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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 ACQUISITION OF THE PROPERTY

THE ACQUISITION AND THE PROPERTY

The Board is pleased to announce that on 9 November 2018, the Purchaser, an indirectly wholly-owned subsidiary of the Company, and the Seller have entered into the Acquisition Agreement. Pursuant to the Acquisition Agreement, the Purchaser has agreed to acquire and the Seller has agreed to sell the Property, which is the whole of 18th floor, China Merchants Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Hong Kong. The Consideration is agreed at HK\$680 million and will be settled in cash in two stages. The Consideration is not higher than the estimated market value of the Property as appraised by an independent property valuer.

The Property is intended for self-use and consolidation of various existing offices of the Group into a single location. The Board considers that (i) the Acquisition is expected to improve operation efficiency by consolidating the Group's various offices into a single location; (ii) the Property is a convenient location for travelling to and from Macau; and (iii) the Property provides sufficient floor space to accommodate the Group's future expansion.

LISTING RULES IMPLICATIONS

The Seller is owned as to over 30% by STDM, the controlling Shareholder. The Seller therefore is a connected person of the Company under the Listing Rules by virtue of it being an associate of STDM, the controlling Shareholder interested in approximately 54.10% of the issued Shares as at the date of this announcement. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 0.1% but falls below 5%, the Company is subject to reporting and announcement requirements but exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(A) INTRODUCTION

The Board is pleased to announce that on 9 November 2018, the Purchaser, an indirectly wholly-owned subsidiary of the Company, and the Seller have entered into the Acquisition Agreement. Pursuant to the Acquisition Agreement, the Purchaser has agreed to acquire and the Seller has agreed to sell the Property at the Consideration of HK\$680 million in cash.

(B) THE ACQUISITION

The Acquisition Agreement

Date: 9 November 2018

Parties: (i) the Purchaser; and
(ii) the Seller.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Seller is an investment company incorporated in Hong Kong with limited liability.

Asset to be acquired

Pursuant to the Acquisition Agreement, the Purchaser has agreed to acquire and the Seller has agreed to sell the Property.

The Consideration

The Consideration is agreed at HK\$680 million in cash. The Consideration is agreed after arm's length negotiations between the Purchaser and the Seller having taken into account, among others, the prevailing market conditions and the estimated market value of the Property. The Consideration is not higher than the estimated market value of the Property as appraised by an independent property valuer.

The Consideration will be settled in cash in two stages with: (i) HK\$204 million upon the signing of the Acquisition Agreement; and (ii) the remaining balance of HK\$476 million upon Completion. The Consideration is expected to be funded by internal resources of the Group.

Original acquisition cost of the Property is not applicable as the Property was developed by the Seller.

Completion

Completion is expected to take place by no later than 14 June 2019.

(C) REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the development and operation of casinos and related facilities in Macau. The Property is the whole of 18th floor, China Merchants Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Hong Kong with a gross floor area of approximately 24,200 sq. ft. It is intended for self-use and consolidation of various existing offices of the Group in Hong Kong into a single location.

The Board considers that (i) the Acquisition is expected to improve operation efficiency by consolidating the Group's various offices into a single location; (ii) the Property is a convenient location for travelling to and from Macau; and (iii) the Property provides sufficient floor space to accommodate the Group's future expansion. The Board (excluding the Abstained Directors but including the independent non-executive Directors) is of the view that although the Acquisition is not in the ordinary and usual course of business of the Group, the Acquisition is in the interests of the Company and the Shareholders as a whole and the terms of the Acquisition Agreement are on normal commercial terms and fair and reasonable.

The Directors confirmed that, save for the Abstained Directors, none of them have a material interest in the Acquisition Agreement and the transaction contemplated thereunder. 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 Acquisition Agreement and the transaction contemplated thereunder.

(D) LISTING RULES IMPLICATIONS

The Seller is owned as to over 30% by STDM, the controlling Shareholder. The Seller therefore is a connected person of the Company under the Listing Rules by virtue of it being an associate of STDM, the controlling Shareholder interested in approximately 54.10% of the issued Shares as at the date of this announcement. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since the highest applicable percentage ratio (as defined under Rule 14.07 of the Listing Rules) in respect of the Acquisition exceeds 0.1% but falls below 5%, the Company is subject to reporting and announcement requirements but exempt from the circular and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(E) DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Abstained Directors”	Ms. Ho Chiu Fung, Daisy, Deputada Leong On Kei, Angela, Dr. Chan Un Chan, Mr. Shum Hong Kuen, David and Dr. Cheng Kar Shun, who are regarded as having material interests in the transaction contemplated under the Acquisition Agreement in view of their interests in the Seller, 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 transaction
“Acquisition”	the acquisition of the Property pursuant to the Acquisition Agreement
“Acquisition Agreement”	the acquisition agreement entered into on 9 November 2018 between the Purchaser and the Seller in respect of the sale and purchase of the Property
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of the 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 main board of the Stock Exchange
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of HK\$680 million for the Acquisition
“controlling Shareholder”	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
“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

“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
“Property”	the whole of 18th floor, China Merchants Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Hong Kong
“Purchaser”	Bondwell Limited, a company incorporated under the laws of Hong Kong and an indirectly wholly-owned subsidiary of the Company
“Seller”	Shun Tak Centre Limited, a company incorporated under the laws of Hong Kong
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“STDM”	Sociedade de Turismo e Diversões de Macau, S.A., a joint stock company “sociedade anónima” incorporated under the laws of Macau and a controlling shareholder of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq. ft.”	square feet
“%”	per cent.

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

Hong Kong, 9 November 2018

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, Mr. Ng Chi Sing, Dr. Chan Un Chan and Mr. Shum Hong Kuen, David, the non-executive director of the Company is Dr. Cheng Kar Shun and the independent non-executive directors of the Company are Mr. Chau Tak Hay, Dr. Lan Hong Tsung, David, Hon. Shek Lai Him, Abraham and Mr. Tse Hau Yin.