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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

**DISCLOSEABLE TRANSACTION
IN RELATION TO
UTILISATION FEE TO BE PAID BY SJM RESORTS
TO THE MACAU GOVERNMENT FOR USE OF CASINO SPACES**

A) Utilisation fee for use of casino spaces owned by the Macau Government

Reference is made to the announcement of the Company dated 18 December 2022 relating to the award of a ten-year gaming concession to SJM Resorts commencing 1 January 2023 (the “**Award Announcement**”). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Award Announcement.

As disclosed in the Award Announcement, since the casino premises, which are owned and operated by the Group, will revert to the Macau Government as at 31 December 2022, SJM Resorts will pay an annual utilisation fee to the Macau Government for use of the casino premises in the New Concession Period. On 30 December 2022, the Macau Government has established in the deed of reversion regarding, among other things, the annual utilisation fee for the casino spaces at Casino Grand Lisboa, Casino Grand Lisboa Palace, Casino Lisboa and Casino Oceanus at Jai-Alai, which will be reverted to the Macau Government. SJM Resorts will pay an annual utilisation fee of approximately MOP69.0 million (equivalent to approximately HK\$67.0 million), subject to inflation adjustment as set out below, to the Macau Government from 2023 (i.e., the first year) to 2025 (i.e., the third year). From 2026 (i.e., the fourth year) onward, the annual utilisation fee will be adjusted to approximately MOP229.3 million (equivalent to approximately HK\$222.6 million), subject to inflation adjustment as set out below.

The utilisation fee for the first year corresponds to the area of the casinos multiplied by MOP750/sq.m. (equivalent to approximately HK\$728/sq.m.), with those for the second and third years being updated based on the value of the previous year and in accordance with the average price index in Macau; and the utilisation fee for the fourth year corresponds to the area of the casinos multiplied by MOP2,500/sq.m. (equivalent to approximately HK\$2,427/sq.m.), with those for the subsequent years being updated based on the value of the previous year and in accordance with the average price index in Macau.

The utilisation fee was determined following arm’s length negotiations between the Macau Government and SJM Resorts.

The payment of the utilisation fee is expected to be satisfied by internal resources of the Group.

B) Reasons for and benefits of the transaction payment of the utilisation fee

The principal activity of the Company is investment holding and the Group's core business is the development and operation of casinos and related facilities in Macau. The Board considers that the payment of the utilisation fee under the New Concession Contract is a necessary part and obligation under the New Concession Contract. The Board considers that the terms of the payment of the utilisation fee are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

C) Information on the parties

The Company is the holding company of SJM Resorts, one of the six companies authorised to operate casino games of fortune and other games of chance in casinos, under the terms of a gaming concession granted by the Macau Government.

The Macau Government is the local government of Macau. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Macau Government is a third party independent of the Company and its connected persons.

D) Listing Rules implications

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Group's total obligations arising from the utilisation fee are more than 5% but all applicable percentage ratios are less than 25%, the payment of the utilisation fee constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to notification and announcement requirements but is exempt from circular and Shareholders' approval requirements under the Listing Rules.

For the purpose of this announcement, amounts in MOP are converted to HK\$ at the conversion rates of MOP1.03 = HK\$1.00 for illustration only. No representation was 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
Ho Chiu Fung, Daisy
Chairman and Executive Director

Hong Kong, 30 December 2022

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. So Shu Fai, 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.