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澳門博彩控股有限公司
SJM HOLDINGS LIMITED

incorporated in Hong Kong with limited liability Stock Code : 880

**REVISION OF ANNUAL CAP FOR
THE HOTEL ACCOMMODATION CONTINUING CONNECTED TRANSACTIONS
FOR THE YEAR ENDING 31 DECEMBER 2023**

**REVISION OF ANNUAL CAP FOR THE HOTEL ACCOMMODATION CONTINUING
CONNECTED TRANSACTIONS FOR THE YEAR ENDING 31 DECEMBER 2023**

Reference is made to the 2023 Announcement regarding the Products and Services Master Agreement entered into between the Company and STDM and 2023 Annual Caps Revision Announcement regarding the revision of Annual Caps for the Hotel Accommodation Continuing Connected Transactions. On 2 March 2023, the Company entered into the Products and Services Master Agreement with STDM, pursuant to which the STDM Group will provide, among other things, hotel accommodation services to the Group for the three years ending 31 December 2025. On 24 August 2023, the Company announced the revision of existing Annual Caps for each of the three years ending 31 December 2025 for the Hotel Accommodation Continuing Connected Transactions to be provided by the STDM Group to the Group.

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 as explained below, the Company further revises the Annual Cap for the year ending 31 December 2023 for the Hotel Accommodation Continuing Connected Transactions to be provided by the STDM Group to the Group.

LISTING RULES IMPLICATIONS

STDM is a connected person of the Company under the Listing Rules by virtue of it being the controlling Shareholder interested in approximately 54.81% of the issued shares of the Company.

Since the highest percentage ratio (other than the profits ratio) as defined in the Listing Rules as determined by reference to the revised Annual Cap for the year ending 31 December 2023 in respect of the Hotel Accommodation Continuing Connected Transactions, on an annual basis, exceeds 0.1% but all applicable percentage ratios are less than 5%, the aforesaid transactions will constitute continuing connected transactions for the Company under the Listing Rules and the Company is required to comply with announcement, reporting and annual review requirements but exempt from circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

(A) REVISION OF ANNUAL CAP FOR THE HOTEL ACCOMMODATION CONTINUING CONNECTED TRANSACTIONS FOR THE YEAR ENDING 31 DECEMBER 2023

(i) Background

Reference is made to the 2023 Announcement regarding the Products and Services Master Agreement entered into between the Company and STDM and 2023 Annual Caps Revision Announcement regarding the revision of Annual Caps for the Hotel Accommodation Continuing Connected Transactions. On 2 March 2023, the Company entered into the Products and Services Master Agreement with STDM, pursuant to which the STDM Group will provide, among other things, hotel accommodation services to the Group for the three years ending 31 December 2025. On 24 August 2023, the Company announced the revision of the existing Annual Caps for each of the three years ending 31 December 2025 for the Hotel Accommodation Continuing Connected Transactions to be provided by the STDM Group to the Group.

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 as explained below, the Company further revises the Annual Cap for the year ending 31 December 2023 for the Hotel Accommodation Continuing Connected Transactions to be provided by the STDM Group to the Group.

(ii) Reasons for and details of revision of the Annual Cap for the year ending 31 December 2023

The following table sets out the historical expenditures for the nine months ended 30 September 2023, and the existing and the revised Annual Cap for the year ending 31 December 2023 in relation to the Hotel Accommodation Continuing Connected Transactions.

<i>(HK\$ million)</i>	Aggregate amount for the nine months ended 30 September 2023 <i>(Unaudited)</i>	The Annual Cap for year ending 31 December 2023
Actual	29.5	
The existing Annual Cap		47.3
The revised Annual Cap		65.0

The Group operates a number of casinos in Macau, including Casino Grand Lisboa Palace, Casino Grand Lisboa, Casino Lisboa, Casino Oceanus at Jai Alai and nine casinos operated by third parties. In order to attract gaming patrons and guests to these casinos, the Group has provided free-of-charge hotel accommodation to selected gaming patrons and guests. Except for the hotels operated by the Group (i.e., Grand Lisboa Palace Resort, Grand Lisboa Hotel, Jai Alai Hotel and Sofitel Macau at Ponte 16), the Group has to pay for the hotel accommodation charges for the aforesaid selected gaming patrons and guests.

The Annual Cap represents the maximum amount payable by the Group to the hotels owned by the STDM Group, including Hotel Lisboa Macau, Hotel Sintra Macau, Grand Coloane Resort, Macau and Artyzen Grand Lapa Macau (collectively, “**STDM Hotels**”), for hotel room charges attributable to the Group’s selected gaming patrons and guests.

The aggregate amount for hotel accommodation services for the nine months ended 30 September 2023 was approximately HK\$29.5 million, representing approximately 62.4% of the existing Annual Cap for the entire year ending 31 December 2023. The actual amount for hotel accommodation had been increasing in 2023, from approximately HK\$4.6 million for the first quarter of 2023 to HK\$8.2 million for the second quarter of 2023, and further to HK\$16.7 million for the third quarter of 2023. Such increase was mainly attributable to (i) the recovery of Macau gaming industry in the post-COVID-19 period, which could be evidenced by increase in gross gaming revenue in Macau from approximately MOP34.6 billion for the first quarter of 2023 to MOP45.5 billion for the second quarter of 2023, and further to MOP48.8 billion for the third quarter of 2023 according to the Gaming Inspection and Coordination Bureau of the Macau Government; (ii) the increase in visitor arrivals, from 4.9 million for the first quarter of 2023 to 6.7 million for the second quarter of 2023, and further to 8.3 million for the third quarter of 2023 according to the Statistics and Census Service of the Macau Government; and (iii) the Company’s strategy to keep the patrons staying longer than usual and increase the client base by providing additional hotel accommodation services to their clients.

In view of the strong growth in visitor arrivals leading to strong growth in occupancy at the STDM Hotels, the existing Annual Cap for the year ending 31 December 2023 is revised with reference to the following factors: (i) actual transaction amount for hotel accommodation services; (ii) expected growth in gross gaming revenue and visitor arrivals in Macau for the final quarter of 2023; (iii) expected additional demand for hotel rooms of STDM Hotels for the year ending 31 December 2023 arising from the Company’s strategy to keep the patrons staying longer than usual and increase the client base by providing additional hotel accommodation services to their clients; and (iv) a buffer for inflation and unanticipated demand for hotel accommodation services.

For the avoidance of doubt, the existing Annual Caps for the years ending 31 December 2024 and 2025 remain unchanged and will be reviewed by the management of the Group from time to time. If they are expected to be exceeded, the management of the Group will take appropriate measures in accordance with the relevant requirements of the Listing Rules.

(iii) Reasons for and benefits of entering into the Hotel Accommodation Continuing Connected Transactions

The Group's core business is the development and operation of casinos and related facilities in Macau. The STDM Group is a conglomerate principally engaged in, among others, hospitality operation and management and transportation in Macau. The Board (including the independent non-executive Directors) considers that the provision of the hotel accommodation services under the 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 hotel accommodation services. The Board (excluding the Abstained Directors but including the independent non-executive Directors) considers the execution of the Products and Services Master Agreement is in the ordinary and usual course of the business of the Group as the procurement of the hotel accommodation services is a necessary component of the Group's ongoing business and in the interests of the Company and the Shareholders as a whole.

The Board (excluding the Abstained Directors but including the independent non-executive Directors) is of the view that the terms of the Products and Services Master Agreement (including the revised Annual Cap for the year ending 31 December 2023) are on normal commercial terms and fair and reasonable so far as the independent Shareholders are concerned.

(B) LISTING RULES IMPLICATIONS

STDM is a connected person of the Company under the Listing Rules by virtue of it being the controlling Shareholder interested in approximately 54.81% of the issued shares of the Company.

Since the highest percentage ratio (other than the profits ratio) as defined in the Listing Rules as determined by reference to the revised Annual Cap for the year ending 31 December 2023 in respect of the Hotel Accommodation Continuing Connected Transactions, on an annual basis, exceeds 0.1% but all applicable percentage ratios are less than 5%, the aforesaid transactions will constitute continuing connected transactions for the Company under the Listing Rules and the Company is required to comply with announcement, reporting and annual review requirements but exempt from circular and independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

The Directors confirmed that, save for the Abstained Directors, none of them have a material interest in the Hotel Accommodation Continuing Connected Transactions. The Abstained Directors 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 proposing the Hotel Accommodation Continuing Connected Transactions.

(C) DEFINITIONS

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

“2023 Announcement”	the announcement of the Company dated 2 March 2023 in relation to, among other things, the Products and Services Master Agreement
“2023 Annual Caps Revision Announcement”	the announcement of the Company dated 24 August 2023 in relation to the revision of annual caps for continuing connected transactions with the STDM Group
“Abstained Directors”	Ms. Ho Chiu Fung, Daisy, Deputada Leong On Kei, Angela, Dr. Chan Un Chan, Mr. Shum Hong Kuen, David and Mr. Tsang On Yip, Patrick, who are regarded as having material interests in the Hotel Accommodation Continuing Connected Transactions 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 Cap(s)”	the annual maximum aggregate value(s) for the transactions contemplated under the Hotel Accommodation Continuing Connected Transactions for each of the years ending 31 December 2023, 2024 and 2025 (as the case may be)
“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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“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
“Hotel Accommodation Continuing Connected Transactions”	the hotel accommodation services under the 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
“Products and Services Master Agreement”	the products and services master agreement dated 2 March 2023 entered into between the Company and STDM in relation to the provision of products and services by the STDM Group to the Group for various services ancillary to the Group’s casino gaming business
“Shareholder(s)”	holder(s) of the ordinary share(s) in the share capital 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
“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
“MOP”	Macau Pataca(s), the lawful currency of Macau
“%”	per cent.

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

Hong Kong, 17 November 2023

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