus constitute a connected transaction for the Company under Chapter 14A of the Listing Rules. The Acquisition Agreement and the Loan Agreement are subject to reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Each of STDM and its indirect wholly-owned subsidiary, Konrad Investments Limited has given an undertaking to vote in favour of the resolutions to be proposed at the EGM in relation to the proposed transactions set out in the Circular. Based on the information available to the Company as at the Latest Practicable Date, the aforesaid Shareholders hold or otherwise control an aggregate of over 50% of the voting rights of the Company.

INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders as to whether the terms of the Acquisition Agreement and the Loan Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and Shareholders as a whole and to advise the Independent Shareholders on how to vote at the EGM in respect of the Acquisition Agreement and the Loan Agreement and the transactions contemplated thereunder. We, Amasse Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationships or interests with the Company, Ms. Leong, the Vendors or any other parties in connection with the Acquisition Agreement and the Loan Agreement that could reasonably be regarded as relevant to our independence. In the last two years, we have not acted as an independent financial adviser to the Independent Board Committee and the Independent Shareholders for any transaction.

With regard to our independence from the Company, it is noted that, apart from normal professional fees paid or payable to us in connection with the current appointment as the Independent Financial Adviser, no arrangements exist whereby we had received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have reviewed, among others, (i) the annual report (the “**2024 Annual Report**”) of the Company for the year ended 31 December 2024 (“**FY2024**”), the interim report (the “**2025 Interim Report**”) of the Company for the six months ended 30 June 2025 (“**1H2025**”) and the announcement of the Company dated 12 November 2025 setting out selected unaudited key performance indicators of the Group for the nine months ended 30 September 2025 in relation to the information of the Group; (ii) the information contained or referred to in the Circular; and (iii) relevant public information. We have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the management of the Company (collectively, the “**Management**”). We have assumed that all information and representations that have been provided by the Management, for which the Directors are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the representation and confirmation of the Management that there are no undisclosed private agreements/arrangements or implied understanding with anyone concerning the Acquisition Agreement and the Loan Agreement. We have reviewed and discussed with the Company on the information provided as well as sought and received confirmation from the Management that all information and representations provided to us by the Management are true, accurate, complete and not misleading in all respects at the time they were made and as at the Latest Practicable Date. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with the Listing Rules.

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in the Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in the Circular or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent verification of the information provided by the Management, nor have we conducted any independent in-depth investigation into the business and affairs of any members of the Group, the counter party(ies) to the Acquisition Agreement and the Loan Agreement or their respective subsidiaries or associates. We also have not considered the taxation implication on the Group or the Shareholders as a result of the Acquisition Agreement and the Loan Agreement and the transactions contemplated thereunder. We have not carried out any feasibility study on the past, and forthcoming investment decision, opportunity or project undertaken or to be undertaken by the Group. Our opinion has been formed on the assumption that any analysis, estimation, anticipation, condition and assumption provided by the Group are feasible and sustainable. Our opinion shall not be constructed as to give any indication to the validity, sustainability and feasibility of any past, existing and forthcoming investment decision, opportunity or project undertaken or to be undertaken by the Group.

Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company. We expressly disclaim any liability and/or any loss arising from or in reliance upon the whole or any part of the contents of this letter.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, we are not obligated to conduct any independent in-depth investigation into the accuracy and completeness of those information.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation regarding the Acquisition and the Loan, we have considered the following principal factors and reasons:

1. Information on the Group and the Purchasers

1.1 Principal business of the Group and the Purchasers

The principal activity of the Company is investment holding whilst its operating subsidiaries are principally engaged in the development and operations of casinos and related facilities, and hotel, catering, retail, leasing and related services in Macau.

SJM Resorts, one of the Purchasers, is a limited liability company by shares incorporated under the laws of Macau and a subsidiary of the Company. SJM Resorts is one of the six concessionaires in Macau, authorised by the Macau Government to operate casinos and gaming areas.

SJM Investment, one of the Purchasers, is a limited liability company by quotas incorporated under the laws of Macau and a wholly-owned subsidiary of SJM Resorts and an indirect subsidiary of the Company. Its principal business is investment holding.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.2 Unaudited key performance indicators of the Group for the nine months ended 30 September 2025 (“3Q2025”)

Reference is made to the announcement of the Company dated 12 November 2025, setting out selected unaudited key performance indicators of the Group for 3Q2025 (the “3Q2025 Announcement”).

As set out in the 3Q2025 Announcement, for 3Q2025, the Group recorded a total net revenue of approximately HK\$21,674.0 million and performed steadily as compared to that of approximately HK\$21,300.0 million for the corresponding period in 2024. For 3Q2025, the Group recorded a loss attributable to owners of the Company of approximately HK\$173.0 million, representing an increase of approximately 183.6%, as compared to that of approximately HK\$61.0 million for the corresponding period in 2024, which was mainly attributable to increase in staff cost.

1.3 Financial information of the Group

Set out below is the summary of the Group’s (i) audited financial performance for the year ended 31 December 2023 (“FY2023”) and FY2024 as extracted from the 2024 Annual Report; and (ii) unaudited financial performance for the six months ended 30 June 2024 (“1H2024”) and 1H2025 as extracted from the 2025 Interim Report:

	1H2025	1H2024	FY2024	FY2023
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
	(unaudited)	(unaudited)	(audited)	(audited)
Gaming, hotel, catering, retail, leasing and related services revenues	14,639.3	13,801.3	28,768.9	21,623.2
Profit/(Loss) before tax	(107.1)	(85.2)	158.8	(1,838.9)
Profit/(Loss) for the period/year	(138.1)	(108.6)	106.5	(1,875.0)
<i>Profit/(Loss)</i> <i>Attributable to:</i>				
Owners of the Company	(182.2)	(162.4)	3.2	(2,009.8)
Non-controlling interests	44.1	53.8	103.3	134.8

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1H2025 vs 1H2024

For 1H2025, the Group recorded revenue of approximately HK\$14,639.3 million, representing an increase of approximately 6.1% as compared to that of approximately HK\$13,801.3 million for 1H2024. The increase in revenue was mainly driven by the increase in gaming revenue from the Group's non-rolling gaming and electronic gaming, while partially offsetting by the decrease in gaming revenue from rolling gaming.

For 1H2025, the Group's loss attributable to owners of the Company was approximately HK\$182.2 million, representing an increase of approximately 12.2% when compared to that of approximately HK\$162.4 million for 1H2024, which was mainly attributable to increase in marketing and promotional expenses and operating and administrative expenses partly offset by increase in gaming revenue.

FY2024 vs FY2023

For FY2024, the Group recorded revenue of approximately HK\$28,768.9 million, representing an increase of approximately 33.0% as compared to that of approximately HK\$21,623.2 million for FY2023. The increase was driven by the increase in gaming revenue from the Group's rolling gaming, non-rolling gaming as well as electronic gaming.

For FY2024, the Group recorded a profit attributable to owners of the Company of approximately HK\$3.2 million as compared to a loss attributable to owners of the Company of approximately HK\$2,009.8 million for FY2023, which was mainly attributable to the increase in the revenue of the Group as discussed above.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Financial position

Set out below is the summary of the Group's financial position as at 31 December 2024 and 30 June 2025 as extracted from the 2025 Interim Report:

	As at 30 June 2025 <i>HK\$ million</i> (unaudited)	As at 31 December 2024 <i>HK\$ million</i> (audited)
Non-current assets	45,306.4	45,463.4
Current assets	3,634.4	3,261.5
Total assets	48,940.8	48,724.9
Non-current liabilities	20,922.2	27,615.5
Current liabilities	13,993.9	6,933.4
Total liabilities	34,916.1	34,548.9
Net current liabilities	(10,359.5)	(3,671.9)
Net assets	14,024.7	14,176.0
Net assets attributable to owners of the Company	13,728.7	13,924.1

As at 30 June 2025, the Group recorded net current liabilities of approximately HK\$10,359.5 million, representing an increase of approximately 182.1% as compared to that of approximately HK\$3,671.9 million as at 31 December 2024. Such increase was mainly attributable to the reclassification of unsecured notes of the Group from non-current liabilities to current liabilities.

The Group recorded the net assets attributable to owners of the Company of approximately HK\$13,728.7 million as at 30 June 2025, which remained stable as compared to that of approximately HK\$13,924.1 million as at 31 December 2024.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Information on the Vendors and the Guarantor

Goldarch Holdings Limited is a company incorporated in the British Virgin Islands with limited liability on 3 January 2012, with its principal business being investment holding.

Solar King Investments Limited is a company incorporated in the British Virgin Islands with limited liability on 30 November 2011, with its principal business being investment holding.

Each of the Vendors is indirect wholly-owned by Ms. Leong, being a Director and the Guarantor.

3. Information of the Target Group and the L'Arc Hotel

The Target Group will comprise Arc of Triumph Development, Arc of Triumph Hotel Management and LRA Property Management. Each of Arc of Triumph Hotel Management and LRA Property Management is a wholly-owned subsidiary of Arc of Triumph Development.

Arc of Triumph Development

Arc of Triumph Development is a company incorporated in Macau held as to 96% and 4% equity interests by Goldarch Holdings Limited and Solar King Investments Limited respectively. Each of Arc of Triumph Hotel Management, and LRA Property Management is a wholly-owned subsidiary of Arc of Triumph Development. Arc of Triumph Development, being the owner of the L'Arc Hotel, is principally engaged in property construction and real estate development and property acquisition and management. The principal business of the Target Group as a whole is hotel operation and provision of property management businesses.

Set out below is the audited financial information of Arc of Triumph Development for the years ended 31 December 2023 and 2024 respectively prepared in accordance with General Auditing Standards of Macau:

	For the year ended 31 December	
	2023	2024
	<i>MOP million</i>	<i>MOP million</i>
Net (loss) before taxation	(117.0)	(99.0)
Net (loss) after taxation	(117.0)	(99.0)

As at 31 August 2025, the unaudited net liabilities of Arc of Triumph Development was approximately MOP728.2 million (equivalent to approximately HK\$707.0 million).

Arc of Triumph Hotel Management

Arc of Triumph Hotel Management is a company incorporated in Macau which 100% equity interests are held directly and indirectly by Arc of Triumph Development. Arc of Triumph Hotel Management is principally engaged in hotel business.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the audited financial information of Arc of Triumph Hotel Management for the years ended 31 December 2023 and 2024 respectively prepared in accordance with General Auditing Standards of Macau:

	For the year ended 31 December	
	2023	2024
	MOP million	MOP million
Net profit/(loss) before taxation	3.3	(28.7)
Net profit/(loss) after taxation	3.3	(28.7)

The decrease in net profit before and after taxation reported for the year ended 31 December 2024 was mainly attributable to the decrease in revenue derived from hotel rooms and sales of food and beverage. As at 31 August 2025, the unaudited net liabilities of Arc of Triumph Hotel Management was approximately MOP150.1 million (equivalent to approximately HK\$145.7 million).

LRA Property Management

LRA Property Management is a company incorporated in Macau which 100% equity interests are held directly and indirectly by Arc of Triumph Development. LRA Property Management is principally engaged in providing property management services to the owners in residential apartments of Le Royal Arc.

Set out below is the audited financial information of LRA Property Management for the years ended 31 December 2023 and 2024 respectively prepared in accordance with General Auditing Standards of Macau:

	For the year ended 31 December	
	2023	2024
	MOP million	MOP million
Net profit before taxation	0.2	0.1
Net profit after taxation	0.3	0.1

As at 31 August 2025, the unaudited net asset value of LRA Property Management was approximately MOP3.3 million (equivalent to approximately HK\$3.2 million).

As at 31 August 2025, the unaudited consolidated net liabilities of the Target Group was approximately MOP875.3 million (equivalent to approximately HK\$849.8 million).

The L'Arc Hotel

The L'Arc Hotel is situated at Nos. 238 – 320 Avenida 24 de Junho, NAPE, Macau with gross floor area of approximately 86,438 square meters and it comprises the hotel and commercial portion from G/F to 22/F and carpark facilities from B1/F to B3/F. Casino L'Arc Macau, located on the ground and first floors of the L'Arc Hotel, is currently operated by SJM Resorts under the L'Arc Services Agreement.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Reasons for and benefits of the Acquisition and the Loan

The Acquisition

The Acquisition aligns with SJM Resorts' strategic objective to consolidate and focus resources on locations that offer long-term value and synergies. The L'Arc Hotel is located within the Macau Peninsula, closely connected to the heart of the city and conveniently accessible by 5-minute drive from the Macau Ferry Terminal. Through the Acquisition, the Group will benefit from the synergies of operating the entire L'Arc Hotel with hotel accommodation, as well as food and beverage operations. The Acquisition is also expected to offer synergy with the existing operations of the Group given the proximity of the L'Arc Hotel to the Group's existing casinos such as Casino Lisboa, which will further strengthen the Group's foundation for sustainable growth and reinforce SJM Resort's market positioning in the Macau Peninsula. The L'Arc Hotel's central location and established operations make it an attractive asset, which is expected to enhance operational efficiency. Accordingly, the Board considers that the Acquisition will be of strategic importance to the long-term development of the Group.

In addition to the non-gaming synergistic benefits which the L'Arc Hotel is expected to bring to the Group's existing casinos, SJM Resorts also intends to apply to the Gaming Inspection and Coordination Bureau of Macau (*Direcção de Inspecção e Coordenação de Jogos*) (the “**DICJ**”) for the requisite approval to operate casino games of fortune at Casino L'Arc Macau as a self-owned, self-managed and self-operated casino (the “**DICJ Approval**”) immediately following Completion. As at the Latest Practicable Date, SJM Resorts operates a satellite casino at Casino L'Arc Macau under the profit-sharing model. As set out under the announcement of the Company dated 9 June 2025, under the Macau gaming law revised in 2022, SJM Resorts is allowed to operate satellite casinos under the profit-sharing model for a transition period of three years, ending on 31 December 2025 (“**Transition Period**”). Upon termination of the Transition Period, such satellite casinos must be directly owned by SJM Resorts or transition to a management agreement structure with no profit-sharing arrangement in order to continue to operate beyond 2025. If SJM Resorts is granted the DICJ Approval, SJM Resorts will be able to operate casino games of fortune at Casino L'Arc Macau beyond the Transition Period. Taking into account factors such as alignment with SJM Resorts' long-term objectives and competitiveness, the strategic location and well-established brand of Casino L'Arc Macau, the Group believes that continuing operations at Casino L'Arc Macau will be beneficial to the Group and in the best interests of the Company and its shareholders as a whole.

As mentioned above, Casino L'Arc Macau is currently operated by SJM Resorts under the L'Arc Services Agreement and a Termination Agreement (as defined below) has been entered into. As per the Acquisition Agreement, the Parties have also agreed that, during the interim period following Completion and until the DICJ Approval has been obtained, L'Arc Entertainment shall not invoice or otherwise charge any Service Fees (as defined below) and SJM Resorts shall be entitled to withhold payment of all amounts that would otherwise become due in respect of such Service Fees (as defined below), without such withholding constituting a breach of any obligation under the existing L'Arc Services Agreement. This would allow SJM Resorts to entitle to greater revenue from the operations at Casino L'Arc Macau from such date. In any event, based on the Termination Agreement (as defined below), the L'Arc Services Agreement will be terminated on the earlier of (i) date of receiving DICJ Approval; or (ii) 31 December 2025.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In accordance with the relevant Macau law, SJM Resorts will submit an application for the DICJ Approval immediately upon Completion and registration of the transfer of the shares in the Target Company. If SJM Resorts is granted the DICJ Approval prior to the end of the Transition Period, the Group expects operations at Casino L'Arc Macau to continue on an uninterrupted basis. If SJM Resorts is not granted the DICJ Approval prior to the end of the Transition Period, the Group intends to redeploy all the gaming tables currently placed at Casino L'Arc Macau to other casinos of SJM Resorts until the DICJ Approval is obtained. As such, the Group does not expect the application for the DICJ Approval to have a material adverse effect on the gaming operations of the Group as a whole. As of the Latest Practicable Date, SJM Resorts has received a written confirmation from the Macau Government of its intention to grant such approval prior to 31 December 2025, subject to the timely receipt of an application from SJM Resorts which complies with all applicable legal and procedural requirements.

The Acquisition also reflects the Group's commitment to its employees and the local community, as it will continue to provide stability and employment opportunities for Macau residents currently employed by the Target Group. If the DICJ Approval is granted, the continued operation of Casino L'Arc Macau is anticipated to be beneficial not only to the Group, but also to its shareholders, by preserving a meaningful revenue stream and ensuring compliance with local regulatory requirements, minimising operational disruption, and supporting the sustainable growth of the Company's Macau portfolio.

Although the Group notes the financial position of the Target Group as at the date of Acquisition Agreement, however, as stated in the sub-section headed "Consideration" in the Letter from the Board, the purchase price for the Target Company was determined on a debt-free basis and in view of the reasons for and benefits of the Acquisition as discussed above, the Acquisition is nevertheless still regarded as being in the interests of the Company and its Shareholders.

In light of the above, the Board (including the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee in the Circular and excluding Ms. Leong) is of the view the terms of the Acquisition Agreement are on normal commercial terms and fair and reasonable and that the Acquisition is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Loan and the Share Charge

As discussed in the sub-section headed “Consideration” in the Letter from the Board, upon completion of the Pre-sale Reorganisation and the Set-off of Intercompany Balances, the principal liabilities of the Target Group companies would comprise the ICBC Loan, which, as at the date of the Acquisition Agreement, has an outstanding balance of approximately HK\$1,927,525,000. As part of the commercial negotiations between the Parties, and as the Parties have determined the purchase price for the Target Company on a debt-free basis, the Parties have agreed that the Purchasers shall upon Completion procure the repayment of the ICBC Loan only up to an amount of HK\$1,749,825,243, which is equal to HK\$1,750,000,000 (being the valuation of the L’Arc Hotel property) less the Share Purchase Price; hence the total amount payable by Purchasers at Completion shall be HK\$1,750,000,000. As such, the Loan is provided to Ms. Leong under the Loan Agreement solely for the purpose of repayment of the Loan Shortfall (as defined below) and to facilitate the Acquisition. Given the reasons for and benefits of the Acquisition to the Group as discussed above, the Company considers it to be in the interests of the Company and its Shareholders to make the Loan to Ms. Leong so as to facilitate the Completion in an effective and efficient manner with minimised uncertainties.

The Loan will be funded by utilisation of credit facility of SJM Resorts (the “**Acquisition Facility**”). The interest rate of the Loan, which is determined after arm’s length negotiation with reference to the finance costs of SJM Resorts, is agreed to be equivalent to the interest rate payable by SJM Resorts from the utilised Acquisition Facility charged by independent third party financial institution, which would safeguard SJM Resorts’ interests by ensuring that the interest rates would commensurate with its cost of funding.

In addition, Ms. Leong is required to provide the Share Charge as a security based on a loan-to-value ratio of 50%. As a result, the value of the Share Charge would be greater than the principal amount of the Loan. Despite that the interest payment under the Loan will be accrued and be repaid only upon maturity, given the fact that (i) the interest rate charged under the Loan mirrors the same interest rate under the Acquisition Facility of the Group; and (ii) SJM Resorts will be provided with security by way of Share Charge not only on the principal amount but also on the accrued interest of the Loan, the Board considers the interest payment under the Loan is fair and reasonable.

Taking into account the above, and considering the Group is entitled to sell the pledged Shares and apply the proceeds onto the repayment of any outstanding amounts in the case of default by Ms. Leong, the Directors are of the view that the risk exposure of the Loan is adequately mitigated by the above measures.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Taking into account the above, and after further considering that (i) the expected financial effect of the Acquisition and the Loan to the Group would be immaterial; and (ii) the Loan Agreement is entered into on normal commercial terms after arm's length negotiations and taking into account, among other things, the back-to-back interest rate under the Loan Agreement and the Share Charge, the Board (including the independent non-executive Directors whose views are set out in the letter from the Independent Board Committee in the Circular and excluding Ms. Leong) is of the view that the terms of the Loan Agreement are fair and reasonable, and the Loan and transactions contemplated under the Loan Agreement, although are not in the ordinary and usual course of business, are to be entered into on normal commercial terms, and in the interests of the Company and the Shareholders as a whole.

Our view

The L'Arc Hotel and where Casino L'Arc Macau is located, has strong geographic advantage to compete with its competitors

The L'Arc Hotel, and Casino L'Arc Macau, is located within the Macau Peninsula, closely connected to the heart of the city and conveniently accessible by a 5-minute drive from the Macau Ferry Terminal. With a few minute walking distance from the L'Arc Hotel, top international hotels and casinos, such as Hotel Wynn Macau, MGM Macau, StarWorld Hotel, are located. Through the Acquisition, it provides the Group with a strong geographic advantage to directly compete with its top competitors both in hotel and casino businesses.

Contribution of Casino L'Arc Macau to the Group is significant

Revenue from satellite casinos have been an important revenue source to the Group. Based on the annual report of the Company for the past six years ended 31 December 2024, gross revenue from satellite casinos had contributed approximately 38% to 63% and 38% to 65% of the Group's gross gaming revenue and total revenue respectively.

As set out in the Letter from Board, in order to comply with the Macau gaming law revised in 2022, the properties where such satellite casinos operate must be directly owned by SJM Resorts or transition to a management agreement structure with no profit-sharing arrangement in order to continue to operate beyond 2025. As set out in the announcement of the Company dated 9 June 2025 (the "**June Announcement**"), the Group operated a total of nine satellite casinos, but the Board had decided not to continue gaming operations at the following seven satellite casinos beyond 31 December 2025: namely Casino Casa Real, Casino Emperor Palace, Casino Fortuna, Casino Grandview, Casino Kam Pek Paradise, Casino Landmark, and Casino Legend Palace. Further, as set out in an announcement of the Company dated 20 November 2025, among others, Casino Ponte 16 will officially cease operations ahead of schedule at 23:59 on 28 November 2025. As advised by the Management, following coordination with the relevant government authorities and the relevant service providers, the Group has ceased the operation of four satellite casinos, namely Casino Emperor Palace, Casino Grandview, Casino Legend Palace and Casino Casa Real since the date of the June Announcement. As at the Latest Practicable Date, the Group operated five satellite casinos.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As further advised by the Management, Casino L'Arc Macau was one of the four best performing satellite casinos of the Group. As such, it is considered that Casino L'Arc Macau is one important income source to the Group.

The L'Arc Hotel is a well-established five star hotel

The L'Arc Hotel was officially opened on 21 September 2009. It is noted that it has been operating for a long history of over 16 years. The L'Arc Hotel is rated as a five-star hotel with a total of 283 hotel rooms. The L'Arc Hotel has provided guests with a wide range of room types, including deluxe room, premier room, suite, director suite and duplex room with outdoor garden. Inside the L'Arc Hotel, there are different entertainment facilities, such as swimming pool, gym room, club, sauna and casino. Guests can also enjoy certain shopping experiences in the L'Arc Hotel covering jewellery, healthcare products, fashion and leather products. Last but not least, a variety of cuisines is available, such as Chinese cuisine, coffee shop, bar and restaurant.

As further advised by the Management, the average monthly occupancy rate of the L'Arc Hotel for 2023, 2024 and for the nine months ended 30 September 2025 was approximately 94.3%, 96.7% and 96.9% respectively.

Based on the above, we concur with the Board's view that the L'Arc Hotel, which we consider it is a well-established five-star hotel with long history and comprehensive service offerings to guests, is an attractive asset to enhance the Group's current hotel portfolio as discussed below.

Increase the Group's hotel portfolio and promote its market share in luxury hotel section in Macau

As at the Latest Practicable Date, the Group operated two five-star or above hotels, namely the Grand Lisboa Palace Resort hotel (which is located in Cotai, Macau), and the Grand Lisboa hotel (which is located in the Macau Peninsula). The Macau Peninsula, where the Casino L'Arc Macau is located, is the historic heart of Macau. Certain major landmarks and attractions are located in the Macau Peninsula. It also has geographical advantage that is conveniently accessible by a 5-minute drive from the Macau Ferry Terminal.

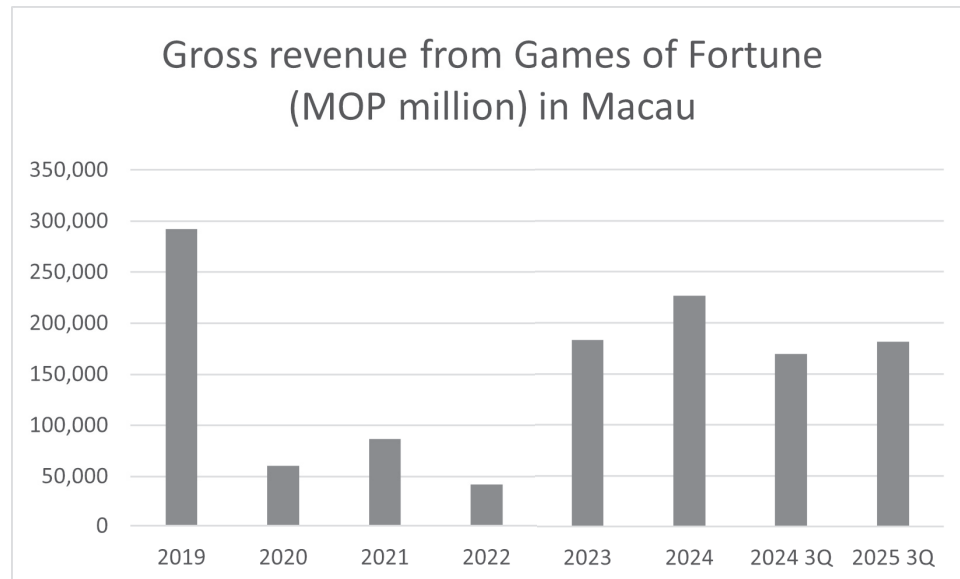
Based on the information from Macao Government Tourism Office, we note that there are 17 five-star or above hotels located in the Macau Peninsula. Upon Completion, the Group will own two out of 17 five-star or above hotels in the Macau Peninsula and a total of three five-star or above hotels in Macau.

As such, the Acquisition allows the Company to increase the Group's hotel portfolio and promote its market share position in luxury hotels at prime locations in Macau.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Gaming and hotel industries in Macau are robust

(1) Gaming industry

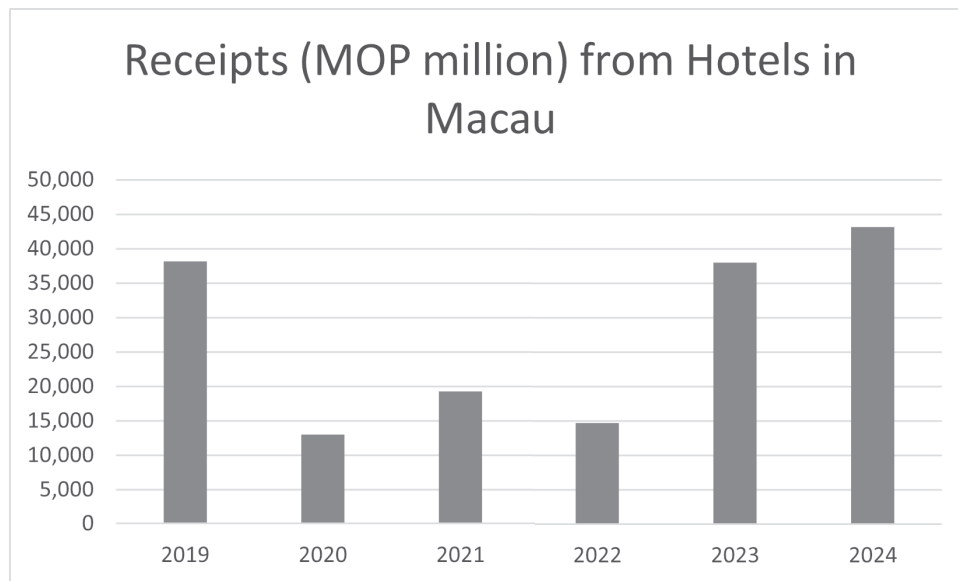


Source: the DICJ

According to latest statistics published by the DICJ, the gross revenue from games of fortune in Macau had plummeted from approximately MOP292,455 million in 2019 to MOP60,441 million in 2020. It was believed that such decrease was mainly attributable to, among others, the outbreak of coronavirus disease in late 2019. Since 2020, the gross revenue from games of fortune in Macau had showed a general upward trend. As shown in chart above, the gross revenue from games of fortune in Macau increased from approximately MOP60,441 million in 2020 to MOP226,782 million in 2024, representing a compound annual growth rate of approximately 39%. In 2024, the gross gaming revenue from games of fortune in Macau has also reached a peak high. For the third quarter of 2025, the gross gaming revenue from games of fortune in Macau was approximately MOP181,341 million, representing an increase of approximately 7.1%, as compared to that of approximately MOP169,355 million in the corresponding period in 2024.

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(2) Hotel industry



Source: Government of Macao Special Administrative Region Statistics and Census Services

According to latest statistics published by the Government of Macao Special Administrative Region Statistics and Census Services, the receipts from hotels in Macau had plummeted from approximately MOP38,271 million in 2019 to MOP13,036 million in 2020. It was believed that such decrease was mainly attributable to, among others, the outbreak of coronavirus disease in late 2019. Since 2020, the receipts from hotels in Macau had showed a general upward trend. As shown in the chart above, the receipts from hotels in Macau increased from approximately MOP13,036 million in 2020 to MOP43,305 million in 2024, representing a compound annual growth rate of approximately 35%. In 2024, the receipts from hotels in Macau has also reached a peak high.

Based on the above, we consider that the gaming industry and hotel industry in Macau are robust and the Acquisition allows the Company to capture the benefit from not only maintaining the casino business but also expanding the hotel business, both of which are being the principal business segments of the Group.

Having considered the above, we concur with the Board that the Acquisition is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

5. Principal Terms of The Acquisition Agreement

The principal terms of the Acquisition Agreement are set out below:–

Date: 20 November 2025 (after trading hours)

Parties: (i) Goldarch Holdings Limited (as a Vendor);
(ii) Solar King Investments Limited (as a Vendor);
(iii) Ms. Leong On Kei (as the Guarantor);
(iv) SJM-Investment Limited (as a Purchaser); and
(v) SJM Resorts, Limited (as a Purchaser).

(collectively, the “**Parties**”)

Each of the Vendors is indirectly wholly-owned by Ms. Leong, being a Director.

Subject matter

Subject to the terms and conditions of the Acquisition Agreement, the Vendors have agreed to sell, and the Purchasers have agreed to acquire, the entire issued share capital of the Target Company.

Pre-sale Reorganisation and the Set-off of Intercompany Balances

Pursuant to the terms of the Acquisition Agreement, subject to the terms and conditions thereunder, the Target Group will complete the Pre-sale Reorganisation prior to Completion, such that immediately prior to Completion, the Target Group will only comprise the Target Company and its subsidiaries, Arc of Triumph Hotel Management and LRA Property Management. At the time of entering into the Acquisition Agreement, the Target Group companies consist of the Target Company, Arc of Triumph Hotel Management, LRA Property Management, and other subsidiaries namely L’Arc Consultancy Company Limited, Genius Union Consultant Limited and Arc of Triumph Hotel Management (HK) Limited.

A simplified Target Group structure before and after the Pre-sale Reorganisation are set out in the sub-section headed “Pre-sale Reorganisation and Set-off of Intercompany Balances” in the Letter from the Board. As at the Latest Practicable Date, the Pre-sale Reorganisation has not been completed.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As disclosed in the sub-section headed “Conditions precedent” in the Letter from the Board, under condition (xiii), it was further agreed between the Parties that a Set-off of Intercompany Balances will be completed prior to Completion, such that all loans and current accounts between the Target Group companies and any Vendors’ group company or the Guarantor (or any affiliate of any of them) will be repaid and satisfied or otherwise set-off in full, together with all accrued but unpaid interest and any tax exposure arising from the settlement of these loans and current accounts, and all related security being fully and unconditionally discharged, on or before Completion. Based on the latest unaudited consolidated accounts of the Target Group for the eight months ended 31 August 2025, the Set-off of Intercompany Balances involved using outstanding amounts due to the Target Group of approximately MOP3,783,311,676 (or approximately HK\$3,673,118,132) and outstanding amounts payable by the Target Group of approximately MOP3,283,903,026 (or approximately HK\$3,188,255,365).

Upon completion of the Pre-sale Reorganisation and the Set-off of Intercompany Balances:

- (i) the principal assets of the Target Group will comprise the L’Arc Hotel. Based on the property valuation of the L’Arc Hotel issued by CBRE Advisory Hong Kong Limited (an independent professional valuer) for the purposes of the Acquisition, the market value of the L’Arc Hotel was approximately HK\$1,750,000,000 as at 30 September 2025; and
- (ii) the principal liabilities of the Target Group will comprise mainly the ICBC Loan, the outstanding amount of which as at the date of Acquisition Agreement was HK\$1,927,525,000.

Consideration

The Parties have determined the purchase price for the Target Company on a debt-free basis.

Taking into account the net liabilities position of the Target Group and the loss-making performance of the Target Group for the latest financial year, after arm’s length negotiations between the Parties, the Parties have agreed that: (i) the purchase price of all the issued shares of the Target Company under the Acquisition Agreement shall be their nominal value, being MOP180,000 (or approximately HK\$174,757) (the “**Share Purchase Price**”); and (ii) the Purchasers shall upon Completion procure the repayment of the ICBC Loan up to an amount of HK\$1,749,825,243 which is equal to HK\$1,750,000,000 (being the valuation of the L’Arc Hotel property) less the Share Purchase Price. Hence the total amount payable by the Purchasers at Completion shall be HK\$1,750,000,000 which is equal to the Valuation of the L’Arc Hotel as at 30 September 2025, and will be funded by the Acquisition Facility of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Under the terms of the Acquisition Agreement, the Parties have further agreed that Ms. Leong and the Vendors shall procure the repayment, simultaneously with Completion, of (i) the balance of the ICBC Loan, being the sum of HK\$177,525,000 and HK\$174,757 (in aggregate, the “**Loan Balance**”), which will be financed by the Loan and the Share Purchase Price, respectively; and (ii) all interest accrued to the date of Completion and related repayment expenses in relation to the ICBC Loan. As part of the negotiation of the terms of the Acquisition, SJM Resorts has agreed to advance the Loan of HK\$177,525,000 (being the Loan Balance less the Share Purchase Price, hereafter referred to as the “**Loan Shortfall**”) to Ms. Leong to finance her portion of the repayment of the ICBC Loan, in accordance with the terms of the Loan Agreement. For further information on the Loan, please refer to the section headed “(C) THE LOAN” in the Letter from the Board.

The repayment of the Purchaser’s portion of the ICBC Loan and the advancement of the Loan, are expected to be funded by the Group’s Acquisition Facility. As at the Latest Practicable Date, the Group had available Acquisition Facility amount of approximately HK\$3,325 million, which is sufficient to satisfy its portion of the ICBC Loan and the advancement of the Loan.

Based on the information provided by the Vendors, the last acquisition cost of the Target Group in 2020 was based on a valuation of approximately HK\$3.5 billion.

Closing Accounts and Closing Accounts payments

Following the determination of the Cash, Indebtedness and Working Capital which shall be derived from the Closing Accounts:

- (i) the Vendors shall be entitled to receive by way of a Closing Accounts payment of HK\$1 for each HK\$1 by which Cash and Working Capital net of Indebtedness exceeds HK\$0, up to a maximum aggregate amount of HK\$16 million; and
- (ii) the Purchasers shall be entitled to receive by way of a Closing Accounts payment of HK\$1 for each HK\$1 by which Cash and Working Capital net of Indebtedness is less than HK\$0.

Such Closing Accounts payments shall become payable on the Business Day which is or immediately follows the date which is 14 days after the final agreement or determination of Working Capital, Cash and Indebtedness and shall be paid to the Vendors in cash, or such other settlement method agreed by the Parties in writing (including, for the avoidance of doubt, any set-offs or extensions of proportionate amounts due pursuant to the Loan Agreement).

The maximum aggregate amount of HK\$16 million payable to the Vendors is an estimate determined with reference to the unaudited consolidated total asset of the Target Group as at 31 August 2025, excluding the book value of the L’Arc Hotel and assuming completion of the Pre-sale Reorganisation and the Set-off of Intercompany Balances.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Conditions precedent

Completion is conditional on the following conditions being satisfied (or, if applicable, waiver) on or before the Longstop Date:

- (i) the making of such enquiries, investigations and due diligence reviews of the business, affairs, operations, commercial, legal, financial, tax and accounting position of the Target Group by the Purchasers and any of its officers, employees, agents, professional advisers or other persons authorised by the Purchasers which the Purchasers in their absolute discretion deem necessary, desirable or appropriate, and confirmation by the Purchasers that the results of such enquiries, investigations and due diligence reviews are satisfactory to the Purchasers;
- (ii) in relation to each Vendor, the passing, notarisation and legalisation of board resolutions, in a form and content acceptable to the Purchasers, (a) approving the sale of the shares of the Target Company owned respectively by each of those Vendors pursuant to the Acquisition Agreement, and (b) appointing authorised signatories to execute the documents related to the Acquisition;
- (iii) the passing of resolutions by the board of directors of SJM Resorts and resolutions by the shareholders of SJM Investment, (a) approving the purchase of the shares of the Target Company pursuant to the Acquisition Agreement and (ii) appointing authorised signatories to execute the documents related to the Acquisition;
- (iv) the passing of all required resolutions by shareholders of the Company approving the Acquisition in accordance with the Listing Rules;
- (v) the actions and events comprising the Pre-sale Reorganisation being fully and effectively completed to the Purchasers' satisfaction, in accordance with the terms of the Acquisition Agreement;
- (vi) the obtaining of all mandatory or appropriate consents, approvals, clearances and permission by the Vendors, the Purchasers, the Guarantor and any Target Group company in relation to the Acquisition and the Loan Agreement, including but not limited to:
 - (a) the authorisation of the transmission of the hotel property (L'Arc Hotel) by the Chief Executive of Macau as required under Article 154 of the Land Law and Clause 11.2 of the Land Concession Agreement, with no terms and conditions attached which are unacceptable to the Purchasers in their absolute discretion;
 - (b) the authorisation of the Loan Agreement by the Secretary of Economy and Finance of Macau; and
 - (c) the compliance of all applicable requirements imposed by the Stock Exchange in respect to the Acquisition;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (vii) the termination of all existing agreements between any Target Group company and any affiliate of the Guarantor on terms to the satisfaction of the Purchasers (other than (a) existing agreements among the Target Group companies^{Note 1}; and (b) such other existing agreements which the Purchasers, in their absolute discretion, elect and specify to be maintained in writing);
- (viii) the termination of such occupational agreements^{Note 2} (other than the occupational agreements entered into with the other Target Group companies) in respect of L'Arc Hotel as the Purchasers may specify prior to Completion at the Vendors' costs;
- (ix) completion of the drawdown of bank financing by SJM Resorts for the purpose of partial repayment of the ICBC Loan;
- (x) all requisite consents to the Acquisition having been obtained from the existing lenders of the Target Group companies for the proposed repayment of the ICBC Loan, all indebtedness of the Vendors and the Guarantor and all intra-group indebtedness;
- (xi) the full repayment of all outstanding indebtedness owed by any Target Group company to the existing lenders of the Target Group companies immediately prior to the Completion^{Note 3}, and the discharge and release of all existing encumbrances, other than the ICBC Loan or encumbrances in connection therewith (which will be discharged simultaneously on Completion);
- (xii) a term extension request to be submitted by Arc of Triumph Hotel Management to the Macau Labour Department requesting the extension of the deadline stipulated in the work permits and applicable legislation;
- (xiii) all loans and current accounts between the Target Group companies and any Vendor group company or the Guarantor (or any affiliate of any of them), whether such loans are documented or undocumented, being repaid and satisfied in full, or otherwise set-off or written-off, together with all accrued but unpaid interest and any tax exposure arising from the settlement of these loans and current accounts, and all related security being fully and unconditionally discharged;

Note 1 Existing agreements among the Target Group companies described therein mainly refer to, among others, service agreements for the L'Arc Hotel property. Existing agreements among the Target Group and affiliates of Ms. Leong that the Purchasers intend to maintain include ongoing tenancy agreements.

Note 2 The occupational agreements mentioned therein mainly refer to the existing tenancy agreements between the Target Group companies with other third parties in relation to the leasing of retail/commercial areas of the L'Arc Hotel property.

Note 3 Based on the latest unaudited consolidated accounts of the Target Group for the eight months ended 31 August 2025, outstanding indebtedness owed by the Target Group mentioned therein are mainly relating to account payables, operation expense accruals and provisions as well as fees received in advance. Such amounts are due to independent third parties of the Target Group.

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(xiv) the opening of bank accounts in the name of each Target Group company with mandates issued giving authority to persons nominated by the Purchasers to operate such accounts following Completion; and

(xv) the Vendor warranties remaining true and accurate and not misleading in any material respect at Completion as if repeated at Completion and at all times between the date of the Acquisition Agreement and Completion.

The Purchasers may, by notice to the Vendors, waive the conditions precedent set out in (i), (ii), (v), (vii), (viii), (ix), (xi), (xii), (xiii), (xiv) and (xv) in whole or in part at any time on or before the Longstop Date.

The right to waive conditions precedent set out above are exercisable only by the Purchasers and exercisable at its sole discretion. The availability of such right to the Company which, if exercised, will be exercised only when it is in the best interest of the Company to do so. This right provides greater flexibility and is considered to be fair, reasonable and in the interests of the Company and its Shareholders. As at the Latest Practicable Date, none of the conditions precedent has been waived and/or fulfilled and the Purchasers do not have current intentions to waive any of the conditions precedent set out above.

Completion

Subject to the satisfaction or (if capable of waiver) waiver of all the conditions, Completion will take place on 18 December 2025 or such other date and time as the Parties shall agree.

Immediately after Completion, each of the Target Group companies will become an indirect subsidiary of the Company.

Post-Completion

Immediately upon Completion and registration of the transfer of shares in the Target Company, SJM Resorts shall apply to the DICJ for the DICJ Approval. Under the terms of the Acquisition Agreement, the Vendors shall use all reasonable endeavours to provide assistance to SJM Resorts in connection with such application.

As of the Latest Practicable Date, SJM Resorts has received a written confirmation from the Macau Government of its intention to grant such approval prior to 31 December 2025, subject to the timely receipt of an application from SJM Resorts which complies with all applicable legal and procedural requirements.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Termination of the L'Arc Services Agreement

Casino L'Arc Macau is currently operated by SJM Resorts under the L'Arc Services Agreement. As a result of the Acquisition, on the same date of the Acquisition Agreement, a termination agreement ("**Termination Agreement**") was entered into between SJM Resorts and L'Arc Entertainment, pursuant to which (i) services under the L'Arc Services Agreement regarding the operation of Casino L'Arc Macau as a satellite casino will cease from the date of Completion; and (ii) the L'Arc Services Agreement will be terminated in its entirety at the earlier of (a) date of receiving DICJ Approval; or (b) 31 December 2025.

Pursuant to the Acquisition Agreement, following Completion and until the DICJ Approval has been obtained, L'Arc Entertainment shall not be entitled to any service fees or other compensation that would otherwise be payable pursuant to the L'Arc Services Agreement (the "**Service Fees**"). The Parties agree that L'Arc Entertainment shall only be entitled to invoice or otherwise charge SJM Resorts for amounts that become due in respect of such Service Fees up to and until 23:59 p.m. on the Completion date.

For further information on the Termination Agreement, please refer to the Announcement.

Termination

The Acquisition Agreement shall automatically terminate with immediate effect and each Party's rights and obligations shall cease to have force and effect:

- (i) if, before Completion, the Purchasers become aware that any of the warranties provided by the Vendors under the Acquisition Agreement that is material to the sale of the shares of the Target Company was at the date of the Acquisition Agreement, or has since become, untrue or misleading or has been breached, whether or not such breach is repudiatory, and the Purchasers give notice to the Vendors that they wish to terminate;
- (ii) if, before Completion, any of the Vendors is in breach, whether repudiatory or not, of any term of the Acquisition Agreement which is material to the sale of the shares of the Target Company and the Purchasers give notice to the Vendors that they wish to terminate;
- (iii) if, before Completion, any event occurs which would have, or could be reasonably expected to have, or be likely to result in, a material adverse effect on the financial position or business prospects of the Target Group and the Purchasers give notice to the Vendors that they wish to terminate;

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- (iv) if the Purchasers give notice to the Vendors that they wish to terminate the Acquisition Agreement in the case that one or more of the conditions precedent of the Acquisition Agreement (a) remains unsatisfied on the Longstop Date and has not been waived on or before that date; or (b) becomes impossible to satisfy on or before the Longstop Date and, if it is a condition precedent which can be waived by a Party, has not been waived within five Business Days of such party becoming aware that such condition precedent has become impossible to satisfy;
- (v) if the Vendors have not complied with the requirements of the Vendors' completion obligations under the Acquisition Agreement at the time and on the date set for Completion, and the Purchasers give notice to the Vendors that they wish to terminate the Acquisition Agreement; or
- (vi) if the Parties fail to repay the ICBC Loan in full and fully release all guarantors from liability for the ICBC Loan agreement upon the terms and subject to the conditions set out in the Acquisition Agreement.

6. The Loan

Loan Agreement

Pursuant to the Acquisition Agreement, and subject to authorisation by the Secretary of Economy and Finance of Macau, prior to Completion, the Loan Agreement will be entered into pursuant to which SJM Resorts intends to advance the Loan in the principal amount of HK\$177,525,000 (being the Loan Shortfall) to Ms. Leong with a term of three years to finance her portion of the repayment of the ICBC Loan. Set out below are the principal terms of the Loan Agreement.

Lender	:	SJM Resorts
Borrower	:	Ms. Leong
Principal amount	:	HK\$177,525,000
Use of the Loan	:	Repayment of the Loan Shortfall under the ICBC Loan to ICBC.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Pursuant to the Acquisition Agreement, in the event that, following Completion, any payments that become payable by any Party to another Party in accordance with the terms of the Acquisition Agreement (“**Settlement Amount**”), the Parties agree that:

- (i) if a Settlement Amount becomes payable by any of the Vendors or Ms. Leong to the Purchasers under the terms of the Acquisition Agreement, and the Vendors or Ms. Leong (as the case may be) fails to make such payment on the date when it falls due under the Acquisition Agreement, and the Parties agree that the relevant clause under the Acquisition Agreement and Loan Agreement shall apply, subject to all applicable laws and regulations (including without limitation the Listing Rules), such Settlement Amount (or if applicable, its equivalent in Hong Kong dollar) shall be consolidated to and form part of the Loan on and from its due date. For the avoidance of doubt, subject to all applicable laws and regulations (including without limitation the Listing Rules), such Settlement Amount (or if applicable, its equivalent in Hong Kong dollar) shall be treated as part of the principal amount of the Loan and accrue interest at the applicable interest rate on and from the due date (inclusive), provided that such Settlement Amount (or if applicable, its equivalent in Hong Kong dollar) and any interest accrued thereon shall remain payable by the Vendors to the Purchasers on demand;
- (ii) if a Settlement Amount becomes payable by any of the Purchasers to any Vendor under the Acquisition Agreement, subject to all applicable laws and regulations (including without limitation the Listing Rules), the principal amount of the Loan shall be reduced automatically by an amount equal to that Settlement Amount (or if applicable, its equivalent in Hong Kong dollar) on and from the date on which such Settlement Amount becomes payable by the Purchasers to the Vendors under the Acquisition Agreement and that Settlement Amount should be deemed satisfied by way of set-off; and
- (iii) if any of the Settlement Amount is denominated in a currency other than Hong Kong dollar, the Settlement Amount may be converted at a specified exchange rate or otherwise at a foreign exchange rate reasonably chosen by SJM Resorts.

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Loan term	:	Three (3) years
Interest	:	<p>The interest rate for the Loan shall mirror the same interest rate determined under the Acquisition Facility of the Group.</p> <p>Accrued interest on the Loan shall be paid on the date on which the Loan becomes due and payable.</p>
Repayment period	:	The Borrower shall repay the Loan on the date of the third anniversary of Completion date.
Prepayment	:	Any time prior to the Maturity Date and with at least seven Business Days' prior written notice.
Security	:	The initial security level of the Share Charge is determined based on a loan-to-value ratio (" LTV Ratio ") of 50%, calculated using the following formula:

$$\text{Loan-to-value ratio} = \frac{A}{B}$$

Where:

A = the total sum of principal accrued and interest accrued under the Loan; and

B = the value of the Share Charge

The number of Shares subjected to the Share Charge is calculated based on the weighted average price of the closing price per Share published by the Stock Exchange for the last 30 trading days prior to the date of the Deed of Share Charge.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

At any time on or after the occurrence of an event of default under the Loan Agreement, the security created pursuant to the Deed of Share Charge shall be immediately enforceable and SJM Resorts may in its absolute discretion and without notice to Ms. Leong or the prior authorisation of any court:

- (a) enforce all or any part of the security created by the Deed of Share Charge and take possession of or dispose of all or any of the Charged Shares in each case at such times and upon such terms as it sees fit; and
- (b) whether or not it has appointed a receiver, exercise all of the powers, authorities and discretions granted to a receiver by the Deed of Share Charge or by law.

Default interest : If the Borrower fails to pay any amount payable on the due date, interest shall accrue on the unpaid amount from the due date up to the date of actual payment (both before and after judgement) at a rate of 3% per annum above the interest rate which would have been payable if the unpaid amount had, during the period of non-payment, constituted a part of the Loan in the currency of the unpaid amount for successive interest periods, each of a duration selected by the Lender (acting reasonably) (“**Default Interest**”). Such Default Interest mirrors the default interest under the Acquisition Facility of the Group.

Events of default : Upon occurrence of any of the following events, the Lender shall have the right to cancel drawdown and/or declare all or part of the Loan, together with interest and all other amounts accrued or outstanding under the Finance Documents, including any applicable Default Interest, be immediately due and payable, whereupon they shall become immediately due and payable; and/or demand immediate repayment of the Loan together with interest and all other amounts accrued or outstanding under the Finance Documents, including any applicable Default Interest, and/or exercise any or all of its rights, remedies, powers or discretions under the Finance Documents (including enforcing any Transaction Security) or under applicable law:

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- (a) The Borrower fails to pay any amount due and payable (other than capitalised interest) by her under a Finance Document at the place/and in the currency in which it is expressed to be payable unless failure to pay is caused by an administrative or technical errors and the payment is made within three Business Days of its due date;
- (b) The Borrower does not comply with any of the provisions of the Finance Documents;
- (c) Any representation or statement made or deemed to be made by the Borrower in any Finance Document or any other document delivered by or on behalf of the Borrower under or in connection with any Finance Document is or proves to have been incorrect or misleading in any material respect when made or deemed to be made;
- (d) The Borrower is presumed or deemed under applicable laws or regulations to be unable to, or admits inability to, pay her debts as they fall due, suspends making payments on any of her debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors (excluding the Lender in its capacity as such) with a view to rescheduling any of her indebtedness;
- (e) A moratorium is declared in respect of her indebtedness;
- (f) Any action, legal proceedings or other procedure or step is taken in relation to:
 - a. the suspension of payments, a moratorium of any indebtedness, of the Borrower;
 - b. a composition, compromise or arrangement with any creditor of the Borrower, or an assignment for the benefit of creditors generally of the Borrower or a class of such creditors;
 - c. the appointment of a liquidator, bankruptcy officer, receiver, administrator, administrative receiver, compulsory manager, provisional supervisor or other similar officer in respect of the Borrower or any of its assets; or

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- d. enforcement of any security over any assets of the Borrower, or any analogous procedure or step is taken in any jurisdiction.
- (g) Any expropriation, attachment, sequestration, distress or execution affects any asset or assets of the Borrower having an aggregate value of not less than HK\$5,000,000 and is not discharged within 15 days;
- (h) It is or becomes unlawful for the Borrower to perform any of her obligations under the Finance Documents or any Transaction Security created or expressed to be created or evidenced by the Transaction Security Documents ceases to be effective;
- (i) Any obligation or obligations of the Borrower under any Finance Documents are not or cease to be legal, valid, binding or enforceable and the cessation individually or cumulatively materially and adversely affects the interests of the finance parties under the Finance Documents;
- (j) Any Finance Document ceases to be in full force and effect or any Transaction Security ceases to be legal, valid, binding, enforceable or effective or is alleged by a party to it (other than a Lender) to be ineffective; or
- (k) The Borrower (or any other relevant party) rescinds or purports to rescind or repudiates or purports to repudiate a Finance Document or any of the Transaction Security or evidences an intention to rescind or repudiate a Finance Document or any Transaction Security.

The Deed of Share Charge has not been entered into as at the Latest Practicable Date. For illustrative purposes only and with reference to the LTV Ratio mechanism outlined above, the current expected number of Charged Shares would be approximately 143,057,717, assuming the calculation based on the weighted average price of the closing price per Share published by the Stock Exchange for the last 30 trading days prior to the date of the Acquisition Agreement.

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Our view

As set out in the Letter from the Board, the Loan is expected to be funded by utilisation of the Acquisition Facility of the Group and we noted that the interest rate of the Loan shall mirror the same interest rate determined under the Acquisition Facility.

We have reviewed the loan document in relation to the Acquisition Facility and noted that the amount of loan facilities thereunder is sufficient to cover the Loan.

To further assess the fairness and reasonableness of the terms of the Loan Agreement regarding the Default Interest rate and the accrued interest repayment arrangement, we have conducted our independent research based on comparable analysis through identifying the provision of loan announced by companies listed on the Main Board and GEM of the Stock Exchange between 20 June 2025 and the date of the Announcement (the “**Comparison Review Period**”). We consider that the Comparison Review Period is sufficient as it is intended to identify the most recent loan transactions conducted by companies listed on the Main Board and GEM of the Stock Exchange under the market conditions and sentiment similar to that of the Loan, thus allowing reasonable comparison of their commercial terms. Given that (i) such period would provide us with recent and relevant information to demonstrate the prevailing market practice prior to the Announcement under the prevailing market conditions; and (ii) we are able to identify sufficient and reasonable sample size for selection of comparables within the Comparison Review Period, we consider the Comparison Review Period of approximately 5 months is fair and reasonable. Based on the aforementioned criteria, on a best effort basis, we have noted and reviewed an exhaustive list of 60 similar loan transactions (together the “**Loan Comparables**”).

Notwithstanding that the subject companies constituting the Loan Comparables may have different principal activities, market capitalisation, profitability and financial position as compared with those of the Company, we would still consider, in light of our selection criteria, capturing recent loan transactions by listed companies under similar market conditions and sentiments can provide Shareholders with a broad perspective of recent market trend of this type of transaction which is similar to that of the Loan Agreement.

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Default Interest

Under the Loan Agreement, the Default Interest is set at a rate of 3% per annum above the interest rate for the Loan.

Among 60 Loan Comparables, we noted that 7 Loan Comparables have disclosed the term on the default interest in their respective announcements, details of which are set out below:

Date of announcement	Company name	Stock code	Default Interest
17/11/2025	Tianjin Capital Environmental Protection Group Company Limited	1065	a default interest at the agreed interest rate of the Loan plus 30% or 50% (or plus 1.05% or 1.75%) (<i>Note 1</i>)
7/11/2025	Legend Upstar Holdings Limited	459	15% per annum on a day-to-day basis
21/10/2025	Neo-Neon Holdings Limited	1868	0.01% per day on the default amount (or 3.65%) (<i>Note 2</i>)
22/9/2025	Legend Upstar Holdings Limited	459	10% per annum on a day-to-day basis
29/8/2025	China Everbright Limited	165	a daily rate of 0.03% calculated on the number of days in arrears (or 10.95%) (<i>Note 2</i>)
7/7/2025 (<i>Note 3</i>)	Zero Fintech Group Limited	93	additionally 3% per annum

Note 1 The interest rates are calculated based on the interest rate of 3.5% as disclosed in the announcement of Tianjin Capital Environmental Protection Group Company Limited.

Note 2 The interest rates are calculated on a 365-day basis.

Note 3 The announcement of Zero Fintech Group Limited involved two loan agreements, both of which charge a default rate of additional 3% per annum over the interest rate.

The default interests of the Loan Comparables range from 1.05% to 15% above the respective interest rates. The Default Interest under the Loan Agreement at a rate of 3% per annum above the interest rate is within the range of the Loan Comparables.

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Accrued interest repayment arrangement

Under the Loan Agreement, the accrued interest on the Loan shall be paid on the date on which the Loan becomes due and payable, being the date of the third anniversary of Completion date (the “**Accrued Interest Repayment Arrangement**”).

Among 60 Loan Comparables, we noted that 3 Loan Comparables have similar interest repayment arrangement as disclosed in their respective announcements, details of which are set out below:

Date of announcement	Company name	Stock code	Interest payment period and arrangement	Term
24/10/2025	Shenzhen Investment Limited	604	The borrowers shall repay the principal amount of each tranche of the loans, together with all accrued interest thereon, in full on the respective maturity date.	36 months
25/6/2025	Allied Group Limited	373	One-off repayment of the outstanding principal	ending on 31 May 2028
	Tian An China Investments Company Limited	28	amount of the shareholder’s loan, together with the accrued interest, at the end of the term of the shareholder’s loan.	
20/6/2025	China Jinmao Holdings Group Limited	817	In principle, loans are one-off repayment of principal and interest.	36 months

Based on the above, we consider that the Accrued Interest Repayment Arrangement is not uncommon in the market.

In view that (i) the Loan is a part and parcel of the Acquisition to facilitate the Acquisition; (ii) the benefits from the Acquisition as set out in the section headed “4. Reasons for and benefits of the Acquisition and the Loan” above; (iii) the interest rate of the Loan is set to be equivalent to the interest rate of the Acquisition Facility; (iv) the Loan shall be secured by the Share Charge with a LTV Ratio of 50%, and we also noted the number of Shares subjected to the Share Charge shall not only cover the loan principal but also the interest payment; (v) the Default Interest is within the range of the Loan Comparables; and (vi) the Accrued Interest Repayment Arrangement is not uncommon in the market, we consider the terms of the Loan Agreement to be fair and reasonable.

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7. The Share Purchase Price

According to the Acquisition Agreement,

- (i) the Target Group will complete the Pre-sale Reorganisation and the Set-off of Intercompany Balances immediately prior to Completion, such that the principal assets of the Target Group will comprise mainly the L'Arc Hotel with the market value of approximately HK\$1,750,000,000 as at 30 September 2025 (details of which are set out in the section headed "8. The Valuation" below) while the principal liabilities of the Target Group will comprise mainly the ICBC Loan of approximately HK\$1,927,525,000 as at the date of the Acquisition Agreement;
- (ii) the Share Purchase Price is agreed at MOP180,000 (or approximately HK\$174,757), to be paid by the Purchasers to the Vendors;
- (iii) as disclosed in paragraph (i) above, the ICBC Loan was approximately HK\$1,927,525,000, which shall be repaid, as to (i) HK\$1,749,825,243 (being the valuation of the L'Arc Hotel of HK\$1,750,000,000 less the Share Purchase Price of HK\$174,757) by the Purchasers upon Completion; and (ii) the balance of the ICBC Loan as to HK\$177,699,757 (being the sum of HK\$177,525,000 and the Share Purchase Price of HK\$174,757) by Ms. Leong and the Vendors simultaneously with Completion; and
- (iv) the Purchasers shall be entitled to receive by way of a Closing Accounts payment of HK\$1 for each HK\$1 by which Cash and Working Capital net of Indebtedness is less than HK\$0, vice versa (details of which are set out in the sub-section headed "Closing Accounts and Closing Accounts payments" above).

We have further discussed with the Management and in assessing the Share Purchase Price, we have also made reference to the reassessed net assets value of the Target Group after considering the effects of (i) the unaudited consolidated net liabilities of the Target Group as at 31 August 2025 of approximately HK\$849.8 million; (ii) completion of the Pre-sale Reorganisation and the Set-off of Intercompany Balances; (iii) Ms. Leong and the Vendors shall procure the repayment of, among others, the ICBC Loan in the amount HK\$177,525,000 simultaneously with Completion; (iv) the market value of the L'Arc Hotel of HK\$1,750,000,000 as at 30 September 2025; and (v) the Closing Accounts payment after Completion.

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As advised by the Management, the reassessed value of the Target Group after adjustments of the aforesaid effects are as follows:

Unaudited consolidated net liabilities of the Target Group as at 31 August 2025 (“ Item A ”)	approximately HK\$(849.8) million
Item A after adjustment of completion of the Pre-sale Reorganisation and the Set-off of Intercompany Balances (“ Item B ”)	approximately HK\$(1,334.6) million (<i>Note 1</i>)
Item B after adjustment of the ICBC Loan of HK\$177.525 million to be repaid by Ms. Leong and the Vendors (“ Item C ”)	approximately HK\$(1,157.1) million
Item C after adjustment of the market value of the L’Arc Hotel of HK\$1,750 million as at 30 September 2025 (the “ Reassessed Net Liabilities ”)	approximately HK\$(15.7) million (<i>Note 2</i>)

Note 1 This amount is derived by adjusting (i) the outstanding amounts due to the Target Group of approximately MOP3,783.3 million (or approximately HK\$3,673.1 million) as at 31 August 2025; and (ii) the outstanding amounts payable by the Target Group of approximately MOP3,283.9 million (or approximately HK\$3,188.3 million) as at 31 August 2025.

Note 2 This amount is derived by adjusting the book value of the L’Arc Hotel of approximately HK\$608.6 million as at 31 August 2025 and the market value of the L’Arc Hotel of HK\$1,750 million. This amount is for illustration purpose and shall be determined and derived from the Closing Accounts in accordance with the Acquisition Agreement.

As set out above, on the assumption that Completion had taken place as at 31 August 2025, the Target Group would have recorded the Reassessed Net Liabilities of HK\$15.7 million. As advised by the Management and in accordance with the terms of the Acquisition Agreement, assuming everything being constant and for illustrative purpose only, based on the above, the Vendors are obligated to compensate the Purchasers the balance of HK\$15.7 million (the “**Closing Accounts Payment**”), adjusting the Target Group’s net value to nil pursuant to the terms and conditions of the Acquisition Agreement.

According to the Acquisition Agreement, the Share Purchase Price of MOP180,000 (or approximately HK\$174,757) shall be compensated to the Purchasers by the Vendors in the way that the Purchasers shall procure the repayment of the ICBC Loan up to an amount of HK\$1,749,825,243, which is equal to HK\$1,750,000,000 (being the valuation of the L’Arc Hotel) less the Share Purchase Price, while the Vendors shall bear the exact amount of HK\$174,757 when repaying their portion of the ICBC Loan. Hence the total amount payable by Purchasers at Completion shall be HK\$1,750,000,000, which is equal to the market value of the L’Arc Hotel of HK\$1,750,000,000 as at 30 September 2025.

In view of the above and considering the benefits from the Acquisition as set out in the section headed “4. Reasons for and benefits of the Acquisition and the Loan” above, we consider that the Share Purchase Price of MOP180,000 (or approximately HK\$174,757) to be fair and reasonable.

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As illustrated above, the Vendors (being companies wholly owned by Ms. Leong) would have to compensate the Purchasers the Closing Accounts Payment of approximately HK\$15.7 million. We noted that as at the Latest Practicable Date, Ms. Leong beneficially owned 574,269,099 Shares. Excluding expected 143,057,717 Shares to be charged under the Share Charge, the remaining 431,211,382 Shares was valued at approximately HK\$1,138.4 million based on the closing price of the Shares of HK\$2.64 per Share as at the Latest Practicable Date. We consider that the Vendors and Ms. Leong have the financial capability to settle the Closing Accounts Payment.

8. The Valuation

As set out in the Letter from the Board, according to the Acquisition Agreement, the Target Group will complete the Pre-sale Reorganisation and the Set-off of Intercompany Balances immediately prior to Completion such that, the major assets of the Target Group will comprise mainly the L'Arc Hotel. As such, we have focused on the value of the L'Arc Hotel (the “**Property**”) in the amount of HK\$1,750 million as at 30 September 2025 (the “**Valuation**”) as appraised by CBRE Advisory Hong Kong Limited (the “**Independent Valuer**”).

In assessing the Valuation, we have reviewed the report on valuation of the Property prepared by the Independent Valuer (the “**Valuation Report**”) and discussed with the Independent Valuer in relation to (i) the methodologies, basis and assumptions used in performing the valuation on the Property; (ii) their scope of work for conducting the valuation on the Property; and (iii) their relevant professional qualifications as a property valuer.

Independence, qualification and scope of work of the Independent Valuer

We have discussed with the engagement team of the Independent Valuer as to their independence, expertise, valuation experience and their scope of work in relation to the Valuation.

Based on the information provided by the Independent Valuer, the responsible person in charge of the Valuation Report, namely Ms. Hannah Jeong, is a fellow of the Hong Kong Institute of Surveyors (“**HKIS**”), a fellow of the Royal Institution of Chartered Surveyors (“**RICS**”) and Registered Professional Surveyors (General Practice) and RICS Registered Valuer. She has over 19 years’ experience in real estate valuation in Hong Kong. The Valuation was also assisted by Mr. Terence Yeung, who is a member HKIS and a member of RICS. He has over 10 years of experience in conducting valuation of assets.

The Independent Valuer confirmed that it is independent of and does not have any present or prospective interests with the Company, Ms. Leong and the Vendors.

By reviewing the terms of engagement of the Independent Valuer with the Company, we noted that the scope of work performed was appropriate for the Independent Valuer to form a reliable opinion in the Valuation Report and there were no limitations on the scope of work which may adversely impact the degree of the Valuation. As such, we are not aware of any major factor which caused us to doubt the fairness and reasonableness of the assumptions and methodologies adopted for the Valuation Report.

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Nothing has come to our attention that the Company or any party to the Acquisition Agreement has made formal or informal representations to the Independent Valuer that contravenes our understanding of the Valuation.

Basis and assumptions of the Valuation

We noted that the Valuation Report has been prepared in accordance with all the requirements set out in Chapter 5 and Practice Note 12 of the Listing Rules, the RICS Valuation – Global Standards 2025 and IVSC valuation standards (IVS, effective from 31 January 2025). The Valuation was prepared based on market value, which follows the definition of market value as stipulated in the RICS Valuation – Global Standards 2025 as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion”.

Furthermore, the Valuation has been made on the assumptions that (i) Arc of Triumph Development has a good legal title to the Property and has free and uninterrupted rights to occupy, use, transfer, lease or assign the Property for the whole unexpired term granted without legal impediment; (ii) upon the expiration of the term, the legal title is renewable for further consecutive of 10 years without extra land premium, subject to applicable legislation in Macau; (iii) the owner sells the Property on the open market without the benefit and burden of any deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the value of the Property; (iv) no allowance has been made in the Valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale; (v) the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value; (vi) the government lease could be automatically renewed without any land premium payment given that the lessee has fulfilled all the obligations under the land grant document; and (vii) the use of the Property complies with the land lease, license, and all other statutory regulations.

It is also noted that the Independent Valuer has undertaken the Valuation on the basis that the Property is operated with retail and hotel uses only and no gaming revenue is taken into consideration while assessing the market value of the Property. As advised by the Independent Valuer, under the legislative context of Macau’s revised Gaming Law (Law No. 7/2022), all casinos must be located within properties owned by their respective gaming concessionaires. The existing casino operation arrangement between the property owner and the casino operator would represent a special purchaser scenario and would not reflect the current market value as defined under IVS.

We are given to understand from the Independent Valuer that the aforesaid assumptions are commonly adopted in the valuation of properties.

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Valuation methodology

As set out in the Valuation Report, the Independent Valuer has adopted income approach for the Valuation. In particular, we are given to understand from the Independent Valuer that it has considered the characteristics of revenue stream from each of the retail, hotel and car park portion of the Property. The retail portion of the Property refers to retail shops subject to various tenancies with contracted rental revenue until the expiry of the relevant leases, valuation has taken into account both passing rental income (i.e. contracted rent) and market rental income upon expiry of such leases, thus a term and reversion method is adopted. While the Property's hotel portion and car park portion do not enjoy a long term tenancy, the Independent Valuer considered that it is appropriate to apply market rates as at valuation date and apply direct capitalization method in arriving at their opinion of market value.

The market approach is not adopted for the Valuation as there are limited sales transactions for properties with similar magnitude and characteristics in Macau. We have reviewed the list of the sales transactions and noted that the Independent Valuer could only identify one comparable sales transaction in recent times, which is the sale of the 13 Hotel, Macau conducted in 2025. This transaction represented a forced-sales situation and hence shall not be considered as an appropriate price benchmark.

We also noted that income approach is a common valuation method and the Property is a revenue generating asset with long operating history and identifiable revenue stream.

In view of the above, we consider that the income approach, in particular the term and reversion method for the retail portion and direct capitalisation method for hotel portion and car park portion, to be fair and reasonable and appropriate.

The Independent Valuer has assessed the market value of the Property in three parts, namely the hotel portion, the retail portion and the car park portion. Details of which are as follows.

(1) The retail portion

The Independent Valuer has valued the retail portion with existing tenancies of the Property with Income Approach – Term and Reversion method. This method is relied on adopting appropriate capitalization rate to capitalize the passing rental income (i.e. contracted rent) and reversionary income (i.e. market rent).

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We have discussed with the Independent Valuer on the valuation methodology applied and were given to understand that the valuation of the retail portion is based on the following:

- (i) a passing rent for each retail shop of the Property ranging from MOP16 to MOP484 per square feet per month, which was determined with reference to the actual contracted rent under the respective existing tenancy agreements. A market rent ranging from MOP14 to MOP287 per square feet per month (representing the expected rental income for the retail shop upon expiry of the existing tenancy agreements) is assumed with reference to the market comparables. Details of the aforesaid rents are set out in the “Appendix I – Valuation Report” in the Circular.

We reviewed the comparables provided by the Independent Valuer. For valuation purpose, the Independent Valuer has selected market comparables with the following selection criteria: (Location) retail shops located in the Macau Peninsula; (Transaction Date) retail asking rents or transactions recorded within two years from the date of the Valuation; and (Property Type) property type which is similar to the retail portion of the Property (the “**Retail Comparables**”).

Based on further discussion with the Independent Valuer, we have observed that the Retail Comparables are limited to Freguesia da Sé district, being the southeast part of the Macau Peninsula and the district that the Property is located. With regard to the expected rental income for the retail shop, we were given to understand from the Independent Valuer that it only identified 2 Retail Comparables that were transacted and completed. In view of the limited completed transactions, the Independent Valuer then considered and searched from public property rental websites in Macau, including Centaline Property and MalimaliHome, to obtain additional Retail Comparables. Details of the Retail Comparables are set out in the “Appendix I – Valuation Report” in the Circular.

It is noted that the Independent Valuer has included Chow Tai Fook (comparable 4), a retail unit located within the Property, as one of the Retail Comparables. We noted that this comparable is a completed transaction in September 2025, being a date close to the date of Valuation of 30 September 2025. In view that this comparable is a completed transaction and transacted on a date close to the date of the Valuation, it provides an updated and certain data for assessment, we therefore consider it is appropriate to include this comparable.

It is also noted that the adopted market rents are lower than the passing rent (i.e. contracted rent) for the Property’s respective retail portion.

Considering (i) the Retail Comparables are all located in the Macau Peninsula, of which the Property is situated; (ii) there are 8 Retail Comparables, we are of the view that the selection criteria of the Retail Comparables are fair and representative.

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- (ii) The capitalization rates adopted for the passing rent and market rent was 4.75% and 5.0% respectively, which were determined with reference to a quarter three of 2025 Asia Pacific Cap Rate Survey conducted by the Independent Valuer (the “**Cap Rate Survey**”).

We have obtained and reviewed the Cap Rate Survey and noted that the Independent Valuer has made reference to the capitalisation rates for shopping malls in Shenzhen and Hong Kong, such capitalization rates are ranged from 4.4% to 6.75%, the capitalization rates adopted for the passing rent and market rent of 4.75% and 5.0% respectively are within such range.

The Cap Rate Survey has studied the shopping malls from a total of 21 cities across eight countries in Asia Pacific Region. Under Greater China, the Cap Rate Survey has studied cities including Beijing, Shanghai, Guangzhou, Shenzhen, Hong Kong and Taipei. Given that Shenzhen and Hong Kong are considered to have higher similarity to Macau with respect to geographical location and investment sentiment, we consider that reference made to Shenzhen and Hong Kong to be appropriate.

We further understand that appropriate adjustments have been considered and made by the Independent Valuer for relevant factors including transaction nature, location, size, quality, provision of frontage, layout, floor and accessibility to reflect the differences between the Retail Comparables and the retail portion of the Property. In order to assess the fairness and representative of the adjustments applied to the Retail Comparables, we have discussed with the Independent Valuer on the adjustments made to reflect different attributes between the Retail Comparables and the retail portion of the Property. We are given to understand that (i) discount is applied to asking comparables against actual transaction; (ii) units with smaller unit size command a higher unit rent due to larger pool of investor/end-user; (iii) units located with high pedestrian flow and in high street command a higher unit rent; (iv) units with better building quality command a higher unit rent; (v) units with street frontage or provision of return frontage command a higher unit rent due to higher exposure to pedestrians; (vi) units with regular layout generally command a higher unit rent; and (vii) units located on lower floors or with better accessibility with dedicated lift access command a higher unit rent compared with units located on higher floors.

(2) The hotel portion

The Independent Valuer has valued the hotel portion of the Property with direct capitalisation method. This method converts a net operating income of the hotel into a capital value by capitalizing the income by a market-derived capitalization rate.

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We have discussed with the Independent Valuer on the valuation methodology applied and were given to understand that the valuation of the hotel portion is based on the followings:

- (i) an assumed average daily rate (“**ADR**”) of MOP853 per room, which was determined with reference to the market comparables.

We reviewed the comparables provided by the Independent Valuer. For valuation purpose, the Independent Valuer has selected market comparables with the following selection criteria: hotels located in the Macau Peninsula; hotels with four-star to five-star rating which is similar to the Property (the “**Hotel Comparables**”). In particular, the Independent Valuer selected 7 hotels, namely New Orient Landmark Hotel, Hotel Lisboa Macau, Ascott Macau, Metropark Hotel Macau, Grand Emperor Hotel, Hotel Presidente and Grand Lisboa Hotel Macau.

Based on further discussion with the Independent Valuer, we have observed that the Hotel Comparables are limited to Freguesia da Sé district, being the southeast part of the Macau Peninsula and the district that the Property is located. We have also observed that the Hotel Comparables are all four-star to five-star hotels. We also understood that the Independent Valuer obtained the room rate of the Hotel Comparables from public online travel agency websites, including booking.com and trip.com.

Considering (i) the Hotel Comparables are all located in the Macau Peninsula, of which the Property is situated; and there are 7 Hotel Comparables, we are of the view that the selection criteria of the Hotel Comparables are fair and representative.

- (ii) an assumed occupancy rate of 95%, which was determined with reference to actual historical occupancy rate of the Property and industry average rate published by the Macao Government Tourism Office.

Based on the information obtained, we noted that the average historical occupancy rate of the Property’s hotel portion for the year ended 31 December 2024 and for the nine months ended 30 September 2025 was approximately 96.7% and 96.9% respectively. We have also obtained and reviewed the information published by Macau Hotel Association which indicated the average occupancy rate of four-star and five-star hotels in Macau from January to September 2025 was 96.9% and 94.4%. The assumed occupancy rate adopted of 95% is within such range.

- (iii) an assumed revenue from food and beverage of approximately MOP87.0 million per annum, which was determined with reference to the historical revenue from the Property’s food and beverage for the nine months ended 30 September 2025.

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Based on the information provided, we noted that the revenue from the Property's food and beverage was approximately MOP70.7 million for the nine months ended 30 September 2025 and would have been approximately MOP94.3 million on an annualised basis. It is noted that the Independent Valuer has assumed a lower annual revenue from such food and beverage.

- (iv) an assumed net operating income margin of 12.7%, which was determined with reference to statistics on Macau hotel sector published by the Government of Macao Special Administrative Region Statistics and Census Services.

Based on the information provided, we noted that the Independent Valuer has made reference to the gross surplus ratio (calculated by the receipts and expenditure of hotel sector in Macau) of approximately 22.0% and 18.7% for 2023 and 2024 respectively. It is noted that the Independent Valuer has assumed a lower ratio of 12.7%.

- (v) the capitalization rate adopted was 5.0%, which was determined with reference to the Cap Rate Survey.

We have obtained and reviewed the Cap Rate Survey and noted the Independent Valuer has made reference to capitalisation rates for hotels in Shenzhen and Hong Kong, and such rates are ranged from 4.5% to 6.5%. The adopted capitalisation rate adopted of 5.0% is within such range.

The Cap Rate Survey has studied the hotels from a total of 21 cities across nine countries in Asia Pacific Region. Under Greater China, the Cap Rate Survey has studied cities including Beijing, Shanghai, Guangzhou, Shenzhen and Hong Kong. Given that Shenzhen and Hong Kong are considered to have higher similarity to Macau with respect to geographical location and investment sentiment, we consider that reference made to Shenzhen and Hong Kong to be appropriate.

We further understand that appropriate adjustments have been considered and made by the Independent Valuer in deriving the market level ADR of the Property for relevant factors including star rating, location, operator, room size, building age and quality to reflect the differences between the Hotel Comparables and the hotel portion of the Property. In order to assess the fairness and representative of the adjustments applied to the Hotel Comparables, we have discussed with the Independent Valuer on the adjustments made to reflect different attributes between the Hotel Comparables and the hotel portion of the Property. We are given to understand that (i) hotels with higher star rating command a higher room rate; (ii) hotels with a better and more convenient location command a higher room rate; (iii) hotels with a renowned operator command a higher room rate; (iv) hotels with larger typical room command a higher room rate; (v) hotels that are built more recently command a higher room rate; and (vi) hotels with better quality command a higher room rate.

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(3) *The car park portion*

The Independent Valuer has valued the car park portion of the Property with direct capitalisation method. This method converts a rental income into a capital value by capitalizing the income by a market-derived capitalization rate.

We have discussed with the Independent Valuer on the valuation methodology applied and were given to understand that the valuation of the car park portion (i.e. private car parking space and motorcycle parking space) is based on:

- (i) an assumed monthly rental rate for private car parking space and motorcycle parking space of MOP2,500 and MOP900 respectively, which were determined with reference to their respective actual rental rate for the nine months ended 30 September 2025, being the date of the Valuation.

Based on the information provided, we noted that the monthly rental rate for private car parking space and motorcycle parking space is fixed at MOP2,500 and MOP900 during the nine months ended 30 September 2025.

- (ii) an assumed occupancy rate for each of private car parking space and motorcycle parking space of 45% and 25% respectively. The aforesaid occupancy rates were assumed with reference to their respective historical occupancy rate of the Property's parking space for the nine months ended 30 September 2025.

Based on the information provided, we noted that the historical occupancy rate for private car parking space was ranged from 45% to 47% and was 45% for September 2025. While the historical occupancy rate for motorcycle parking space was ranged from 20% to 27% and was 27% for September 2025. The assumed occupancy rates are within such ranges.

- (iii) the capitalization rate adopted was 5.25%, which was determined with reference to research conducted by on the Independent Valuer on large scale car parking space transactions in Hong Kong (the "**Research**").

Further to discussion with the Independent Valuer, it has first attempted to draw reference to large scale car parking transactions in Macau, but no such transaction was identified, and therefore expanded to those in Hong Kong. Given that Hong Kong is considered to have higher similarity to Macau with respect to geographical location and investment sentiment, we consider that reference made to Hong Kong to be appropriate. We have obtained and reviewed the results on the Research and noted that there are five transactions identified by the Independent Valuer and the estimated capitalisation rates are ranged from 3.6% to 6.0%. The capitalisation rate adopted of 5.25% is within the aforesaid range.

As advised by the Independent Valuer, no adjustment has been considered and made in relation to the valuation of the car park portion of the Property.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

With respect to the adjustment factors considered and made in relation to the valuation of the hotel portion and retail portion of the Property, we have obtained and reviewed IVSC valuation standards (effective from 31 January 2025), under which a valuer should analyse and make adjustments for any significant differences between the comparable transaction and the subject asset. Examples of common differences include, but not limited to, material characteristics (age, size, specification, etc) and geographical location. Based on our research, we also noted that it is not uncommon in the market to apply adjustment factors in property valuation. With respect to each adjustment factor considered by the Independent Valuer for the Property's retail portion and hotel portion as mentioned above, we are given to understand that those adjustments are based on the professional judgement and experience of the Independent Valuer leveraging on its expertise and experience, in particular Ms. Hannah Jeong is a qualified valuer with over 19 years' experience in real estate valuation. In addition, we consider that the direction of adjustment of each factor to be logical. As such, we consider that the adjustments applied in the Valuation to be fair, reasonable and appropriate.

Our view

Based on our analysis and work performed, we consider that the Valuation as set out in the Valuation Report determined by the Independent Valuer after their work performed, is an appropriate reference point to assess the fairness and reasonableness of the Share Purchase Price under the Acquisition Agreement.

9. Possible financial effects of the Acquisition and the Loan

Earnings

As set out in the Letter from the Board, it is expected that the L'Arc Hotel will contribute rental income to the Group following Completion. The Company further expects that there will be no material gain or loss arising from the Acquisition for the Group immediately upon Completion.

Assets

As set out in the Letter from the Board, upon Completion, each company of the Target Group shall become a subsidiary of the Company, and the Target Group's results will be consolidated into the financial statements of the Group. As the purchase price for the shares of the Target Company will be settled in full in cash funded by the Acquisition Facility of the Group upon Completion, the Group expects that there will be no material change on the net assets of the Group immediately upon Completion.

We draw attention to the Shareholders and the Independent Board Committee that the aforementioned analyses are for illustrative purpose only and do not purport to represent how the financial performance and position of the Group will be upon Completion.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered the above principal factors and reasons, we consider that although the Acquisition Agreement and the Loan Agreement are not in the ordinary and usual course of business, the terms of the Acquisition Agreement and the Loan Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and is in the interest of the Company and the Shareholders as a whole. We therefore advise that the Independent Shareholders, and the Independent Board Committee to recommend the Independent Shareholders, to vote in favour of the ordinary resolution to be proposed at the EGM.

Yours faithfully,
for and on behalf of
AMASSE CAPITAL LIMITED
Stephen Lau
Director

Mr. Stephen Lau (“Mr. Lau”) is a licensed person registered with the SFC and a responsible officer of Amasse Capital Limited to carry out Type 6 (advising on corporate finance) and a representative of Amasse Capital Limited to carry out Type 1 (dealing in securities) regulated activities under the SFO. Mr. Lau is also a representative of Amasse Asset Management Limited licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. He has over 10 years of experience in the finance industry.

The following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from CBRE Advisory Hong Kong Limited, an independent property valuer in connection with their opinion of the value of L'Arc Hotel Macau held by Arc of Triumph Development Company Limited as at 30 September 2025.

CBRE

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地產代理 (公司) 牌照號碼
Estate Agent's Licence (Co.) No. C-093779

Our Reference: C2511-3071-DV

The Board of Directors
SJM Holdings Limited
18th Floor, China Merchants Tower,
Shun Tak Centre,
Nos. 168 – 200 Connaught Road Central,
Hong Kong

28 November 2025

Dear Sirs,

RE: Hotel, Commercial and Carpark Portion of L'Arc Hotel Macau, Nos. 238 – 320, Avenida 24 de Junho, NAPE, Macau (the “Property”)

We refer to the instructions from SJM Holdings Limited (the “**Instructing Party**”) for us to carry out a valuation of the Property, which is intended for investment purpose, as at the Date of Valuation (defined hereinafter). Details are set out in the attached valuation certificate. We confirm that we have made relevant investigations and enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the Market Value of the Property as at 30 September 2025 (the “**Date of Valuation**”) for inclusion in the circular issued by the Instructing Party on the date hereof (the “**Circular**”). We have valued the Property in its existing status and assumed it is free from encumbrances.

Valuation Basis

Unless otherwise specified in the report, the valuations are conducted in accordance with the RICS Valuation – Global Standards 2025 and IVSC valuation standards (IVS), effective from 31 January 2025, where applicable and appropriate. All valuations are undertaken by appropriately qualified professionals and the definition of Market Value and valuation methodologies are in line with the above standards, unless otherwise specified.

Our valuation is made on the basis of Market Value, which is defined under the RICS Valuation – Global Standards 2025 as “the estimated amount for which an asset or liability should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion” (the “**Market Value**”).

We have also complied with all the requirements contained in Chapter 5 and Practice Note 12 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Notwithstanding the presence of casino operations at the Property as of the valuation date, our valuation has been undertaken on the basis that its is operated with retail and hotel uses only.

Pursuant to Section 5 of Macau’s revised Gaming Law (Law No. 7/2022), all casinos must be located within properties owned by their respective gaming concessionaires.

In light of this, we understand most satellite casinos are expected to cease operations by 2025.

The subject property’s lower floors are currently occupied by a casino operator; however, based on the above, this use does not reflect an open market scenario. Under Executive Orders Nos. 218/2022 to 223/2022, only six gaming concessions have been granted for a 10-year term starting 1 January 2023.

Given these regulatory changes and the planned closure of satellite casinos, the likelihood of a sale to another concessionaire for gaming use at the current time is minimal. Concessionaire holders are in the midst of reassessing their current operations, and are unlikely to be expanding into new premises, or would only do so at a value akin to non-concessionaire purchasers. Accordingly, the property has been valued based on its highest and best use in the open market at preset time as at the Date of Valuation –as a retail and hotel asset–without any premium for casino operations.

The existing casino operation arrangement between the property owner and the casino operator represents would represent a special purchaser scenario and would not reflect the current market value as defined under IVS. Therefore, the valuation excludes any uplift associated with gaming use and reflects the most probable price achievable in an open market transaction as at the Date of Valuation.

We are not legal professionals, and the above situation outlines our understanding of the current local laws in relation to casino operation, which has also been confirmed by the Instructing Party.

Whether the Casino operation would become a high value in the future would be based on prevailing market conditions, which the impact of the new laws have settled. Caution is advised in this regard.

Valuation Assumptions

Market Value is understood as the estimated amount for which an asset or liability should exchange on the Date of Valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

The value stated in this report represents our objective opinion of value in accordance with the definition set out above as of the Date of Valuation. Our assessment assumes (amongst other things) that the Property has been properly marketed and that exchange of contracts took place on that date.

In undertaking our valuation, we have assumed that Arc of Triumph Development Company Limited has a good legal title to the Property and has free and uninterrupted rights to occupy, use, transfer, lease or assign the Property for the whole unexpired term granted without legal impediment.

Up to our best knowledge and interview with the management of the Property, it is also assumed that, upon the expiration of the term, the legal title is renewable for further consecutive of 10 years without extra land premium, subject to applicable legislation in Macau.

Our valuation has been made on the assumption that the owner sells the Property on the open market without the benefit and burden of any deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to affect the value of the Property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property nor for any expenses or taxation which may be incurred in effecting a sale.

Unless otherwise stated, it is assumed that the Property is free from encumbrances, restrictions and outgoings of an onerous nature which could affect its value.

Given the Property is held under a leasehold right, it is assumed that the government lease could be automatically renewed without any land premium payment given that the lessee has fulfilled all the obligations under the land grant document.

Unless otherwise stated, our valuation assumes that the use of the Property complies with the land lease, license, and all other statutory regulations.

We have conducted internal and external inspections of the Property on 23 October 2025 to such extent that we consider necessary for the purpose of this valuation. We were not instructed to undertake any structural surveys, test the services, or arrange for any investigations to be carried out to determine whether any deleterious materials have been used in the construction of the Property. Our valuation has therefore been undertaken on the basis that the Property is in satisfactory repair and condition and contains no deleterious materials and that services function satisfactorily. Based on our inspection, we understand the Property is connected to all primary utility services including water, electricity, telephone, sewage and drainage. Based on our inspection, we are not aware of any environmental hazards nor breach of environmental regulations by Arc of Triumph Development Company Limited (the “**Target Company**”).

We have obtained legal opinion that the Target Company has a clean and good title to the Property. In our course of valuation and investigation, including but not limited to our discussion with management and analysis on land registration document, we are not aware of any pending litigation, breaches of law or title defects.

As advised by the Instructing Party, there is no plan for construction, renovation or development of the Property as at the valuation date that would materially impact the value of the Property.

We have not undertaken archaeological, ecological, or environmental surveys. Our valuation is on the basis that these aspects are satisfactory, that no extraordinary expenses will be incurred due to any archaeological or ecological matter. This report does not make any allowance for contamination or pollution of land, if any, which may have occurred as a result of past usage.

Valuation Methodology

We have primarily adopted the Income approach in assessing the Market Value of the Property. The **Income Approach** indicates value by converting future cash flows to a single current capital value.

For retail portion, we have valued the Property with **Term and Reversion Method**.

The **Term and Reversion Method** relied on adopting appropriate capitalisation rates to capitalize the passing rental income and reversionary income potential, which are derived from analysis of recent transactions and interpreting of the prevailing investor requirements or expectations. The prevailing, market rents in our valuation have reference to our view of recent lettings, from the Property and other comparable premises.

In the Term and Reversion Method, we have assumed all vacant parts of the Property are let out at market rent immediately on the Date of Valuation while the tenanted parts of the Property will be let out at market rent upon the expiry of the existing tenancies.

For hotel portion and carpark portion of the Property, we have adopted **Direct Capitalisation Method**.

The **Direct Capitalisation Method** is used when income is not expected to vary significantly over time. The approach converts a market rental income into a capital value by capitalising the income by a market-derived capitalisation rate. It typically involves the analysis of a single year's income, which is capitalised to derive the Property's value. This method assumes that the property's current performance has stabilised.

Alternative Method such as Market approach is not adopted in our course of valuation. Given that there are limited sales transaction for properties with similar magnitude and characteristic in Macau, we have not adopted market approach as transaction information are not readily available as Market Approach is only reliable when there is ample and relevant transactional evidence available which could directly reflect the market conditions.

In determining the market rent of the Property to be adopted for Income Approach, Market Approach is adopted.

The market approach is the most widely used method of valuation and is based on comparing the Property to be valued directly with other comparable properties which have recently transacted. To ascertain the leasing rates, we have made reference to rental comparable. Latest leasing transaction within the Property is also considered. However, because of the heterogeneous nature of real estate properties, appropriate adjustments are usually required to allow for any qualitative and quantitative differences that may affect the rent likely to be achieved by the Property under consideration.

In the course of our valuation, we have made appropriate adjustments for relevant factors including transaction nature, location, accessibility, traffic flow and size to the comparable to reflect the differences between the comparables and the Property.

Different valuation methods have been applied to the retail, hotel, and carpark portions, reflecting the nature of their respective tenancies. For the retail portion, the units are subject to multiple lease agreements with expiry dates ranging from 2026 to 2034. These secured rental incomes play a significant role in determining the property's market value. In contrast, the hotel and carpark portions do not have fixed tenancies; therefore, their income is assessed based on prevailing market conditions. Accordingly, the direct capitalization method has been adopted for these components, applying market rates as of the valuation date to derive their respective market values.

Source of Information

We have obtained the sample land register record from *Conservatória do Registo Predial* (Land Registry Office) and the *Despacho do Secretário para os Transportes e Obras Públicas* (Order of the Secretary for Transport and Public Works). However, we have not inspected the original document to verify ownership or to ascertain the existence of any amendment which may not appear on the copy handed to us. We have not perused any original land documentation. We have assumed that there is no easement or encumbrance which may affect the value but is not shown in the Land Register records.

We have relied to a considerable extent on the information provided by the Instructing Party and have accepted the advice given to us. No on-site measurement has been taken. Dimension, measurement and area included in the valuation certificate are based on the information provided by the Instructing Party, or the information contained in or our measurement of the plans and documents available to us.

In determining passing rental information, we have relied on the profit and loss account and tenancy schedule provided by the Instructing Party. We have assumed that this information is complete and correct, and that there are no undisclosed side letters or supplementary agreements that could affect the reliability of the financial details relating to the subject property.

Property Inspection

Mr. Terence Yeung (CFA MRICS MHKIS) has provided professional assistance and inspected the Property on 23 October 2025.

We have inspected both the interior and exterior of the Property. In the course of our inspection, we did not notice any serious defects.

Currency

Unless otherwise stated, all monetary amounts are stated in Hong Kong Dollar ('**HK\$**'). The exchange rate adopted in this report is HK\$1 to MOP1.03, which is prevailing as of the Date of Valuation.

Confidentiality and Disclaimers

This valuation report is for the sole use of SJM Holdings Limited and the persons directly provided with it by CBRE. Use by, or reliance upon this valuation report by anyone other than the Instructing Party is not authorised by CBRE and CBRE will not be liable for any loss arising from such unauthorised use or reliance.

CBRE has prepared this valuation report of the Property relying on and referring to information provided by third parties including financial and market information ("**Information**"). CBRE assumes that the Information is accurate, reliable and complete and it has not tested the Information in that respect.

CBRE has prepared this valuation report for inclusion within the Circular but has not been involved in the preparation of the remainder of the Circular. CBRE does not approve or endorse any part of the Circular other than this valuation report. CBRE disclaims any liability to any person in the event of false and misleading statements included in, or an omission from, any part of the Circular other than this valuation report.

CBRE's maximum aggregate liability to the Instructing Party and to any authorised (by CBRE) reliant party ("**Reliant Party**"), howsoever arising under, in connection with or pursuant to reliance upon this valuation report, and whether in contract, tort, negligence or otherwise shall not exceed three times the fees received by CBRE for this valuation report.

If you are neither the Instructing Party nor a Reliant Party, then you are viewing this valuation report on a non-reliance basis and for informational purposes only. You may not rely on this valuation report for any purpose whatsoever and CBRE shall not be liable for any loss or damage you may suffer (whether direct, indirect or consequential) as a result of unauthorised use of or reliance on this valuation report. CBRE disclaims all liability to any investor. CBRE gives no undertaking to provide any additional information or correct any inaccuracies in this valuation report.

Other than towards the Instructing Party, no responsibility is accepted for any loss or damage arising as a result of reliance upon this valuation report.

CBRE is not a financial advisor, and this letter does not constitute financial product advice. Investors should consider obtaining independent advice from their financial advisor before making any decision to invest in/with the Instructing Party.

None of the information in this valuation report constitutes advice as to the merits of entering into any form of transaction. If you do not understand this legal notice, then it is recommended that you seek independent legal advice.

The liability of CBRE Advisory Hong Kong Limited and its directors and employees is limited to the addressee of this report only. No accountability, obligation, or liability to any third parties is accepted.

Valuer's Qualification

This valuation was prepared by Ms. Hannah Jeong (FRICS FHKIS R.P.S. (GP) RICS Registered Valuer), Head of Valuation and Advisory Services in CBRE and assisted by Mr. Terence Yeung (CFA MRICS MHKIS).

Hannah Jeong is a Fellow of the Royal Institution of Chartered Surveyors (RICS), a Fellow of the Hong Kong Institute of Surveyors (HKIS), Registered Professional Surveyor (General Practice Division) as well as a RICS Registered Valuer with over 19 years' experience in real estate valuation in Hong Kong.

Terence Yeung is a Member of the Royal Institution of Chartered Surveyors (RICS), Member of the Hong Kong Institute of Surveyors (HKIS), Chartered Financial Analyst (CFA) as well as a RICS Registered Valuer with over 10 years' experience conducting valuation of assets.

Valuer's Interest

We hereby certify that the valuer is suitably qualified and authorised to practise as a valuer; does not have a pecuniary interest, financial or otherwise, that could conflict with the proper valuation of the Property (including the parties with whom the Instructing Party is dealing, including the lender or selling agent, if any); accepts instructions to value the Property only from the Instructing Party.

We enclose herewith our valuation certificate, and Assumptions, Disclaimers, Limitations & Qualifications.

Yours faithfully,
For and on behalf of
CBRE Advisory Hong Kong Limited
Hannah Jeong
FRICS FHKIS R.P.S. (GP) RICS Registered Valuer
Executive Director
Head of Valuation & Advisory Services

Hannah Jeong is a Fellow of Hong Kong Institute of Surveyors, Registered Professional Surveyor (General Practice), Fellow of the Royal Institution of Chartered Surveyors and RICS Registered Valuer, with nearly two decades of experience in property valuations in Hong Kong and Greater China.

Encl.

Property interest for which the Instructing Party considers acquiring for held for investment:

VALUATION CERTIFICATE

Property	Description	Details of Occupancy	Market Value as at 30 Sep 2025
Hotel, commercial and carpark portion of L'Arc Hotel Macau, Nos. 238 – 320, Avenida 24 de Junho, NAPE, Macau (the “Property”)	<p>L'Arc Hotel Macau (the “Building”) is a 56-storey composite development with hotel, commercial and residential accommodations with a 3-storey basement carpark located along Avenida 24 de Junho.</p> <p>The subject property comprises a 5-star hotel with 283 rooms, commercial and basement carpark portion of the Building, which comprises G/F to 22/F for hotel and commercial accommodations and B1/F to B3/F for car parking facilities.</p> <p>According to the Property Use License with reference no. of 73695 registered under Conservatória do Registo Predial, the Building was completed in 2009.</p> <p>The commercial and hotel portions of the Property are registered under 3 land registration documents, referenced as 23109 – AR/C, 23019 – BR/C, and 23019 – CR/C respectively. The property has a total gross floor area of approximately 86,438 sq. m. based on the area information set out in the title certificates.</p>	<p>According to the information provided by the Instructing Party, the hotel portion is currently owner-operated, and the retail shops are currently leased to various parties at a monthly rent of about HK\$3,700,000 (inclusive of management fees, but exclusive of utility charges).</p> <p>Based on the information provided by the Instructing Party, Hotel portion is operated under the name L'arc and has a total operating loss of approximately HK\$68.4 million in last year.</p> <p>The carpark portion of the Property is leased to various parties as at the Date of Valuation.</p>	<p>HK\$1,750,000,000 (HONG KONG DOLLAR ONE BILLION SEVEN HUNDRED AND FIFTY MILLION ONLY)</p>

Notes:

- Pursuant to Despacho do Secretário dos Transportes e Obras Públicas (Directive of the Secretary for Transport and Public Works), the Property is erected on the Lot A2/J- NAPE with a site area of 7,128 sq. m, which was granted under Concessão Por Arrendamento (government lease) for a term of 25 years renewable commencing from 13 August 2003.
- Pursuant to Despacho do Secretário dos Transportes e Obras Públicas (Directive of the Secretary for Transport and Public Works), annual land rent payable by the grantee is at MOP15/sq.m. on hotel and commercial area, and MOP10/sq.m. on car parking and ancillary area and the land rent shall subject to revision by relevant government authority from time to time.
- As per the Land Register record as at 23 October 2025, the Property was owned by Companhia De Desenvolvimento Arco Do Triunfo Limitada per Concessão Por Arrendamento dated 15 September 2023 registered vide registration no. 28371 F.

4. The Property is subject to the following encumbrances/ legal documents:

- Mortgage in favour of Industrial and Commercial Bank of China (Macau) Limited dated 30 November 2021, registered vide registration no. 278149 C with Companhia De Desenvolvimento Arco Do Triunfo, Limitada as the mortgagor at a guaranteed amount of HK\$3,045,000,000. The mortgage covers the pledged interests in 23109 AR/C, 23019 BR/C, and 23019 CR/C.
- Designation of use of proceeds in favour of Industrial and Commercial Bank of China (Macau) Limited dated 30 November 2021, registered vide registration no. 48913 F

5. According to Macau SAR Urban Master Plan (2020-2040) (澳門特別行政區城市總體規劃 (2020-2040)), the Property falls within one of the defined areas designated for tourism purposes.

6. Pursuant to the government lease, the Property is permitted to be used for commercial uses and hotel use. The prevailing use of the Property is considered to be in compliance with the relevant regulations.

7. The Property's locality and accessibility are summarised as follows:

Locality L'Arc Hotel is strategically located on Avenida 24 de Junho in the central district of the Macau Peninsula. The property lies within a well-established urban zone characterized by high-density, mixed-use development, including prominent hotel-casino complexes such as Grand Lisboa, Wynn Macau, and MGM Macau.

The area is a core component of Macau's tourism and gaming hub, benefiting from strong foot traffic, excellent visibility, and proximity to major transport nodes including the Outer Harbour Ferry Terminal and Macau International Airport.

The site is classified as Urban Land (Solo Urbano) and falls within an area zoned for commercial and hospitality use under Macau's urban planning framework. The locality supports a wide range of tourism-related activities and remains a highly sought-after location for hotel and entertainment developments.

Accessibility Accessibility of the Property is excellent. Vehicular access is via Avenida 24 de Junho to the west, R. Cidade de Santerem to the North and Avenida Sir Anders Ljungstedt to the east. Avenida 24 de Junho is readily accessible from Avenida da Amizade, which is the key commercial corridor connecting to the Outer Harbour Ferry Terminal.

Approximate Road Distance to Notable Locations	Senado Square	:	1.0 km
	Outer Harbour Ferry Terminal	:	1.5 km
	Macau International Airport	:	7.5 km
	Taipa Ferry Terminal	:	9 km

8. The breakdown of Market Value for the portions of the Property as at the Date of Valuation are set out below:–

Portion	Market Value as at 30 Sep 2025
Hotel	MOP442,000,000
Commercial	MOP1,238,000,000
Carpark	MOP123,000,000
Rounded Value in MOP	MOP1,803,000,000
Equivalent in HK\$, Rounded Value	HK\$1,750,000,000

9. In assessing the Market Value of the hotel portion of the Property, we have valued the Property with Direct Capitalisation Method. Hotel value is assessed based on capitalisation of the net operating income (NOI) of the hotel portion, which is derived from the room revenue, food and beverages revenue, as well as operating margin. In assessing the income stream. We have made key assumptions on average daily rate (ADR) and stabilised occupancy rate. In determining the ADR of the Property, we have benchmarked 7 comparable hotels in the vicinity of the Property, including New Orient Landmark Hotel, Hotel Lisboa Macau, Ascott Macau, Metropark Hotel Macau, Grand Emperor Hotel, Hotel Presidente and Grand Lisboa Hotel Macau. Selection criteria of the comparable is highlighted as below:

Selection Criteria	Details
Location	We have primarily adopted comparables on the Macau Peninsula, which is where the Property is located.
Property Type	We have only selected hotels with 4 to 5-star ratings which are deemed similar to the Property.

10. Key unobservable inputs adopted in our valuation of the hotel portion of the Property are summarised as below:

Major Assumptions	Adopted	Remarks
Number of Room	283	Based on actual figure
Average Daily Rate (MOP)	853	Derived from comparables
Stabilised Occupancy Rate	95%	Reference is made based on hotel industry survey published by Macau Hotel Association
Revenue Per Available Room per night (MOP)	810	Derived from ADR x Stabilised Occupancy Rate
Room Revenue	Approx. MOP83.7 million per annum	Number of room x Revenue per available room per nights x 365 nights
Food and beverage revenue (MOP)	Approx. MOP87 million per annum	Derived based on CBRE's assessment and actual rate
NOI margin	12.7%	Based on industry survey and CBRE's assessment on operating structure
NOI	Approx. MOP22,100,000 per annum	Based on NOI margin above
Capitalisation Rate	5.00%	Derived based on CBRE's cap rate survey

Comparable daily rates were sourced from various online travel agencies and subsequently adjusted to account for differences in location, star rating, building age, quality, and typical room size between the Property and the comparables. After these adjustments, the ADR ranged from MOP798 to MOP987. We adopted the average adjusted rate as the basis for the Property's ADR.

The occupancy rate of the hotel is derived based on the latest hotel industry survey published by Macau Hotel Association and the historical occupancy figure of the Property.

For the food and beverage income stream, revenue was estimated based on our review of the current operations. It is derived at approximately MOP87 million per annum.

The total gross revenue is assessed at MOP174 million per annum, reflecting stabilized performance derived from room revenue, food and beverage revenue and minor departmental revenue. The figures are derived from both market benchmarks and the latest operational assessment.

NOI margin was calculated after considering the hotel's operating expense structure and industry averages in recent years.

Finally, an appropriate capitalization rate was applied to the stabilized net operating income to determine the market value of the hotel component.

11. The Term and Reversion Method is adopted for the retail component as it appropriately reflects the investment characteristics of properties subject to existing leases with defined expiry dates. This approach allows for a clear distinction between two income portion: (i) the 'term' period, during which rental income is secured under current tenancy agreements, and (ii) the 'reversionary' period, which represents the anticipated income stream once the property reverts to market rent upon lease expiry.

For the term value, 17 retail units (with an approximate total lettable area of 134,590 sq. ft.) are currently let under existing lease agreements, with contractual expiries ranging from January 2026 to August 2034. Details of the passing rents applicable to these tenancies are presented in Note 14.

12. We have collected and analysed both rental comparables in the locality and made reference to the latest passing rent of the Property. We have selected eight comparables based on the selection criteria below.

Selection Criteria	Details
Location	We have primarily adopted comparables on the Macau Peninsula, which is where the Property is located.
Date of Listing/ Lease Commencement	We have sourced the most recent asking or transaction comparables that best reflect current market conditions. All of them were listed or commenced within two years prior to the Date of Valuation.
Property Type	We have only selected retail transactions which are deemed similar to the Property.

Comparable	1	2	3	4
Name of Development	Macau Square	Edf. Kam Yuen	Victoria Center	L'Arc Hotel
Unit Number	Shop E	–	–	Chow Tai Fook
Address	G/F & M/F, Macau Square, Nos. 43-53A, Avenida do Infante D. Henriques, Macau	G/F & M/F, Edf. Kam Yuen, No. 157-209 Av. Sir Anders Ljungstedt, Macau	G/F, No.335-341 Alameda Dr. Carlos d'Assumpcao, Macau	G/F, L'Arc Macau Hotel, Avenida 24 de Junho, No. 278, NAPE, Macau
District	Macau	Macau	Macau	Macau
Gross Floor Area (sq. ft.)	3,168	700	1,081	1,904
Nature	Asking	Asking	Transaction	Transaction
Date of Listing/ Lease Commencement	Oct-25	Nov-25	May-24	Sep-25
Effective Monthly Rental (MOP)	548,191	72,100	92,700	476,661
Unit Rent (MOP/sq. ft./month)	173	103	86	250

Comparable	5	6	7	8
Name of Development	China Civil Plaza	La Bahia No.1	La Bahia No.1	Vista Magnifica Court
Unit	–	Block 3	Block 1	Shop A-C
Address	G/F, China Civil Plaza, No. 475-503 R. Cidade de Coimbra, Macau	G/F & M/F, Block 3, La Bahia No.1, Av. Comercial de Macau, Macau	G/F & M/F, Block 1, La Bahia No.1, Av. Comercial de Macau, Macau	Shop A-C, G/F, Vista Magnifica Court, 39 Alameda Dr. Carlos d'Assumpcao, Macau
District	Macau	Macau	Macau	Macau
Gross Floor Area (sq. ft.)	300	1,218	976	722
Nature	Asking	Asking	Asking	Asking
Date of Listing/ Lease Commencement	Nov-25	Oct-25	Jul-25	Jul-25
Effective Monthly Rental (MOP)	45,114	51,500	47,380	37,080
Unit Rent (MOP/sq. ft./month)	150	42	49	51

Most of the selected comparables are ground-floor retail units located near the Property. Comparable 4, however, reflects one of the most recent leasing transactions within the Property, with its lease renewal completed in September 2025.

Given that comparable transaction 4 represents an arm-lengths transaction between a willing lessor and willing lessee, and given its strong similarity to another unit within the Property, we consider Comparable 4 to be an appropriate inclusion among the selected comparables, despite being situated within the same Property.

13. In our course of valuation of the retail portion, we have made adjustments on various factors including location, size, quality, frontage and comparable nature to account for the differences between the comparables and the Property. The rationale for adjustment factors is highlighted below:

Adjustment Factors	Details
Transaction Nature	Adjustment was made to reflect the differences in terms of transaction nature. Discount is applied to asking comparables against actual transaction rates.
Location	Adjustment was made to reflect the differences in locality and pedestrian flow of the location of the units.
Size	Adjustment was made to reflect the differences in gross floor area of comparables and the Property. In general, units with smaller unit size command a higher unit rent due to larger pool of investors / end-user, and vice versa.
Quality	Adjustment was made to reflect the differences in terms of quality of the unit and the building.
Provision of Frontage	Adjustment was made to reflect the differences in terms of frontage and return frontage provision between comparables and the Property. Units with street frontage or return frontage command a higher unit rent given the higher visibility of the shop.
Layout	Adjustment was made to reflect a difference in layout for subject unit against comparables. Retail shop with regular layout generally fetches a higher unit rent.
Floor and Accessibility	Adjustment was made for upper floor retail unit within the Development against other retail units, units located on lower floors or units enjoy better accessibility with dedicated lift access would fetch a higher unit rent.

Upon applying the above adjustments on the selected comparables, we have derived the market rent for 22 retail units located from G/F to 5/F of the property. The adopted rents range from MOP14/sq.ft./month to MOP287/sq.ft./month, reflecting individual characteristics such as location, layout, accessibility, and frontage. A detailed summary of the adopted market rents is provided in Note 14.

14. Key unobservable input adopted in our valuation of the retail portion of the Property are summarized as below:–

Retail Rental Summary

Floor	Passing Rent (MOP /sq. ft./month)	Adopted Market Rent (MOP /sq. ft./month)
G/F	84-484	38-287
1/F	36-96	21-26
2/F	36	20
3/F	16-44	14-26
4/F	39	17-19
5/F	18-39	22-24

Passing rent refers to the contracted unit rental for 17 retail units currently under existing leases. The term value is calculated by capitalizing this passing rent at the applicable term yield for the remaining lease period.

Market rent represents the adopted unit rental for all retail units upon expiry of their current leases, derived from adjusted unit rates based on comparable market analysis. For vacant units, market rent is directly capitalised at reversionary yield to determine their market value.

Capitalisation Rate

Assumptions	Adopted	Remarks
Term Yield	4.75%	Derived based on cap rate report and investor survey
Reversionary Yield	5.00%	Derived based on cap rate report and investor survey

15. There are a total of 511 private car parking spaces (CPS) and 143 motorcycle parking spaces (MPS) in the basement carpark of the Building, with the schedule of accommodation set out as below:–

Floor	CPS	MPS
B1	127	18
B2	177	85
B3	207	40
Total	511	143

16. In our course of valuation, we have not been provided with the individual leases of the carpark portion. We understand that the carpark portion was leased to various parties at standard rates. There are limited large scale car park transactions in Macau, so market approach has not been adopted in our assessment. In assessing the Market Value of the carpark portion of the Property, we have valued the Property with Direct Capitalisation Method. We have made reference to the actual parking rate and occupancy rate of the carpark.

17. Key unobservable input adopted in our valuation of the carpark portion of the Property

Assumptions	Adopted
Monthly Rate – CPS	MOP2,500/space/month
Monthly Rate – MPS	MOP900/space/month
Occupancy Rate – CPS	45%
Occupancy Rate – MPS	25%
Capitalisation Rate	5.25%

18. In the course of our valuation, we have assigned no commercial value to M/F and 7/F of the Property, which are currently used as back-of-house facilities for hotel.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. SHARE CAPITAL

The Company does not have any authorised share capital nor any nominal value in its Shares. The Share capital structure of the Company as at the Latest Practicable Date is set out as follows:

Type	Number	Status
Existing Shares	7,101,805,366	Issued and fully paid-up
Conversion Shares	504,232,804	To be issued and fully paid-up
Total	<u>7,606,038,170</u>	

As at the Latest Practicable Date, the Company had outstanding Options convertible into 4,815,000 Shares. Save for the Options and Conversion Shares, the Company has no other outstanding options, warrants, derivatives or other convertible securities in issue which are convertible or exchangeable into Shares as at the Latest Practicable Date.

3. DISCLOSURE OF INTERESTS BY DIRECTORS**(a) Directors' and chief executives' interests and short positions in the shares, underlying shares or debentures of the Company or its associated corporations**

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV to the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of SFO), or are required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 of the Listing Rules ("**Model Code**") are listed as follows:

Interests in Shares, underlying Shares and debentures of the Company

Name of Directors	Capacity	Long/short position	Number of Shares held	Number of underlying Shares held	Approximate percentage of issued Shares (Note 2)
Ho Chiu Fung,	Beneficial owner	Long position	35,488,120	–	0.50%
Daisy	Beneficial owner	Long position	–	1,605,000	0.02%
				(Note 1)	
			35,488,120	1,605,000	0.52%
Fok Tsun Ting,	Beneficial owner	Long position	3,750,000	–	0.05%
Timothy					
Leong On Kei,	Beneficial owner	Long position	574,269,099	–	8.09%
Angela					
Chan Un Chan	Beneficial owner	Long position	2,542,500	–	0.04%
	Beneficial owner	Long position	–	3,210,000	0.04%
				(Note 1)	
			2,542,500	3,210,000	0.08%
Shum Hong	Beneficial owner	Long position	7,500,000	–	0.11%
Kuen, David					

Notes:

1. These represent the interests in underlying Shares in respect of Options granted by the Company.
2. Each percentage has been calculated based on 7,101,805,366 Shares in issue as at the Latest Practicable Date.

*Interests in shares, underlying shares and debentures of associated corporations**(i) Sociedade de Turismo e Diversões de Macau, S.A.*

Name of Directors	Capacity	Long/short position	Number of shares held			Approximate percentage of issued share capital
			Ordinary	Privileged	Total	
Leong On Kei, Angela	Beneficial owner	Long position	637	5,215	5,852	6.86%
Chan Un Chan	Beneficial owner	Long position	5,204	8,271	13,475	15.81%
Shum Hong Kuen, David	Beneficial owner	Long position	1,004	–	1,004	1.18%

(ii) SJM Resorts, S.A.

Name of Director	Capacity	Long/short position	Number of shares held (Type B Shares)	Approximate percentage of issued share capital
Ho Chiu Fung, Daisy	Beneficial owner	Long position	7,500,000	15.00%

(iii) Champion Path Holdings Limited (“Champion Path”)

Name of Directors	Debentures	Capacity	Amount of debentures held	Approximate percentage to the total amount of debentures in issue
Ho Chiu Fung, Daisy	2026 US\$ Senior Notes (Note 1)	Beneficial owner	US\$5,000,000	1.0%
	2028 US\$ Senior Notes (Note 2)	Beneficial owner	US\$5,000,000	1.0%
Leong On Kei, Angela	2026 US\$ Senior Notes (Note 1)	Beneficial owner	US\$10,000,000	2.0%
	2028 US\$ Senior Notes (Note 2)	Beneficial owner	US\$5,000,000	1.0%
		Founder of a discretionary trust (Note 3)	US\$21,000,000	4.2%
Chan Un Chan	2028 US\$ Senior Notes (Note 2)	Beneficial owner	US\$12,500,000	2.5%

Notes:

1. These debentures (US\$500,000,000 4.50% Senior Notes Due 2026) issued by Champion Path (“**2026 US\$ Senior Notes**”) are listed on the Stock Exchange and are freely transferable but not convertible into shares of Champion Path or any other corporation. The minimum denomination of the 2026 US\$ Senior Notes is US\$200,000 of principal amount and integral multiples of US\$1,000 in excess thereof. The 2026 US\$ Senior Notes are senior unsecured obligations in registered form.
2. These debentures (US\$500,000,000 4.85% Senior Notes Due 2028) issued by Champion Path (“**2028 US\$ Senior Notes**”) are listed on the Stock Exchange and are freely transferable but not convertible into shares of Champion Path or any other corporation. The minimum denomination of the 2028 US\$ Senior Notes is US\$200,000 of principal amount and integral multiples of US\$1,000 in excess thereof. The 2028 US\$ Senior Notes are senior unsecured obligations in registered form.
3. These 2028 US\$ Senior Notes are beneficially owned by Dr. Stanley Ho Foundation, a founder of which is Deputada Leong On Kei, Angela.

Save as disclosed above, so far as was known to any Director, as at the Latest Practicable Date, none of the Directors or the chief executives of the Company had, pursuant to Divisions 7 and 8 of Part XV of the SFO, nor were they taken or deemed to have under such provisions of the SFO, any interest or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange, or any interest which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or any interests which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders who have an interest and/or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO

So far as it is known to the Directors and chief executives of the Company, as at the Latest Practicable Date, the following persons had, or were deemed or taken to have, an interest or short position in the Shares and underlying Shares of the Company, which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial Shareholders	Capacity	Long/short position	Number of Shares held	Number of underlying Shares held	Approximate percentage of issued Shares (Note 3)
Sociedade de Turismo e Diversões de Macau, S.A.	Beneficial owner and its controlled corporation (Note 1)	Long position	3,892,610,855	504,232,804 (Note 2)	61.91%
Leong On Kei, Angela	Beneficial owner	Long position	574,269,099	–	8.09%

Notes:

1. 68,841,250 Shares are directly held by Konrad Investments Limited, an indirect wholly-owned subsidiary of STDM through Bounty Rich Holdings Limited.
2. These represent the interest in underlying Shares in respect of the Convertible Bond.
3. Each percentage has been calculated based on 7,101,805,366 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, the Directors and the chief executives of the Company were not aware of any party who, as at the Latest Practicable Date, had interests or short positions in the Shares and underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above and in the sub-section headed “4.(c) Interests in competing business” below, as at the Latest Practicable Date, none of the Directors or the proposed Directors of the Company was a director or employee of a company (or its subsidiary) which has an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS’ INTERESTS

(a) Interests in contract or arrangement

I. Agreements with STDM and/or its subsidiaries/associates

Nature and extent of the connected person’s interest in the transaction:

Ms. Ho Chiu Fung, Daisy has beneficial interests in STDM via Lanceford Company Limited, a corporate director of STDM, and she is the representative of Lanceford Company Limited to act as a director of STDM. Deputada Leong On Kei, Angela, Dr. Chan Un Chan and Mr. Shum Hong Kuen, David have beneficial interests in STDM and are directors of STDM. Mr. Tsang On Yip, Patrick’s relative has beneficial interests in STDM via Many Town Company Limited, a corporate director of STDM, and Mr. Tsang On Yip, Patrick is the representative of Many Town Company Limited to act as a director of STDM.

Connected relationship:

STDM is the controlling Shareholder and therefore STDM and/or its subsidiaries/associates (as defined in the Listing Rules) are connected persons of the Company under the Listing Rules.

A. *Parties to the agreements:*

STDM and the Company

1. Premises Leasing Master Agreement

Agreement date	Term	Description of the transaction and its purpose	Annual caps and aggregate amount of transactions in 2024
2 March 2023	1 January 2023 to 31 December 2025 (the Company may terminate the agreement by giving at least three months' prior written notice)	<ul style="list-style-type: none"> For the leasing of premises by STDM and its associates (excluding the Group) (the "STDM Group") to the Group for use as offices, staff quarters, or for other business purposes. Payments for the premises comprised rental, utility charges, air conditioning service charges and building management fees where the relevant rental must be fair and reasonable, and may not be higher than the rental for the same or comparable type of premises provided by independent third parties in the ordinary course of business; the utility charges payable are based on actual utility consumption; and the air conditioning expenses and building management fees are determined in accordance with and not exceeding the relevant market prices. The terms and conditions on which such premises are to be provided should be no less favourable to the Company than those offered by independent third parties. 	See "Annual Caps and Aggregate Amount Table" on page 8 of this Appendix II

Further details of the above transactions were set out in the announcements of the Company dated 2 March 2023 and 24 August 2023.

2. Products and Services Master Agreement

Agreement date	Term	Description of the transaction and its purpose	Annual caps and aggregate amount of transactions in 2024
2 March 2023	1 January 2023 to 31 December 2025	<ul style="list-style-type: none"> For the provision of the following categories of products and services by the STDM Group to the Group: <ul style="list-style-type: none"> (i) hotel accommodation (ii) entertainment (iii) transportation (iv) maintenance services (v) laundry services (vi) hotel management and operation (vii) promotional and advertising services The provision of each relevant product or service by the STDM Group shall be on normal commercial terms and made with reference to the prevailing market price after arm's length negotiation between the relevant parties or, where there is no relevant market price, on terms negotiated between the relevant parties at arm's length. The price of the products and services to be provided by the STDM Group including the basis of the calculation of the payments to be made shall be set out in the relevant implementation agreements and must be fair and reasonable and in accordance with the provision set out in the agreement. 	See "Annual Caps and Aggregate Amount Table" on page 8 of this Appendix II

Further details of the above transactions were set out in the announcements of the Company dated 2 March 2023, 24 August 2023 and 17 November 2023.

Annual Caps and Aggregate Amount Table:

	Aggregate amount for the year ended 31 December 2024 <i>HK\$ million (audited)</i>	Annual cap for the year ended 31 December 2024 <i>HK\$ million</i>	Annual cap for the year ending 31 December 2025 <i>HK\$ million</i>
A1. Premises Leasing Master Agreement (Note 1)	0.1	17.0	4.3
A2. Products and Services Master Agreement (Note 2)			
(i) Hotel accommodation	49.3	103.5	113.9
(ii) Entertainment	2.3	15.3	18.7
(iii) Transportation	2.3	13.5	16.4
(iv) Maintenance services	9.1	13.6	15.0
(v) Laundry services	22.9	58.1	63.9
(vi) Hotel management and operation	5.2	23.3	28.0
(vii) Promotional and advertising services	18.2	19.4	25.3

Notes:

1. In March 2023, the Company and STDM renewed the Premises Leasing Master Agreement and the Board approved the annual caps for this category of continuing connected transactions for the three financial years ended/ending 31 December 2023, 2024 and 2025 at HK\$18.8 million, HK\$3.2 million and HK\$3.2 million respectively. These annual caps were determined by reference to (i) the existing leases entered into between the Group and the STDM Group under the Premises Leasing Master Agreement dated 23 December 2019; (ii) the expected renewals of certain existing leases during the period from 1 January 2023 to 31 December 2025; (iii) the estimated rental adjustments to be made to the renewed leases; (iv) the adoption of Hong Kong Financial Reporting Standard 16 “Lease” for renewed leases; and (v) a buffer of 20% for additional and unexpected demand of the Group for the premises owned by the STDM Group for the Group’s business operations up to 31 December 2025.

In August 2023, the Board revised the annual caps for the continuing connected transactions under the Premises Leasing Master Agreement for the three financial years ended/ending 31 December 2023, 2024 and 2025 to HK\$34.5 million, HK\$17.0 million and HK\$4.3 million respectively due to, among other things, re-instatement cost for Casino Lisboa and Casino Eastern expected to be incurred in 2023 or 2024.

2. In March 2023, the Company and STDM renewed the Products and Services Master Agreement and the Board approved the annual caps for all categories of continuing connected transactions under this agreement for the three financial years ended/ending 31 December 2023, 2024 and 2025. These annual caps were determined by reference to a number of factors including (i) the historical consumption of the services by the Group; (ii) the expected recovery of visitor arrivals and gaming revenue in Macau in the coming few years; (iii) the opening of Grand Lisboa Palace in 2021; (iv) the projected number of staff hired by the Group; (v) the business, marketing and promotion plans of the Group; and (vi) a buffer ranging from 10% to 30% for inflation, business growth and unanticipated demand for the services.

In August 2023, the Board revised the annual caps for the continuing connected transactions of the hotel accommodation services under the Products and Services Master Agreement for the three financial years ended/ending 31 December 2023, 2024 and 2025 to HK\$47.3 million, HK\$103.5 million and HK\$113.9 million respectively in view of the strong growth in hotel accommodation services in the first half of 2023.

In November 2023, the Board further revised the annual cap for the continuing connected transactions of the hotel accommodation services under the Products and Services Master Agreement for the financial year ended 31 December 2023 to HK\$65.0 million in view of the strong growth in visitor arrivals leading to strong growth in occupancy at the STDM hotels during the first three quarters of 2023.

B. Parties to the agreements:

STDM and SJM Resorts

1. Chips Agreement

Agreement date	Term	Description of the transaction and its purpose	Annual caps and aggregate amount of transactions in 2024 <i>HK\$ million</i>
18 June 2008	No fixed term (may be terminated by mutual agreement or upon termination of SJM Resorts' gaming concession contract, whichever is earlier)	<ul style="list-style-type: none"> For regulating the honouring, borrowing and use of the casino chips of STDM for the purposes of SJM Resorts' gaming operations. Since 1 April 2002, SJM Resorts had been borrowing casino chips from STDM for the purpose of its business operation. STDM agreed to reimburse SJM Resorts for the aggregate face value of the chips honoured by SJM Resorts which were not sold by SJM Resorts. The arrangements are now being phased out as explained below. 	Annual caps: 2024: 76.0 2025: 76.0 <i>(Note)</i> Aggregate amount of transactions in 2024 <i>(audited)</i> : 0.2

Note:

In March 2023, the Board approved the annual caps for the continuing connected transactions under the Chips Agreement for the three financial years ended/ending 31 December 2023, 2024 and 2025 at HK\$76 million each year. These annual caps for the STDM chips to be redeemed were determined by reference to the outstanding amount of STDM chips in circulation.

Further details of the above transactions were set out in the section "Connected Transactions" in the prospectus of the Company dated 26 June 2008 and the announcements of the Company dated 30 December 2010, 6 January 2014, 26 January 2017, 23 December 2019 and 2 March 2023.

Since SJM Resorts has secured its own supply of chips and is no longer borrowing any STDM chips starting from 2011, the overall value of STDM chips redeemed in 2024 has declined substantially from the historical levels seen in earlier years. Furthermore, all casino chips of STDM have been withdrawn from circulation and procedures were put in place for those holding such chips to redeem them for cash or for casino chips of SJM Resorts.

2. Promissory Agreement for Acquisition of the Property in Hotel Lisboa

Agreement date	Description of the transaction and its purpose	Consideration
28 August 2025	<ul style="list-style-type: none"> STDM promised to sell and SJM Resorts promised to purchase 100/1,617 of the total area of Hotel Lisboa (the “Property in Hotel Lisboa”) in Macau free from any charges or liens. SJM Resorts intends to utilise the Property in Hotel Lisboa to expand the current operation of Casino Lisboa by an additional 7,504 square meters, which will include former gaming areas and expansion of new facilities. The consideration is agreed after arm’s length negotiations by the parties based on the estimated market value of the Property in Hotel Lisboa of HK\$529 million as appraised by an independent property valuer. The consideration was settled in cash on the execution date of the deed of sale and purchase of the Property in Hotel Lisboa and was funded by the internal resources and/or existing banking facilities of the Group. Completion of acquisition of the Property in Hotel Lisboa occurred on 13 November 2025. 	HK\$529 million

Further details of the above transaction were set out in the announcement of the Company dated 28 August 2025.

C. *Parties to the agreement:*

Owner: SJM Resorts

User: NYH Gestão de Vendas a Retalho Limitada (“**NYH**”), an indirect wholly-owned subsidiary of STDMRight to use a Shop Agreement for the Operation of New Yaohan Department Store at the Grand Lisboa Palace

Agreement date	Description of the transaction and its purpose	Annual caps and aggregate amount of transactions in 2024 <i>HK\$ million</i>
21 January 2020	<ul style="list-style-type: none"> SJM Resorts granted the rights to use the shop to NYH for the purpose of operating a department store under the brand name or style of “New Yaohan” or any other name as approved by SJM Resorts at a shop located on the second floor of the shopping mall in the Grand Lisboa Palace (the “Premises”). The Right to Use a Shop Agreement (“NYH Agreement”) has a term of 12 years and 6 months (the “Term”), which shall begin on the commencement date, which is 27 July 2021 (the “Commencement Date”). Neither SJM Resorts nor NYH is entitled to terminate the NYH Agreement within the first 6 years (after the initial 6-month fee-free period) of the Term. Within the remaining 6-year period of the Term, unilateral termination will be applied upon fulfillment of certain terms. The NYH Agreement will be automatically renewed for a period of 18 months upon the expiry of the Term, if neither SJM Resorts nor NYH serves a termination notice to the other party 18 months prior to the end of the Term. 	Annual caps: 2024: 105.5 2025: 109.8 2026: 118.3 2027: 130.2 2028: 134.9 2029: 144.7 2030: 157.4 2031: 161.6 2032: 125.4 Aggregate amount of transactions in 2024 <i>(audited): 79.7</i>

Agreement date (continued)	Description of the transaction and its purpose (continued)	Annual caps and aggregate amount of transactions in 2024
21 January 2020 (continued)	<ul style="list-style-type: none"> <li data-bbox="730 325 1182 442">Starting from the Commencement Date, the monthly base fee for the rights to use of the Premises (the “Base Fee”) payable by NYH shall be as set out below: <div data-bbox="794 485 1182 570"> <p>Fee-free period Commencing from the Commencement Date, SJM Resorts shall give NYH a fee-free period of 6 months.</p> </div> <div data-bbox="794 612 1182 729"> <p>Years 1-3 The Base Fee for each month will be the turnover fee which will be an amount equivalent to 4% of the monthly sales turnover.</p> </div> <div data-bbox="794 772 1182 921"> <p>Years 4-6 The Base Fee for each month will be an amount equivalent to 4% of the monthly sales turnover, subject to the minimum Base Fee of the average turnover fee of years 2-3 plus 10% increment.</p> </div> <div data-bbox="794 963 1182 1112"> <p>Years 7-9 The Base Fee for each month will be an amount equivalent to 4.5% of the monthly sales turnover, subject to minimum Base Fee of the average turnover fee of years 4-6 plus 10% increment.</p> </div> <div data-bbox="794 1155 1182 1325"> <p>Years 10-12 (or until the end of the Term, if the NYH Agreement is automatically renewed) The Base Fee for each month will be an amount equivalent to 5% of the monthly sales turnover, subject to minimum Base Fee of the average turnover fee of years 7-9 plus 10% increment.</p> </div> <p data-bbox="730 1357 1182 1410"><i>Note:</i> Years 1-12 above commence after the end of the 6-month fee-free period.</p> <ul style="list-style-type: none"> <li data-bbox="730 1442 1182 1623">A fixed monthly management fee of approximately HK\$2.1 million (equivalent to HK\$12.66 per sq.ft.) per month for the first 3 years of the Term shall be payable by NYH and it shall be increased by an amount equivalent to 7.5% at the end of each 3-year period. <li data-bbox="730 1644 1182 1815">A fixed monthly promotion levy of approximately HK\$333,000 (equivalent to HK\$2.00 per sq.ft.) per month for the first 3 years of the Term shall be payable by NYH and it shall be increased by an amount equivalent to 7.5% at the end of every 3-year period. 	See page 12 of this Appendix II

Further details of the above transaction were set out in the announcement of the Company dated 21 January 2020.

II. *Agreements with Ms. Leong and/or her associates*

A. *Nature and extent of the connected person's interest in the transaction:*

Ms. Leong and/or her associates lease certain premises to members of the Group at rental fixed between the parties.

Connected relationship:

Ms. Leong, a Director, and/or her associates which lease certain premises to the members of the Group are connected persons of the Company under the Listing Rules.

Parties to the agreement:

Ms. Leong and the Company

Premises Leasing Master Agreement

Agreement date	Term	Description of the transaction and its purpose	Annual caps and aggregate amount of transactions in 2024
3 March 2023	1 January 2023 to 31 December 2025 (the "Relevant Period") (the Company shall have the right in its sole discretion to renew the agreement for further three years)	<ul style="list-style-type: none"> Ms. Leong agrees to lease and procure her associates to lease certain premises to members of the Group subject to the terms and conditions of the Premises Leasing Master Agreement and the relevant lease implementation agreements. The relevant rental of each premises shall not be higher than the rental for the same or comparable type of premises provided by independent third parties in the ordinary course of business. The terms and conditions on which such premises are to be provided should be no less favourable to the Group than those offered by independent third parties. The costs of maintenance and repair of the premises shall be borne, as set out in the lease implementation agreements, by the relevant member of the Group as tenant/lessee in the case of regular maintenance and repair of usage deterioration and by Ms. Leong and/or her relevant associate as landlord/lessor in the case of structural repair required to maintain the integrity of the premises. 	See "Annual Caps and Aggregate Amount Table" on page 15 of this Appendix II

The lease agreement for Jai Alai Building was separated from the above Premises Leasing Master Agreement on 1 April 2024. For details, please refer to the section headed “B. Lease Agreement for Jai Alai Building” below.

Further details of the said transaction were set out in the announcements of the Company dated 3 March 2023, 12 October 2023 and 31 May 2024.

Annual Caps and Aggregate Amount Table:

	Aggregate amount for the year ended 31 December 2024 HK\$ million (audited)	Annual Cap for the year ended 31 December 2024 HK\$ million	Annual Cap for the year ending 31 December 2025 HK\$ million
Annual rentals and related payments (Note)	7.4	10.2	3.0

Note:

In March 2023, the Company and Ms. Leong renewed the Premises Leasing Master Agreement and the Board approved the annual caps for this category of continuing connected transactions for the three financial years ended/ending 31 December 2023, 2024 and 2025 at HK\$37.4 million, HK\$3.0 million and HK\$3.0 million respectively. These annual caps were determined by reference to (i) the existing leases entered between the Group and Ms. Leong and/or her associates under the Premises Leasing Master Agreement dated 23 December 2019; (ii) the expected renewals of certain existing leases under the Premises Leasing Master Agreement dated 23 December 2019 during the year ended 31 December 2023; (iii) the estimated rental adjustments to be made to the renewed leases; (iv) the application of Hong Kong Financial Reporting Standard 16 “Leases” for renewed leases; (v) the estimated premises related fees and charges payable to Ms. Leong and/or her associates; and (vi) a buffer of HK\$3.0 million for any unanticipated fluctuations in market rental (including property management fee, if applicable) and any unexpected fees and charges incidental to the transactions contemplated under the Premises Leasing Master Agreement as well as any additional leases to be entered into pursuant to the Premises Leasing Master Agreement during the Relevant Period.

In October 2023, the Board revised the annual cap for the continuing connected transactions under the Premises Leasing Master Agreement for the financial year ended 31 December 2024 to HK\$10.2 million due to the extension of the term of lease agreement in respect of the Jai Alai Building for three months to 31 March 2024.

B. Nature and extent of the connected person's interest in the transaction:

Ms. Leong owned the majority shareholding in Macau Jai Alai Company Limited (“**Macau Jai Alai**”).

Connected relationship:

Macau Jai Alai is a majority-controlled company held by Ms. Leong and is a connected person of the Company under the Listing Rules.

Parties to the agreement:

SJM Resorts and Macau Jai Alai

Lease Agreement for Jai Alai Building

Agreement date	Term	Description of the transaction and its purpose	Monthly rent HK\$ million
31 May 2024	1 April 2024 to 31 March 2027 (SJM Resorts has the sole discretion to renew the agreement for a term of not more than three years by giving six months written notice prior to expiry)	<ul style="list-style-type: none"> Macau Jai Alai leases to SJM Resorts specific portion of the building located in Macau, at Zona de Aterros do Porto Exterior (ZAPE) N° S/N, Jai Alai (including the building and other ancillaries erected thereon), which is commonly known as “Jai Alai Building”, comprising the hotel and gaming portion together with ancillary space therein in its existing condition (the “Premises”) for the use of operations of gaming, hotel rooms, restaurants and other facilities. Leasing of the Premises would allow the Group to continue the operation of Casino Oceanus at Jai Alai and provide hotel rooms to patrons at a low cost. The monthly rent payable was determined after arm's length negotiation between the parties by reference to the market rent per annum in respect of the Premises less amortisation, appraised by an independent property valuer. 	1 April 2024 to 31 March 2025: 3.5 1 April 2025 to 31 March 2026: 4.0 1 April 2026 to 31 March 2027: 4.5

Further details of the above transaction were set out in the announcement of the Company dated 31 May 2024.

C. Nature and extent of the connected person's interest in the transaction:

Ms. Leong indirectly wholly-owned L'Arc Entertainment which is one of the Group's service providers for its casino operations in Macau. L'Arc Entertainment provides support services in relation to marketing, promotion, customer development and introduction, etc. to SJM Resorts as well as to authorise SJM Resorts to occupy and use the designated area of the L'Arc Hotel for the operation of a casino in return of a monthly fee pursuant to a prescribed formula agreed between the parties.

Connected relationship:

L'Arc Entertainment is indirectly wholly owned by Ms. Leong and is a connected person of the Company under the Listing Rules.

Parties to the agreement:

SJM Resorts and L'Arc Entertainment

L'Arc Services Agreement for the Provision of Services and Licensing for Occupation and Use of Spaces in L'Arc Hotel for the Operation of a Casino

Agreement date	Term	Description of the transaction and its purpose	Annual caps and aggregate amount of transactions in 2024
30 December 2022	1 January 2023 to 31 December 2025	<ul style="list-style-type: none"> L'Arc Entertainment agreed to provide support services to SJM Resorts in relation to marketing, promotion, customer development and introduction, etc. (the "Services"), as well as to authorise SJM Resorts to occupy and use the designated area of the L'Arc Hotel for the operation of a casino, including mass market, VIP room and slot machines. L'Arc Entertainment is entitled to a monthly fee pursuant to a prescribed formula set forth in the L'Arc Services Agreement, which is determined based on a fixed percentage of the gross gaming revenue of the relevant gaming sectors in the casino and after deducting all relevant costs and expenses for provision of the Services. 	See "Annual Caps and Aggregate Amount Table" on page 18 of this Appendix II

Further details of the above transaction were set out in the announcements of the Company dated 28 February 2023, 12 October 2023 and 31 May 2024.

Annual Caps and Aggregate Amount Table:

	Aggregate amount for the year ended 31 December 2024 HK\$ million (audited)	Annual Cap for the year ended 31 December 2024 HK\$ million	Annual Cap for the year ending 31 December 2025 HK\$ million
Service fees payable to L' Arc Entertainment (Note)	607.3	908.3	960.0

Note:

In February 2023, SJM Resorts and L' Arc Entertainment renewed the L' Arc Services Agreement and the Board approved the annual caps for this category of continuing connected transactions for the three financial years ended/ending 31 December 2023, 2024 and 2025 at HK\$253.1 million, HK\$351.7 million and HK\$450.1 million respectively. These annual caps were determined by reference to a number of factors including but not limited to (i) the historical gross gaming revenue of the mass market in the Casino L' Arc Macau in 2019, which was before the outbreak of COVID-19 pandemic; (ii) the expected recovery of visitor arrivals and gaming revenue in Macau in the coming few years; (iii) the number of gaming tables in the Casino L' Arc Macau in the past and during the three years ending 31 December 2025; (iv) the percentage of gross gaming revenue of the mass market of the Casino L' Arc Macau as stipulated in the L' Arc Services Agreement; (v) the actual costs and expenses for provision of the Services for January 2023; and (vi) a buffer of 15% for inflation and unanticipated growth in the gross gaming revenue of the Casino L' Arc Macau.

In October 2023, the Board revised the annual cap for the continuing connected transactions under the L' Arc Services Agreement for the financial year ended 31 December 2023 to HK\$510.0 million. This annual cap was determined by reference to the following factors: (i) actual gross gaming revenue of the Casino L' Arc Macau; (ii) expected growth in gross gaming revenue and visitor arrivals in Macau in the remaining period of 2023, in particular the expected growth in National Day holiday and Christmas holiday; and (iii) the actual costs and expenses for provision of the Services for 2023.

In May 2024, the Board further revised the annual caps for the continuing connected transactions under the L' Arc Services Agreement for the financial years ended/ending 31 December 2024 and 2025 to HK\$908.3 million and HK\$960.0 million respectively in view of the strong growth in Services fees since the beginning of 2023. These annual caps were determined 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 Services for the first quarter of 2024; and (iv) up to 10% buffer to provide flexibility for unforeseeable changes in business needs.

*III. Agreement with Ms. Ho's associates**Nature and extent of the connected person's interest in the transaction:*

Ms. Ho Chiu Fung, Daisy (“**Ms. Ho**”) is a Director and her family interest has control of more than 50% in the voting power of Shun Tak Holdings Limited (“**STHL**”) which owns 100% equity interest in the Vendor.

Connected relationship:

Since Ms. Ho's family interest has control of more than 50% in the voting power of STHL which owns 100% equity interest in the Vendor, the Vendor is a connected person of the Company.

Parties to the agreement:

Vendor:	Zhuhai Hengqin Shun Tak Property Development Company Limited* (珠海橫琴信德房地產開發有限公司)
Purchaser:	SJM Investment and/or a wholly-owned subsidiary to be incorporated by SJM Investment, a subsidiary of the Company and SJM Resorts and is expected to join as a purchaser (the “ Project Company ”)

Acquisition Agreement for Acquisition of Property in Hengqin

Agreement date	Description of the transaction and its purpose	Consideration
28 July 2025	<ul style="list-style-type: none"> The Purchaser and the Vendor entered into the Acquisition Agreement. Pursuant to the Acquisition Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the strata office units on 12 levels from Level 21 to Level 29 and Level 31 to Level 33 of the Office Tower and a retail unit in Xin De Kou An Shang Wu Zhong Xin* (信德口岸商务中心) (the “Hengqin Property”), Hengqin New District, Zhuhai, China, free from any encumbrance. The consideration was agreed after arm’s length negotiations between the Purchaser and the Vendor by reference to (i) the estimated market value of the Hengqin Property pursuant to the valuation made by an independent professional valuer, and (ii) the fees charged by the Vendor for completion of the conversion works of the Hengqin Property into a 3-star hotel. The consideration is expected to be funded by the Group’s internal resources, existing banking facilities, and/or other appropriate financing arrangements. Completion is expected to take place within 60 days after satisfaction of the below conditions and upon obtaining the real estate legal title certificate(s) with the Project Company being the registered owner of the Hengqin Property: <ul style="list-style-type: none"> (a) completion of the online registration for the Hengqin Property; (b) the Purchaser has paid a value-added tax equivalent to 5% of the consideration to the Vendor; and (c) the conditions precedent for online registration set out above continue to be satisfied at the time of the completion of the above conditions (a) and (b). The acquisition and converting the Hengqin Property into a 3-star hotel would allow SJM Resorts to expand its market reach by attracting a new segment of budget-conscious travelers and diversify the portfolio of the Group by expanding its reach into the mass market and increasing overall revenue streams. The strategic location in Hengqin, close to Macau and with access to the market in Mainland China, offers significant growth potential. Further, operating a 3-star hotel could lead to lower operating costs and potential cost synergies, while leveraging the Group’s established brand to attract guests. 	RMB724.20 million (equivalent to approximately HK\$803.21 million, exclusive of tax), which will be settled in cash in seven stages up to January 2028.

* for identification purposes only

Note: For the purpose of the consideration above, the translation of RMB into HK\$ is based on an approximate exchange rate of RMB1.00=HK\$1.1091. Such translation should not be construed as a representation that the amount in question has been, or can be converted at this rate or any other rates at all.

Further details of the above transaction were set out in the announcement of the Company dated 28 July 2025.

(b) Interests in assets

Save as disclosed above in sub-section headed “4.(a) Interests in contract or arrangement”, as at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been, since 31 December 2024, the date of which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

(c) Interests in competing business

The Group recognises revenue from customers by conducting the following principal businesses:

- gaming operations
- hotel, catering, retail and leasing operations

As at the Latest Practicable Date, the following Directors of the Company had interests in the following businesses (apart from the businesses of the Group) conducted through the companies named below, their subsidiaries, associated companies or other investment forms which are considered to compete or be likely to compete, either directly or indirectly, with the principal businesses of the Group conducted during the year required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules:

Name of Directors	Name of Company/ Partnership/Sole Proprietorship	Interest in the Competing Business	Nature of Competing Business
Ho Chiu Fung, Daisy	Sociedade de Turismo e Diversões de Macau, S.A.	<ul style="list-style-type: none"> • Appointed representative of Lanceford Company Limited, a corporate director of STD M 	Hospitality, catering, retail and leasing business in Macau
	Shun Tak Holdings Limited	<ul style="list-style-type: none"> • Executive director and deputy managing director 	Hospitality, catering, retail and leasing business in Macau
Leong On Kei, Angela	Sociedade de Turismo e Diversões de Macau, S.A.	<ul style="list-style-type: none"> • Director 	Hospitality, catering, retail and leasing business in Macau
	Arc of Triumph Development Company Limited	<ul style="list-style-type: none"> • Director • Substantial shareholder 	Hospitality and catering business in Macau
	L’Arc Entertainment Group Company Limited	<ul style="list-style-type: none"> • Director • Substantial shareholder 	Provision of gaming services (<i>Note</i>)

Name of Directors	Name of Company/ Partnership/Sole Proprietorship	Interest in the Competing Business	Nature of Competing Business
Leong On Kei, Angela (Continued)	Macau Hotel Company Limited (Trade name “Regency Art Hotel”)	<ul style="list-style-type: none"> • Director • Substantial shareholder 	Hospitality and catering business in Macau
	Macau Jai Alai Company Limited	<ul style="list-style-type: none"> • Director • Substantial shareholder 	Leasing business in Macau
	Macau Theme Park and Resort Limited	<ul style="list-style-type: none"> • Director • Substantial shareholder 	Hospitality, catering, retail and leasing business in Macau
	New Mario Bakery Limited	<ul style="list-style-type: none"> • Director 	Catering business in Macau
	Sociedade Hoteleira e de Turismo S.Tiago, Limitada	<ul style="list-style-type: none"> • Director • Substantial shareholder 	Hospitality and catering business in Macau
Chan Un Chan	Sociedade de Turismo e Diversões de Macau, S.A.	<ul style="list-style-type: none"> • Director • Substantial shareholder 	Hospitality, catering, retail and leasing business in Macau
	Macau Legend Development Limited	<ul style="list-style-type: none"> • Substantial shareholder 	Provision of gaming services and hospitality, catering, retail and leasing business in Macau
Shum Hong Kuen, David	Sociedade de Turismo e Diversões de Macau, S.A.	<ul style="list-style-type: none"> • Director 	Hospitality, catering, retail and leasing business in Macau
	Shun Tak Holdings Limited	<ul style="list-style-type: none"> • Executive director 	Hospitality, catering, retail and leasing business in Macau
Tsang On Yip, Patrick	Sociedade de Turismo e Diversões de Macau, S.A.	<ul style="list-style-type: none"> • Appointed representative of Many Town Company Limited, a corporate director of STD 	Hospitality, catering, retail and leasing business in Macau
	Chow Tai Fook Enterprises Limited	<ul style="list-style-type: none"> • Director and chief executive officer 	Hospitality and catering business in Macau

Note: As a result of the Acquisition, on the same date of the Acquisition Agreement, the Termination Agreement was entered into between SJM Resorts and L'Arc Entertainment, pursuant to which (i) services under the L'Arc Services Agreement regarding the operation of Casino L'Arc Macau as a satellite casino will cease from the date of Completion; and (ii) the L'Arc Service Agreement will be terminated in its entirety at the earlier of (a) date of receiving DICJ Approval; or (b) 31 December 2025.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is interested in any businesses apart from the businesses of the Company or its subsidiaries, which competes or is likely to compete, either directly or indirectly, with the principal businesses of the Company or its subsidiaries during the year which is required to be disclosed pursuant to the Listing Rules.

5. LITIGATION

As at the Latest Practicable Date, no member of the Group was or is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was or is known to the Directors to be pending or threatened by or against any members of the Group.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which will not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

7. EXPERT AND CONSENT

The following is the qualification of the experts who have given opinion or advice which is contained in this circular:

Name	Qualification
Amasse Capital Limited	a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
CBRE Advisory Hong Kong Limited	an independent professional valuer

Each of the above experts has given and confirmed that it has not withdrawn its written consent to the issue of this circular with the inclusion herein of its statements and/or references to its name in the form and context in which it appears. Each of the above experts has further confirmed that as at the Latest Practicable Date, it did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group. It did not have any direct or indirect interest in any assets of the Group which have, since 31 December 2024, being the date to which the latest published audited consolidated accounts of the Group were made up, been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

8. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2024, being the date to which the latest published audited financial statements of the Group were made up.

9. GENERAL

The registered office and principal place of business of the Company is at 18th Floor, China Merchants Tower, Shun Tak Centre, Nos. 168 – 200 Connaught Road Central, Hong Kong.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange at <https://www.hkexnews.hk> and the Company's website at <https://www.sjmholdings.com> for not less than fourteen (14) days before the date of the EGM:

- (a) the Acquisition Agreement (including the Loan Agreement);
- (b) the letter from the Independent Board Committee, the text of which is set out on pages 32 and 33 of this circular;
- (c) the letter from Independent Financial Adviser, the text of which is set out on pages 34 to 77 of this circular;
- (d) the property valuation report from the independent property valuer in relation to L'Arc Hotel as set out in Appendix I to this circular;
- (e) the letters of consent from each of Independent Financial Adviser and the independent property valuer referred to in the above paragraph headed "Expert and Consent" in this Appendix; and
- (f) this circular.

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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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting of SJM Holdings Limited (the “**Company**”) will be held at Artyzen Club, 401A, 4th Floor, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Monday, 15 December 2025 at 9:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolution as an ordinary resolution.

ORDINARY RESOLUTION

“THAT:

- (a) the acquisition agreement (the “**Acquisition Agreement**”, a copy of which is produced to the meeting marked “**A**” and initialled by the chairman of this meeting for the purpose of identification) dated 20 November 2025 entered into among (1) SJM – Investimentos Limitada (in Portuguese) SJM – Investment Limited (in English) as a purchaser; (2) SJM Resorts, S.A. (in Portuguese) SJM Resorts, Limited (in English) (name changed from Sociedade de Jogos de Macau, S.A. since 9 June 2021) as a purchaser; (3) Goldarch Holdings Limited as a vendor; (4) Solar King Investments Limited as a vendor; and (5) Ms. Leong On Kei as the guarantor, in relation to the acquisition of Arc of Triumph Development Company Limited together with Arc of Triumph Hotel Management Company Limited and Le Royal Arc Property Management Company Limited (the “**Target Group**”), and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified;
- (b) the loan agreement (the “**Loan Agreement**”, a copy of which is produced to the meeting marked “**B**” and initialled by the chairman of this meeting for the purpose of identification) and an ancillary share charge deed (the “**Share Charge**”, a copy of which is produced to the meeting marked “**C**” and initialled by the chairman of this meeting for the purpose of identification) to be entered into between (1) SJM Resorts, S.A. (in Portuguese) SJM Resorts, Limited (in English) (name changed from Sociedade de Jogos de Macau, S.A. since 9 June 2021) as lender; and (2) Ms. Leong On Kei as borrower, in relation to the secured loan in the principal amount of HK\$177,525,000, and the transactions contemplated thereunder, be and are hereby approved, confirmed and ratified; and

- (c) any one of Ms. Ho Chiu Fung, Daisy and Mr. Shum Hong Kuen, David, director of the Company be and is/are hereby authorised to do all such further things and acts and execute all such further documents and take all such steps which he/she considers necessary, desirable or expedient to implement and/or give effect to any matters relating to or in connection with the Acquisition Agreement, the Loan Agreement, the Share Charge, and the transactions contemplated thereunder.”

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

Hong Kong, 28 November 2025

Registered office:

18th Floor
China Merchants Tower
Shun Tak Centre
Nos. 168 – 200 Connaught Road Central
Hong Kong

Notes:

1. A shareholder entitled to attend and vote at the above meeting may appoint one or more proxies (excluding those shareholders holding only one share) to attend and vote instead of him. A proxy need not be a shareholder of the Company.
2. A proxy form for use at the above meeting (or any adjournment thereof) is enclosed in the circular of the Company dated 28 November 2025. In order to be valid, the proxy form, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at the registered office of the Company at 18th Floor, China Merchants Tower, Shun Tak Centre, Nos. 168 – 200 Connaught Road Central, Hong Kong or delivered by email to comsec@sjmholdings.com, not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof (excluding public holiday in Hong Kong). The deadline for submission of proxy form for the above meeting is Saturday, 13 December 2025 at 9:00 a.m..
3. The register of members of the Company will be closed from Wednesday, 10 December 2025 to Monday, 15 December 2025 (both days inclusive), during which period no transfer of shares will be registered. Shareholders whose names appear on the register of members of the Company on Wednesday, 15 December 2025 are entitled to attend and vote at the above meeting. In order to qualify to attend and vote at the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 9 December 2025 (last share registration date).
4. If you are a non-registered shareholder, i.e. your shares are held through an intermediary (for example, a bank, a custodian or a securities broker) or registered in the name of your nominee, you will not receive a proxy form directly from the Company, and you have to give instructions to your intermediary/nominee to vote on your behalf. If you wish to attend, speak and vote at the above meeting, you shall seek an authorisation from your intermediary/nominee directly.
5. Pursuant to Rule 13.39(4) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), any vote of shareholders at a general meeting must be taken by poll. Accordingly, at the above meeting, the chairman of the meeting will exercise his/her power under article 59(A) of the articles of association of the Company to put the resolution set out in this notice of the meeting to be voted by way of poll. On a poll, every shareholder present in person (or in case of a corporation by its corporate representative) or by proxy shall have one vote for each share of which he/she is the holder.

6. The result of the poll will be published on the Stock Exchange's website at <https://www.hkexnews.hk> and the Company's website at <https://www.sjmholdings.com> on the date of the above meeting.
7. In the event typhoon signal No. 8 or above, a "black" rainstorm warning signal or "extreme conditions" announced by the Hong Kong Government is in effect on the day of the above meeting, the meeting will continue to be held as scheduled. Shareholders should make their own decision as to whether they wish to attend the extraordinary general meeting in bad weather conditions, at their own risk having regard to their own situation; and if they should choose to do so, they are advised to exercise care and caution. If there is any change to the said arrangement, the Company will publish an announcement on the Company's website at <https://www.sjmholdings.com> and the Stock Exchange's website at <https://www.hkexnews.hk> to notify shareholders of the Company of the date, time and place of the rescheduled meeting as soon as practicable.
8. **Please note that the Company will NOT PROVIDE ANY GIFT OR SERVICE OF REFRESHMENT at the above meeting.**

As at the date hereof, 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. Ho Hau Chong, Norman, Ms. Wong Yu Pok, Marina and Mr. Yeung Ping Leung, Howard.