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澳門博彩控股有限公司
SJM Holdings Limited

(incorporated in Hong Kong with limited liability under the Companies Ordinance)
(Stock Code: 880)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO REVISION OF THE TERM OF
THE LEASE TRANSACTION CONCERNING
THE PREMISES HOUSING JIMEI CASINO**

Reference is made to the announcement of the Company dated 16 June 2009 concerning completion of the acquisition by subsidiaries of STDM of STDM-IL (the company which owns the Hotel) which caused certain transactions between SJM SA and STDM-IL to become continuing connected transactions. One such transaction is the rental paid by SJM SA to STDM-IL for use of the Casino Premises.

It has been agreed by STDM-IL and SJM SA that the monthly rental for the Casino Premises shall be reduced from approximately HK\$7.29 million to HK\$5 million with effect from 1 August 2009 until expiry of the Existing Casino Leases. All other terms of the Existing Casino Leases remain unchanged.

As mentioned in the announcement dated 16 June 2009, upon any variation of the Existing Casino Leases, the Company will comply in full with all applicable reporting, disclosure and independent shareholders' approval requirements (where applicable) of the Chapter 14A of the Listing Rules. The revision of the rental for the Casino Premises constitutes a variation to the Existing Casino Leases, therefore the Company makes this announcement in accordance with Rule 14A.41 of the Listing Rules. The Lease Transaction is in the same nature as the transactions covered by Premises Leasing Master Agreement, therefore the rental payable for the Casino Premises will be aggregated with the rentals payable to STDM and its associates under the Premises Leasing Master Agreement. Accordingly, the original annual cap for such category of the continuing connected transactions (which also covers the Premises Leasing Master Agreement) for the year ending 31 December 2010 is being revised as follows:

	Existing annual cap 2010 (HK\$ million)	Revised annual cap 2010 (HK\$ million)
Premises Leasing Master Agreement	<u>206</u>	<u>266</u>

As each of the applicable percentage ratios (as defined in the Listing Rules) in respect of the revised annual cap for the year ending 31 December 2010 is less than 2.5% on an annual basis, the Lease Transaction together with the existing transactions under Premises Leasing Master Agreement are subject to reporting and announcement requirements and are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As STDM is the controlling shareholder of the Company and STDM and its associates (other than the Group) are connected persons of the Company, the Lease Transaction remains a continuing connected transaction for the Company.

BACKGROUND

Reference is made to the announcement of the Company dated 16 June 2009 concerning completion of the acquisition by subsidiaries of STDM of STDM-IL (the company which owns the Hotel) which caused certain transactions between SJM SA and STDM-IL to become continuing connected transactions. One such transaction is the rental paid by SJM SA to STDM-IL for use of the Casino Premises.

STDM is a controlling shareholder of the Company and, accordingly, STDM and its associates (other than the Group) are connected persons of the Company. Consequently, the Lease Transaction as amended remains a continuing connected transaction for the Company.

THE REVISED LEASE TRANSACTION

Pursuant to the Existing Casino Leases, SJM SA has been leasing and shall continue to lease the Casino Premises from STDM-IL for a period up to 31 December 2015 (or such later date as may be agreed by the parties to such leases). Pursuant to an agreement dated 11 September 2009, it has been agreed by STDM-IL and SJM SA that the monthly rental on the Casino Premises shall be reduced from approximately HK\$7.29 million to HK\$5 million with effect from 1 August 2009 until expiry of the Existing Casino Leases. All other terms of the Existing Casino Leases remain unchanged. The revised rent has been negotiated by arm's length negotiations between the parties with reference to the prevailing market rate and conditions in the casino industry of Macau.

REVISED ANNUAL CAPS FOR THE YEAR ENDING 31 DECEMBER 2010

As mentioned in the announcement dated 16 June 2009, upon any variation of the Existing Casino Leases, the Company will comply in full with all applicable reporting, disclosure and independent shareholders' approval requirements (where applicable) of the Chapter 14A of the Listing Rules. The revision of the rent of the Casino Premises constitutes a variation to the Existing Casino Leases, therefore the Company makes this announcement in accordance with Rule 14A.41 of the Listing Rules. The Lease Transaction is in the same nature as the transactions covered by the Premises Leasing Master Agreement, therefore the rental payable for the Casino Premises will be aggregated with the rentals payable to STDM and its associates under the Premises Leasing Master Agreement. Accordingly, the original annual cap for such category of the continuing connected transactions

(which also covers the Premises Leasing Master Agreement) for the year ending 31 December 2010 is being revised as follows:

	Existing annual cap 2010 (HK\$ million)	Revised annual cap 2010 (HK\$ million)
Premises Leasing Master Agreement	<u>206</u>	<u>266</u>

As each of the applicable percentage ratios (as defined in the Listing Rules) in respect of the revised annual cap for the year ending 31 December 2010 is less than 2.5% on an annual basis, the Lease Transaction together with the existing transactions under Premises Leasing Master Agreement are subject to reporting and announcement requirements and are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will be applying for new annual caps in respect of the Premises Leasing Master Agreement for the three years going forward with effect from 1 January 2011.

REASONS FOR AND BENEFITS OF THE REVISED LEASE TRANSACTION

The Group's core business is the operation of casinos and related facilities in Macau. The Group has been leasing the Casino Premises from STDM-IL under the Existing Casino Leases on normal commercial terms and the Company considers that the continued leasing of the Casino Premises on these revised terms to be in the best interests of the Group.

The Directors (including the independent non-executive Directors) are of the view that the Lease Transaction has been and will, as revised pursuant to the Revised Lease Transaction, continue to be conducted in the ordinary and usual course of business of the Group, and the terms of the Revised Lease Transaction are on normal commercial terms, are fair and reasonable and are in the interests of the shareholders of the Company as a whole.

DEFINITIONS

“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Casino Premises”	the 2-storey separate premises at the entrance to the Hotel which house the “Jimei Casino”
“Company”	SJM Holdings Limited, a limited liability company incorporated in Hong Kong, the shares of which are listed on the Stock Exchange
“connected persons”	has the meaning ascribed to it in the Listing Rules

“continuing connected transactions”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Casino Leases”	the lease agreements between STDM-IL and SJM SA dated 31 October 2007 and 23 June 2008 whereby SJM SA leases the Casino Premises from STDM-IL for a period up to 31 December 2015 (or such later date as may be agreed by the parties to such leases)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Hotel”	the hotel currently being operated under the name of Hotel Grand Lapa
“Lease Transaction”	the leasing of the Casino Premises by SJM SA from STDM-IL under the Existing Casino Leases
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Premises Leasing Master Agreement”	an agreement dated 18 June 2008 between the Company and STDM which contains the terms and conditions for the lease of premises by STDM and its associates to the Group
“Revised Lease Transaction”	the leasing of the Casino Premises by SJM SA from STDM-IL under the Existing Casino Leases as amended by the agreement dated 11 September 2009
“SJM SA”	Sociedade de Jogos de Macau, S.A., a joint stock company “ <i>sociedade anônima</i> ”, incorporated under the laws of Macau and a subsidiary of the Company
“STDM”	Sociedade de Turismo e Diversões de Macau, S.A., a joint stock company “ <i>sociedade anônima</i> ” incorporated under the laws of Macau and one of the controlling shareholders of the Company

“STDM-IL”	STDM-Investimentos Hoteleiros, Limitada, formerly known as Excelsior — Hoteis e Investimentos, Limitada, a company incorporated in Macau which owns the Hotel together with the piece of land on which the Hotel is erected
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it in the Listing Rules

By Order of the Board
SJM Holdings Limited
So Shu Fai
Chief Executive Officer

Hong Kong, 11 September 2009

As at the date of this announcement, the executive Directors are Dr. Ho Hung Sun, Stanley, Dr. So Shu Fai, Mr. Ng Chi Sing, Mr. Rui José da Cunha, Ms. Leong On Kei, Angela and Mr. Shum Hong Kuen, David, the non-executive Director is Dato’Dr. Cheng Yu Tung and the independent non-executive Directors are Mr. Chau Tak Hay, Mr. Lan Hong Tsung, David, Mr. Shek Lai Him, Abraham and Mr. Tse Hau Yin.