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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)**

**CONNECTED TRANSACTION  
IN RELATION TO  
THE TRANSFER OF THE DREDGING DEPARTMENT  
FROM STDM TO MD**

**THE DREDGING TRANSFER AGREEMENT**

The Board is pleased to announce that MD, a subsidiary of the Company, and STDM have entered into the Dredging Transfer Agreement on 22 November 2013. Pursuant to the Dredging Transfer Agreement, MD will take over the operation of the Dredging Department from STDM on the Transfer Date. The takeover will involve, among other things, (i) assignment or transfer (where applicable) of existing employment contracts of the Employees; (ii) transfer of the Assets; (iii) assignment of certain business contracts; and (iv) entering into lease agreements.

The Board (including the independent non-executive Directors) considers that dredging services provided by the Dredging Department are a necessary component of the Group's business given the performance of dredging services is required under the Concession Contract. After completion of the Proposed Transfer, it is expected that the continuing connected transactions in respect of dredging services between the Group and the STDM Group can be eliminated. Moreover, the Proposed Transfer is anticipated to lead to an improvement in the Dredging Department's operating efficiency as their operations can be streamlined with the Group's existing operations following assumption of full control by the Group. The Board (excluding the Abstained Directors but including the independent non-executive Directors) believe that the terms of the Proposed Transfer are fair and reasonable and in the interests of the Shareholders as a whole.

**LISTING RULES IMPLICATIONS**

STDM is a connected person of the Company under the Listing Rules by virtue of it being the controlling shareholder of the Company interested in approximately 54.92% of the issued share capital of the Company as at the date of this announcement. Accordingly, the Proposed Transfer will constitute a connected transaction of the Company under the Listing Rules. As one or more of the applicable percentage ratios as defined in the Listing Rules of the Proposed Transfer are more than 0.1% but all applicable percentage ratios are below 5.0%, the Proposed Transfer is subject to the reporting and announcement requirements, but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Furthermore, as the Dredging Department's premises are subject to entering into lease agreements, such lease transactions to be entered into between MD and STDM will constitute continuing connected transactions of the Company under the Listing Rules. The lease transactions to be entered into between the STDM Group and the Group will be subject to the terms and conditions of the Premises Leasing Master Agreement.

## **(A) THE DREDGING TRANSFER AGREEMENT**

Reference is made to the announcement of the Company dated 19 June 2011 regarding, among other things, the mutual intention of the Company and STDM that the Group to take over the operation of certain of the departments of the STDM Group which were providing various services to the Group.

The Board is pleased to announce that MD, a subsidiary of the Company, and STDM have entered into the Dredging Transfer Agreement on 22 November 2013. Pursuant to the Dredging Transfer Agreement, MD will take over the operation of the Dredging Department from STDM on the Transfer Date. The takeover will involve, among other things, (i) assignment or transfer (where applicable) of existing employment contracts of the Employees; (ii) transfer of the Assets; (iii) assignment of certain business contracts; and (iv) entering into lease agreements.

Date: 22 November 2013

Parties: (i) MD; and  
(ii) STDM.

Assignment or transfer of existing employment contracts of the Employees from STDM to MD:

MD and STDM will execute and implement the assignment or transfer (where applicable) of existing employment contracts of both the local and non-local Employees from STDM to MD, from the date of execution of the Dredging Transfer Agreement up to and including the Transfer Date.

Upon the termination of the employment contracts of the transferred local Employees, STDM will contribute towards the payment of the Termination Compensation (currently being the maximum amount of MOP168,000 (equivalent to approximately HK\$163,000)) and seniority premium owed to the relevant local Employee on a pro rata basis from the first date of employment with STDM to 31 March 2002. The remaining balance of the Termination Compensation and seniority premium, including that for the period from 1 April 2002 (being the effective date of the transfer of the Concession Contract) to the date of termination of the relevant local Employee, will be borne by MD.

In addition, on or before the Transfer Date, STDM will also pay any other amounts (e.g. outstanding annual leaves) owed to the relevant local Employee related to the period from 1 April 2002 to immediately before the Transfer Date which are the contractual responsibility of STDM, shall be fully reimbursed by MD in the same manner as agreed in the Dredging Implementation Agreement. The remaining amounts owed to such local Employee related to the period from the first date of employment with STDM to 31 March 2002 (if applicable) will be borne by STDM.

Special contribution of MD  
in respect of termination  
of the services provided  
by local Employees  
staying with STDM:

In respect of any of the local Employees not transferred to MD pursuant to above method, MD will contribute towards the Termination Compensation on a pro rata basis for the period from 1 April 2002 to the earlier of (a) 60 days after the Transfer Date; or (b) date of termination of the relevant local Employees. The proportion of the Termination Compensation in relation to the period before 1 April 2002, if applicable, will be borne by STDM.

MD further agrees to contribute towards the salary and respective staff related costs (including any further payments legally or contractually owed to the local Employees) for any of the local Employees not transferred to MD (i) until the end of a period of 60 days counted from the Transfer Date or, if earlier, (ii) until date of termination of the relevant local Employee.

In addition, MD will further contribute to any additional payment to any of the local Employees not transferred to MD pursuant to the above method (the “**Special Contribution**”) provided that such payment shall be subject to agreement between MD and STDM and the aggregate amount shall not exceed MOP0.5 million (equivalent to approximately HK\$0.5 million) for all local Employees.

The total amount of the consideration payable by MD in relation to the local Employees mentioned above up to 31 December 2013, being immediately before the Transfer Date, is estimated to be up to approximately HK\$5.7 million, including the Special Contribution, in cash.

Transfer of the Assets:	MD and STDM agree that the Assets shall be transferred from STDM to MD, for an aggregate consideration of approximately HK\$287.5 million, which is determined by agreement between the parties to the Dredging Transfer Agreement based on (a) the valuation of certain Assets, comprising mainly vessels, pier facilities and vehicles, as at 24 September 2013 of HK\$287,374,000 as appeared in the valuation reports of an independent valuer; and (b) unaudited estimated net book value of the remaining Assets, including mainly office equipment, as at 31 December 2013 of approximately MOP167,000 (equivalent to approximately HK\$162,000). The original acquisition cost of the Assets purchased by the STDM Group was approximately MOP551.5 million (equivalent to approximately HK\$535.4 million).
Assignment of business contracts:	MD and STDM agree that the business contracts entered into for the operation of the Dredging Department shall be assigned to MD, upon the Transfer Date, at no cost, subject only to the written consent of the relevant counterparty, provided always that all liabilities of, and amounts due by, the Dredging Department under the relevant business contracts for the period from 1 April 2002 and up to the Transfer Date, which are the contractual responsibility of STDM, shall be fully indemnified and reimbursed by MD in the same manner as agreed in the Dredging Implementation Agreement.
Entering into lease agreements:	In respect of the Macau Marine and Water Bureau's ferry terminal premises currently occupied by STDM, STDM agrees to allow MD to continue occupying the premises after the Transfer Date subject to the consent and approval of the Macau Marine and Water Bureau wherever required. In respect of the Dredging Department's premises of which STDM is the beneficial owner of the premises, the parties to the Dredging Transfer Agreement agree to enter into tenancy agreements.

**(B) REASONS FOR AND BENEFITS OF THE PROPOSED TRANSFER**

The Group's core business is the development and operation of casinos and related facilities in Macau. The Board (including the independent non-executive Directors) considers that dredging services provided by the Dredging Department are a necessary component of the Group's business given the performance of dredging services is required under the Concession Contract. After completion of the Proposed Transfer, it is expected that the continuing connected transactions in respect of dredging services between the Group and the STDM Group can be eliminated. Moreover, the Proposed Transfer is anticipated to lead to an improvement in the Dredging Department's operating efficiency as their operations can be streamlined with the Group's existing operations following assumption of full control by the Group. The Board (excluding the Abstained Directors but including the independent non-executive Directors) believe that the terms of the Proposed Transfer are fair and reasonable and in the interests of the Shareholders as a whole.

## **(C) LISTING RULES IMPLICATIONS**

STDM and its group members engage in a variety of businesses including hotels, property development and investments. STDM is a connected person of the Company under the Listing Rules by virtue of it being the controlling shareholder of the Company interested in approximately 54.92% of the issued share capital of the Company as at the date of this announcement. Accordingly, the Proposed Transfer will constitute a connected transaction of the Company under the Listing Rules. As one or more of the applicable percentage ratios as defined in the Listing Rules of the Proposed Transfer are more than 0.1% but all applicable percentage ratios are below 5.0%, the Proposed Transfer is subject to the reporting and announcement requirements, but exempted from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

Furthermore, as the Dredging Department's premises are subject to entering into lease agreements, such lease transactions to be entered into between MD and STDM will constitute continuing connected transactions of the Company under the Listing Rules. The lease transactions to be entered into between the STDM Group and the Group will be subject to the terms and conditions of the Premises Leasing Master Agreement, details of which are set out in the prospectus of the Company dated 26 June 2008 under the section headed "Connected Transactions" and the announcements of the Company dated 11 September 2009 and 30 December 2010.

The Directors confirmed that, save for the Abstained Directors, none of them have a material interest in the Dredging Transfer Agreement and the transactions contemplated thereunder. The Abstained Directors were absent from the Board meeting of the Company while the relevant resolution was being discussed and abstained from voting on the Board resolution on proposing the Dredging Transfer Agreement and the transactions contemplated thereunder.

## **(D) DEFINITIONS**

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

"Abstained Directors" : Dr. Ho Hung Sun, Stanley, Ms. Leong On Kei, Angela, Mr. Shum Hong Kuen, David and Dr. Cheng Kar Shun, who are regarded as having material interests in the transactions contemplated under the Dredging Transfer Agreement in view of their interests in the STDM Group, were absent from the relevant Board meeting of the Company while the relevant resolution was being discussed and abstained from voting on the board resolution on such transaction

“Assets”	:	the fixed assets of the Dredging Department to be transferred from STD M to MD
“associate(s)”	:	has the meaning ascribed to it under the Listing Rules
“Board”	:	the board of Directors of the Company
“Company”	:	SJM Holdings Limited, a company incorporated in Hong Kong with limited liability, the ordinary shares of which are listed on the Stock Exchange
“Concession Contract”	:	the concession contract for the operation of casino games dated 28 March 2002 and published in the Official Gazette, N. 14, series II, on 3 April 2002, between the Macau Government and SJM, its first amendment published in the Official Gazette N.18, series II, on 4 May 2005 and its second amendment published in the Official Gazette N.41, series II, on 9 October 2013
“connected person(s)”	:	has the meaning ascribed to it under the Listing Rules
“Director(s)”	:	the director(s) of the Company
“Dredging Department”	:	the Employees and the Assets as determined by the parties to the Dredging Transfer Agreement, being a department of STD M in Macau
“Dredging Implementation Agreement”	:	the implementation agreement dated 19 June 2011 in respect of dredging services entered into between SJM and STD M
“Dredging Transfer Agreement”	:	the agreement dated 22 November 2013 entered into between MD and STD M in relation to the Proposed Transfer
“Employee(s)”	:	the employees employed in the Dredging Department, an Employee can be construed as anyone of them
“Group”	:	the Company and its subsidiaries from time to time
“Hong Kong”	:	the Hong Kong Special Administrative Region of the People’s Republic of China

“Listing Rules”	:	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	:	the Macau Special Administrative Region of the People’s Republic of China
“MD”	:	Macau Dredging Services Limited, a limited company incorporated under the laws of Macau and a subsidiary of the Company
“Premises Leasing Master Agreement”	:	the premises leasing master agreement dated 18 June 2008 entered into between STDM and the Company in relation to the leasing of premises by the STDM Group to the Group
“Proposed Transfer”	:	the proposed transfer of the Dredging Department from STDM to MD pursuant to the Dredging Transfer Agreement
“Shareholder(s)”	:	holder(s) of the ordinary share(s) of HK\$1.0 each in the share capital of the Company
“SJM”	:	Sociedade de Jogos de Macau, S.A., a joint stock company “ <i>sociedade anónima</i> ” incorporated under the laws of Macau and a subsidiary of the Company
“STD M”	:	Sociedade de Turismo e Diversões de Macau, S.A., a joint stock company “ <i>sociedade anónima</i> ” incorporated under the laws of Macau and a controlling shareholder of the Company
“STD M Group”	:	STD M and its associates (other than the Group) from time to time
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“Termination Compensation”	:	compensation of employment termination with unjust cause
“Transfer Date”	:	31 December 2013 at 24:00, being the date and time of the Proposed Transfer, including but not limited to the transfer of the Assets and the Employees from STD M to MD, unless a different date shall be mutually agreed between the parties to the Dredging Transfer Agreement

“HK\$” : Hong Kong dollar(s), the lawful currency of Hong Kong  
“MOP” : Macau Pataca(s), the lawful currency of Macau  
“%” : per cent.

*For the purpose of this announcement, amounts in MOP are converted to HK\$ at the conversion rate of MOP1.03 = HK\$1.00 for illustration only. No representation is made that any amounts in MOP could have been or could be converted into HK\$ at such rate or any other rates.*

By order of the Board  
**SJM Holdings Limited**  
**So Shu Fai**  
*Executive Director and Chief Executive Officer*

Hong Kong, 22 November 2013

*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, Mr. Shum Hong Kuen, David and Mr. Fok Tsun Ting, Timothy, the non-executive Director is Dr. Cheng Kar Shun and the independent non-executive Directors are Mr. Chau Tak Hay, Dr. Lan Hong Tsung, David, Mr. Shek Lai Him, Abraham and Mr. Tse Hau Yin.*