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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

INSIDE INFORMATION ANNOUNCEMENT
DISCLOSEABLE TRANSACTION

EXTENSION OF GAMING CONCESSION BY
THE MACAU GOVERNMENT BY WAY OF AMENDMENT TO
THE GAMING CONCESSION CONTRACT

RESUMPTION OF TRADING

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE CONCESSION EXTENSION CONTRACT

Pursuant to the Gaming Concession Contract, SJMSA holds an 18-year gaming concession beginning on 1 April 2002 and expiring on 31 March 2020 to operate casino games and other gaming areas as approved and authorised by the Macau Government.

The Board is pleased to announce that on 15 March 2019, a Concession Extension Contract has been executed between the Macau Government and SJMSA, pursuant to which the gaming concession of SJMSA, which is due to expire on 31 March 2020, would be extended for a further period up to 26 June 2022 which coincides with the expiry date of other concessionaires so that all the original gaming concessions will expire at the same time.

SJMSA shall pay the Macau Government MOP200 million (equivalent to approximately HK\$194 million) upon signing of the Concession Extension Contract as contract premium for such extension.

In addition, SJMSA has agreed to participate in the Non-mandatory Central Provident Fund under Macau Law No. 7/2017 within three months from the date of signing of the Concession Extension Contract.

The Concession Extension Contract also requires that SJMSA shall submit a bank guarantee in amount of not less than MOP3,500 million (equivalent to approximately HK\$3,398 million) to the Macau Government within three months from the date of signing of the Concession Extension Contract to warrant the fulfillment of an already existing commitment of labour liabilities after the expiry of the Concession Extension Contract. The Macau Government may require an increase to the amount of the said guarantee, depending on the number of eligible employees hired by SJMSA.

MGM SUB-CONCESSION EXTENSION CONTRACT

At the same time, with the approval of the Macau Government, SJMSA has executed the MGM Sub-concession Extension Contract with MGM Grand Paradise to extend its gaming sub-concession from 31 March 2020 up to 26 June 2022. MGM Grand Paradise has agreed to pay a consideration of MOP20 million (equivalent to approximately HK\$19.42 million) to SJMSA based on the continuation of the undertakings and obligations in the MGM Sub-concession Contract. For details of the MGM Sub-concession Extension Contract, please refer to the announcement issued by MGM China on 15 March 2019.

REASONS FOR AND BENEFITS OF THE CONCESSION EXTENSION CONTRACT

The Group's core business is the development and operation of casinos and related facilities in Macau. The Board considers that the Concession Extension Contract represents an important development for the Group as it places SJMSA in the same position as the other concessionaires when the Macau Government considers inviting tenders for the next round of gaming concessions. The Board considers that the terms of the Concession Extension Contract are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As more than one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Group's total obligations arising from the execution of the Concession Extension Contract are more than 5% but less than 25%, the Concession Extension Contract and the transactions contemplated thereunder constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to announcement requirement but is exempt from Shareholders' approval requirement under the Listing Rules.

RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange was halted with effect from 9:56 a.m. on 15 March 2019 at the request of the Company pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 1:00 p.m. on 15 March 2019.

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

INTRODUCTION

Pursuant to the Gaming Concession Contract, SJMSA holds an 18-year gaming concession beginning on 1 April 2002 and expiring on 31 March 2020 to operate casino games and other gaming areas as approved and authorised by the Macau Government.

The Board is pleased to announce that on 15 March 2019, a Concession Extension Contract has been executed between the Macau Government and SJMSA, pursuant to which the gaming concession of SJMSA, which is due to expire on 31 March 2020, would be extended for a further period up to 26 June 2022 which coincides with the expiry date of other concessionaires so that all the original gaming concessions will expire at the same time.

At the same time, with the approval of the Macau Government, SJMSA has executed the MGM Sub-concession Extension Contract with MGM Grand Paradise to extend its gaming sub-concession from 31 March 2020 up to 26 June 2022. MGM Grand Paradise has agreed to pay a consideration of MOP20 million (equivalent to approximately HK\$19.42 million) to SJMSA based on the continuation of the undertakings and obligations in the MGM Sub-concession Contract. For details of the MGM Sub-concession Extension Contract, please refer to the announcement issued by MGM China on 15 March 2019.

THE CONCESSION EXTENSION CONTRACT

The principal terms of the Concession Extension Contract are set out below:

- Date : 15 March 2019
- Parties : (i) the Macau Government; and
(ii) SJMSA.

Extension of the term of gaming concession

Pursuant to the Concession Extension Contract, the original expiry date of the gaming concession of SJMSA is extended from 31 March 2020 up to 26 June 2022.

Contract premium for the extension

SJMSA shall pay the Macau Government MOP200 million (equivalent to approximately HK\$194 million) upon signing of the Concession Extension Contract as the contract premium for such extension. The payment of the contract premium is expected to be satisfied by internal resources of the Group and will be amortised over the life of the extended concession period.

Participation in Non-mandatory Central Provident Fund

SJMSA has agreed to participate in the Non-mandatory Central Provident Fund under Macau Law No. 7/2017 within three months from the date of signing of the Concession Extension Contract.

Bank guarantee for fulfillment of the labour liabilities

SJMSA is also required to provide a bank guarantee in amount of not less than MOP3,500 million (equivalent to approximately HK\$3,398 million) to the Macau Government within three months from the date of signing of the Concession Extension Contract to warrant the fulfillment of an already existing commitment of labour liabilities after the expiry of the Concession Extension Contract. The Macau Government may require an increase to the amount of the said guarantee, depending on the number of eligible employees hired by SJMSA. The bank guarantee is to provide extra comfort to the employees of SJMSA. SJMSA will arrange for the issue of the said bank guarantee by an independent bank in Macau as soon as practicable and shall submit the same to the Macau Government within three months. The provision of the bank guarantee will have no significant impact on the financial position of the Group.

The contract premium and arrangements for the provision of the bank guarantee were determined following negotiations between the Macau Government and SJMSA.

REASONS FOR AND BENEFITS OF THE CONCESSION EXTENSION CONTRACT

The Group's core business is the development and operation of casinos and related facilities in Macau. The Board considers that the Concession Extension Contract represents an important development for the Group as it places SJMSA in the same position as the other concessionaires when the Macau Government considers inviting tenders for the next round of gaming concessions. The Board considers that the terms of the Concession Extension Contract are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

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

The Macau Government is the local government of Macau, established on 20 December 1999 and under the Portuguese administration before this date.

To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the Macau Government is third party independent of and not connected with the Company and its connected persons.

LISTING RULES IMPLICATIONS

As more than one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Group's total obligations arising from the execution of the Concession Extension Contract are more than 5% but less than 25%, the Concession Extension Contract and the transactions contemplated thereunder constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to announcement requirement but is exempt from Shareholders' approval requirement under the Listing Rules.

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Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

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

- “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 Extension Contract” : the addendum to the Gaming Concession Contract between the Macau Government and SJMSA executed on 15 March 2019 for extension of the Gaming Concession Contract from 30 March 2020 to 26 June 2022
- “Directors” : directors of the Company
- “Gaming Concession Contract” : the gaming concession contract for the operation of casino games dated 28 March 2002 between the Macau Government and SJMSA, as amended and supplemented by supplemental agreements between the same parties dated 19 April 2005, 26 September 2013 and 23 January 2017
- “Group” : the Company and its subsidiaries
- “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
- “Macau Government” : the government of Macau
- “MGM China” : MGM China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the ordinary shares of which are listed on the Stock Exchange
- “MGM Grand Paradise” : MGM Grand Paradise Limited, a private company limited by shares (“sociedade anónima”) incorporated under the laws of Macau and is a sub-concessionaires of SJMSA pursuant to the MGM Sub-concession Contract

- “MGM Sub-concession Contract” : the gaming sub-concession contract for the operation of casino games dated 19 April 2005 between SJMSA and MGM Grand Paradise
- “MGM Sub-concession Extension Contract” : the addendum to MGM Sub-concession Contract between SJMSA and MGM Grand Paradise executed on 15 March 2019 for extension of the MGM Sub-concession Contract from 30 March 2020 to 26 June 2022
- “Shareholder(s)” : holders of the ordinary share(s) in the share capital of the Company
- “SJMSA” : Sociedade de Jogos de Macau, S.A., a joint stock company (“sociedade anónima”) incorporated under the laws of Macau and a subsidiary of the Company
- “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.

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, 15 March 2019

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.