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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)**

**RENEWAL OF NON-EXEMPT  
CONTINUING CONNECTED TRANSACTIONS  
WITH THE STDM GROUP**

**The Renewed Products and Services Master Agreement**

Reference is made to the Prospectus under the section headed “Connected Transactions” and the announcements of the Company dated 25 March 2009, 16 June 2009 and 30 December 2010 regarding the Products and Services Master Agreement dated 18 June 2008. The Products and Services Master Agreement has expired on 17 June 2011.

The Board is pleased to announce that the Company and STDM renewed the Products and Services Master Agreement with effect from 18 June 2011. Pursuant to the Renewed Products and Services Master Agreement, the STDM Group will continue to provide hotel accommodation, entertainment and staff messing, dredging services, transportation and maintenance services to the Group.

**Listing Rules implications**

As STDM is a controlling shareholder of the Company holding approximately 55.34% interest in issued share capital of the Company, STDM and other members of the STDM Group are connected persons of the Company under the Listing Rules.

The transactions contemplated under the Renewed Products and Services Master Agreement are, and will continue to be, on an ongoing basis and constitute continuing connected transactions for the Company under the Listing Rules. Since the applicable percentage ratios as defined in the Listing Rules (other than the profits ratio) for the respective Annual Caps exceed 0.1% but are less than 5%, the transactions contemplated thereunder are subject to reporting, annual review and announcement requirements but exempt from independent Shareholders’ approval requirements under the Listing Rules.

## INTRODUCTION

Reference is made to the Prospectus under the section headed “Connected Transactions” and the announcements of the Company dated 25 March 2009, 16 June 2009 and 30 December 2010 regarding the Products and Services Master Agreement dated 18 June 2008. The Products and Services Master Agreement has expired on 17 June 2011.

The Board is pleased to announce that the Company and STDM renewed the Products and Services Master Agreement with effect from 18 June 2011. Pursuant to the Renewed Products and Services Master Agreement, the STDM Group will continue to provide hotel accommodation, entertainment and staff messing, dredging services, transportation and maintenance services to the Group. Details of the Continuing Connected Transactions, the Annual Caps and the principal terms of the Renewed Products and Services Master Agreement are set out below.

## THE RENEWED PRODUCTS AND SERVICES MASTER AGREEMENT

Date: 19 June 2011

Parties: (i) The Company; and  
(ii) STDM.

Type of products and services: The products and services to be provided by various members of the STDM Group to the Group under the Renewed Products and Services Master Agreement include the following:

- (i) hotel accommodation, including provision of hotel accommodation to the gaming patrons and guests of the Group;
- (ii) entertainment and staff messing, including food and beverages and other entertainment services for the staff and the gaming patrons and guests of the Group;
- (iii) dredging services, as required to be undertaken by SJM under the terms of its Concession Contract with the Government of Macau;
- (iv) transportation, including limousine and shuttle bus services for hotel, ferry ticketing services, helicopter services and private jet services for the staff and the gaming patrons and guests of the Group; and
- (v) maintenance services, including electrical and engineering maintenance services for casinos and other premises, and other engineering services, including tender reviewing and construction related services.

Pricing:	<p>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.</p> <p>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 paragraph above.</p>
Term and renewal:	<p>The Renewed Products and Services Master Agreement became effective on 18 June 2011 and shall end on 31 December 2013. Subject to the compliance with the then requirements of the Listing Rules, the Renewed Products and Services Master Agreement may be renewed by the parties at least 6 months before its termination.</p>
The Implementation Agreements:	<p>Each of the Company and STDM agrees to enter into Implementation Agreements which should set out the details of the terms and conditions for the provisions of products and services, including the specific product or service, quantity, price, duration and other relevant specifications which reflect the requirements of the members of the Group, and the market conditions at the time. If any of the provisions of any Implementation Agreement conflict with any provisions of the Renewed Products and Services Master Agreement, the provisions of the Renewed Products and Services Master Agreement shall prevail.</p>
Transfer of departments from the STDM Group to the Group:	<p>The Company and STDM acknowledge to each other that it is their mutual intention that the Group shall take over the operation of certain of the departments of the STDM Group which are currently providing the Services to the Group and they agree to negotiate in good faith a business transfer agreement based on the following principal terms:</p> <ul style="list-style-type: none"> <li>(i) the price of any assets acquired by the Group from the STDM Group shall be fair and reasonable; and</li> <li>(ii) the business transfer agreement shall be conditional upon compliance of such approval and/or disclosure requirements as applicable to the Company under the Listing Rules.</li> </ul>
Others:	<p>The Group retains its right to choose to receive products and services from Independent Third Parties other than those for the dredging services provided by the STDM Group to SJM as required under the Concession Contract.</p> <p>The provision of products and services by any member of the STDM Group is on a non-exclusive basis and any member of the STDM Group may provide products and services to other third parties.</p>

## HISTORICAL TRANSACTION FIGURES AND ANNUAL CAPS

The following table sets out the historical expenditures in relation to the provision of the products and services which are the subject matters of the Renewed Products and Services Master Agreement for the three years ended 31 December 2010 and the three months ended 31 March 2011 and the Annual Caps for such transactions for the three years ending 31 December 2013.

(in HK\$ million)	Aggregate	Aggregate	Aggregate	Estimated	Annual	Annual	Annual
	amount for	amount for	amount for	aggregate	Cap for	Cap for	Cap for
	year ended	year ended	year ended	amount for	year ending	year ending	year ending
	31 December	31 December	31 December	three months	31 December	31 December	31 December
	2008	2009	2010	ended	2011	2012	2013
	(audited)	(audited)	(audited)	31 March	(unaudited)		
(i) Hotel accommodation	83.0	76.9	77.9	18.3	109.0	131.0	157.0
(ii) Entertainment and staff messing	78.8	76.0	59.8	17.2	100.0	110.0	121.0
(iii) Dredging services	43.7	82.7	107.5	26.6	173.0	176.0	193.6
(iv) Transportation	346.1	239.7	184.8	41.8	259.0	259.0	259.0
(v) Maintenance services	59.5	67.5	58.5	12.3	82.0	82.0	82.0

The Annual Caps are determined by reference to a number of factors including (i) the historical consumption of the Services by the Group; (ii) the business, marketing and promotion plans of the Group; (iii) the inflation rate in Macau; and (iv) the expected transaction volume and market prices of the Services.

## REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

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) consider that the provision of products and services under the Renewed Products and Services Master Agreement is a necessary component of the Group's business since, primarily, it facilitates the Group to provide its gaming patrons and guests with transportation services, hotel accommodation, food and beverage and other services. The Board (excluding the Abstained Directors but including the independent non-executive Directors) consider that the transactions contemplated under the Renewed Products and Services Master Agreement are conducted in the ordinary and usual course of business of the Group, on normal commercial terms and on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors confirmed that, save for the Abstained Directors, none of them have a material interest in the Renewed Products and Services Master Agreement and the Continuing Connected Transactions. The Abstained Directors have abstained from voting on the board resolution on proposing the Renewed Products and Services Master Agreement and the Continuing Connected Transactions.

## LISTING RULES IMPLICATIONS

As STDM is a controlling shareholder of the Company holding approximately 55.34% interest in issued share capital of the Company, STDM and other members of the STDM Group are connected persons of the Company under the Listing Rules. STDM and its group members engage in a variety of businesses including hotels, property development and investments.

The transactions contemplated under the Renewed Products and Services Master Agreement are, and will continue to be, on an ongoing basis and constitute continuing connected transactions for the Company under the Listing Rules. Since the applicable percentage ratios as defined in the Listing Rules (other than the profits ratio) for the respective Annual Caps exceed 0.1% but are less than 5%, the transactions contemplated thereunder are subject to reporting, annual review and announcement requirements but exempt from independent Shareholders' approval requirements under the Listing Rules.

## DEFINITIONS

- “Abstained Directors” : Dr. Ho Hung Sun, Stanley, Dato’ Dr. Cheng Yu Tung, Ms. Leong On Kei, Angela and Mr. Shum Hong Kuen, David, who are regarded as having material interests in the transactions contemplated under the Renewed Products and Services Master 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 have abstained from voting on the board resolution on such transactions
- “Annual Caps” : the annual maximum aggregate value for the Continuing Connected Transactions for each of the three financial years ending 31 December 2011, 31 December 2012 and 31 December 2013, details of which are set out in the section headed “Historical transaction figures and Annual Caps” in this announcement
- “associates” : 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 between Macau government and SJM, as amended and supplemented by a supplemental agreement between the same parties dated 19 April 2005
- “connected person(s)” : has the meaning ascribed to it under the Listing Rules

“Continuing Connected Transactions”	:	the continuing transactions to be entered into between the Group and the STDM Group pursuant to the Renewed Products and Services Master Agreement
“Director(s)”	:	the director(s) of the Company
“Group”	:	the Company and its subsidiaries
“Hong Kong”	:	the Hong Kong Special Administrative Region of the People’s Republic of China
“Implementation Agreements”	:	the implementation agreements entered and to be entered into between members of the Group and members of the STDM Group in respect of the Services pursuant to the Renewed Products and Services Master Agreement
“Independent Third Party(ies)”	:	independent third party(ies) who is/are independent of and not connected with the Company and/or STDM
“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
“Market Price”	:	the price charged by Independent Third Parties for the provision of the same or comparable type of products or services in the place where such products or services are provided or in the vicinities thereof in the ordinary course of business or, if the product or service provided by the STDM Group is not normally offered by Independent Third Parties, the price charged by the STDM Group to Independent Third Parties for the provision of the same product or service
“Products and Services Master Agreement”	:	the products and services master agreement dated 18 June 2008 entered into between the Company and STDM in relation to the provision of certain products and services ancillary to the Group’s casino gaming business by the STDM Group to the Group
“Prospectus”	:	the prospectus of the Company dated 26 June 2008
“Renewed Products and Services Master Agreement”	:	the products and services master agreement dated 19 June 2011 entered into between the Company and STDM in relation to renewal of the Products and Services Master Agreement
“Services”	:	the services provided and provision of products rendered under the Renewed Products and Services Master Agreement and the Implementation Agreements, details of which are set out in the paragraph headed “Type of products and services” in this announcement

“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
“STDM”	:	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
“STDM Group”	:	STDM and its associates (other than the Group) from time to time
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“HK\$”	:	Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	:	per cent

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

Hong Kong, 19 June 2011

*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 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.*