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澳門博彩控股有限公司
SJM Holdings Limited

(incorporated in Hong Kong with limited liability under the Companies Ordinance)

Stock Code: 880

**VARIATION OF OPTION AGREEMENTS
BETWEEN STDM AND SJM**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

SUMMARY

Reference is made to the Prospectus, wherein it is disclosed that under the Original Purchase Option Agreements dated 17 October 2007, STDM had granted SJM Options to purchase (i) the remaining 15/16 portion of the building known as Hotel Lisboa which was not already owned by SJM for a consideration of HK\$4,295 million and (ii) a development site at Nam Van Lake Lot 11-A for a consideration of HK\$360 million.

The Directors announce that, on 20 March 2009, SJM, a subsidiary of the Company, and STDM executed Deeds of Settlement and Variation by which the terms of the Purchase Option Agreement for Nam Van Lake Lot 11-A were cancelled and the terms of the Purchase Option Agreement for Hotel Lisboa were replaced with an agreement that the Hotel Lisboa building would be jointly redeveloped by STDM and SJM under terms which are described in more detail in the section below headed “Casino and Hotel Lisboa Redevelopment”.

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

BACKGROUND

Reference is made to the Prospectus, wherein it is disclosed that under the Original Purchase Option Agreements dated 17 October 2007, STDM had granted SJM options (the “**Options**”) to purchase (i) the remaining 15/16 portion of the building known as Hotel Lisboa which was not already owned by SJM for a consideration of HK\$4,295 million and (ii) a development site at Nam Van Lake Lot 11-A for a consideration of HK\$360 million. In April 2008, SJM notified STDM that it wished to exercise the Options with the intention that, within a reasonable time after the listing of the shares

of the Company on the Stock Exchange which occurred in July 2008, that the parties would enter into promissory sale and purchase agreements and that SJM would then pay a 10% deposit on each property.

With the onset of a severe recession and an ensuing global credit crunch, which became markedly more severe from August 2008, it became clear to the respective boards of directors of STDM and SJM that the Original Purchase Option Agreements should be reconsidered. After careful consideration of the prevailing local market conditions and the substantially changed global economic environment and the volatility in the financial markets, the boards of directors of SJM and STDM have each reached the conclusion that it was no longer appropriate to proceed with the Options in their original format.

Reasons for Deeds of Settlement and Variation

In the Board's opinion, completion of the Options within the timeframe envisaged at the time of the Company's listing on the Stock Exchange would not have been in the interests of the Company or its shareholders. Whilst the Group's internal financial resources are sufficient to complete the acquisition of the Two Properties, the proposed redevelopment of the Lisboa Site would have imposed an unnecessary burden on its financial resources. Furthermore, the Board has determined after consideration that the development of Nam Van Lake Lot 11-A would not immediately add value to the Group's core casino business and thus it would not be appropriate to proceed. No deposit or other payment has been made by SJM under the Deeds of Settlement and Variation nor had been made under the Original Purchase Option Agreements.

Casino and Hotel Lisboa Redevelopment

SJM currently owns 1/16 portion of the property known as Hotel Lisboa, which equates to the size of the original Casino Lisboa, with the balance owned by STDM. The Lisboa Site, overlooking the causeway to Taipa Island, and at the confluence of the main road arteries of Macau Peninsula, is the pre-eminent site within Macau. Provided all consents and approvals can be obtained, the Lisboa Site can be developed into a multi-purpose development with a gross floor area of 250,000 square meters to 300,000 square meters on a site of approximately 17,215 square meters. The non-casino portion of the development may consist of residential apartments, a hotel, retail and convention facilities.

Under the terms of the Deed of Settlement and Variation for Hotel Lisboa, it has been agreed that STDM and SJM will jointly redevelop the Lisboa Site. STDM will manage the redevelopment and intends to maintain a majority holding in the overall project. However, representatives from SJM will be invited to be part of the project management team. SJM will be closely involved in the timing of the project and its overall design to ensure that the project aligns with SJM's other gaming properties within the Lisboa District.

Although no specific ownership percentage has been fixed under the Deed of Settlement and Variation for Hotel Lisboa on the assumption that the Redevelopment is a multi-purpose mixed use development and approvals are obtained from the Macau Government in this regard, it has been agreed that SJM's resultant holding in the Lisboa Site would be closely aligned to the portion of the overall development that is occupied by the re-designed Casino Lisboa and hotel whilst STDM would own and manage any residential, entertainment and retail aspects of the Lisboa Site. The

Deed of Settlement and Variation specifies that a formal joint redevelopment agreement will be entered into between STDM and SJM which will govern the terms under which the two parties participate in the Redevelopment. The joint redevelopment agreement will specify that SJM will pay an amount to STDM representing its additional interest in the Redevelopment which will be determined by reference to an independent professional valuation of the Lisboa Site, which valuation shall be conducted on the same basis that the property was valued for the purposes of the Global Offering.

Both STDM and SJM do not intend to redevelop the Lisboa Site for some time in view of the current market conditions in Macau. Furthermore, considerable preparatory work would need to be conducted including terminating lease and tenancy agreements in respect of the retail shops at the Hotel Lisboa and seeking relevant approvals from all relevant departments of the Government of the Macau Special Administrative Region for the Redevelopment to proceed.

The execution of the joint redevelopment agreement will constitute a discloseable and connected transaction for the Company which may be subject to approval by independent shareholders of the Company other than STDM and its associates subject to the applicable reporting, disclosure and/or independent shareholders' approval requirements under the Listing Rules depending on the transaction value of such agreement. Upon the execution of the joint redevelopment agreement, the Company will comply in full with all applicable reporting, disclosure and independent shareholders' approval requirements under the Listing Rules.

Consequences of Deeds of Settlement and Variation

Since SJM will no longer become the sole owner of the Lisboa Site, the Company will need to seek revised annual caps for three of the categories of continuing connected transactions for which waivers were granted by the Stock Exchange at the time of the Global Offering, namely, hotel accommodation, hotel management and operation, and entertainment and staff messing, in respect of its continuing connected transactions with STDM for the two years ending 31 December 2010. A further announcement in respect of the details of the revised caps under the said categories will be made shortly.

Discussion of change in Use of Proceeds from statement in Prospectus

It was stated in the Prospectus that approximately HK\$1,300 million of the net proceeds from the Global Offering will be used to partly finance SJM's obligations under the Original Purchase Option Agreements. Since SJM does not intend to complete the acquisition of Nam Van Lake Lot 11-A and foresees a considerable delay in the redevelopment of the Lisboa Site, the portion of the net proceeds which was intended for such use will now be used for project funding and other general corporate purposes of the Group.

3. GENERAL INFORMATION RELATING TO THE GROUP AND STDM

The Group's current core business is the operation of casinos and related facilities in Macau.

STDM is a company incorporated in Macau. Its diverse business interests include entertainment, leisure, sports, tourism and realty, predominantly in Macau. STDM is the controlling shareholder of the Company. The STDM Group (other than the Group) are the Company's connected persons under Rule 14A.11 of the Listing Rules.

4. DEFINITIONS

“Board”	the board of Directors
“Company”	SJM Holdings Limited, a limited liability company incorporated in Hong Kong, the shares of which are listed on The Stock Exchange of Hong Kong Limited
“Deeds of Settlement and Variation”	the deeds of settlement and variation dated 20 March 2009 between SJM and STDM relating to the Two Properties
“Director(s)”	the director(s) of the Company
“Global Offering”	the global offering of shares of the Company in July 2008
“Group”	the Company and its subsidiaries
“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
“Hotel Lisboa”	the existing buildings comprising the hotel and casino properties at the Lisboa Site and land rights relating thereto
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Lisboa Site”	the site of approximately 185,000 square feet currently occupied by the Hotel Lisboa and buildings erected thereon
“Nam Van Lake Lot 11-A”	the development site situated at Lot 11-A, Nam Van Lake
“Options”	the options granted to SJM pursuant to the Original Purchase Option Agreements
“Original Purchase Option Agreements”	two purchase option agreements dated 17 October 2007 between STDM and SJM where STDM granted SJM options to acquire the Two Properties

“Prospectus”	the prospectus of the Company dated 26 June 2008 in respect of a global offering of shares
“Redevelopment”	the redevelopment of the Lisboa Site
“Shareholders”	the shareholders 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 one of the controlling shareholders of the Company
“STDM Group”	STDM and its associates
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it in the Listing Rules
“Two Properties”	the remaining 15/16 portion of the building known as Hotel Lisboa and Nam Van Lake Lot 11-A

By Order of the Board
SJM Holdings Limited
So Shu Fai
Chief Executive Officer

Hong Kong, 20 March 2009

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 and Mr. Shum Hong Kuen, David, 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.