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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

REVISION OF ANNUAL CAPS IN RESPECT OF CERTAIN CONTINUING CONNECTED TRANSACTIONS WITH THE STDM GROUP FOR THE TWO YEARS ENDING 31 DECEMBER 2010

Reference is made to the Prospectus under the section headed “Connected Transactions” where it is disclosed that the Company has entered into certain agreements, including the Products and Services Master Agreement, with members of the STDM Group to regulate transactions which constitute continuing connected transactions under Chapter 14A of the Listing Rules and have set out the estimated annual caps in respect of such transactions for the three years ending 31 December 2010.

Pursuant to the Products and Services Master Agreement, various members of the STDM Group provide products and services, including the Specified Services, to the Group. As the original annual caps for the transactions under the Specified Services for the two years ending 31 December 2010 are expected to be exceeded, therefore, the original annual caps are being revised as follows (the annual caps for the year ended 31 December 2008 are also shown below for reference):

| | Existing Annual Cap 2008 (HK\$ millions) | Existing Annual Cap 2009 (HK\$ millions) | Existing Annual Cap 2010 (HK\$ millions) | Revised Annual Cap 2009 (HK\$ millions) | Revised Annual Cap 2010 (HK\$ millions) |
|---------------------------------|---|---|---|--|--|
| Expenditure | | | | | |
| Hotel Accommodation | 110 | 25 | 25 | 139 | 187 |
| Hotel Management and Operations | 150 | 38 | 0 | 38 | 42 |
| Entertainment and Staff Messing | 95 | 75 | 85 | 113 | 115 |

As each of the applicable percentage ratios (as defined in the Listing Rules) in respect of each of the revised annual caps for the two years ending 31 December 2010 is less than 2.5% on an annual basis, transactions under the Specified Services are subject to reporting and announcement requirements under Rule 14A.34 of the Listing Rules and are exempt from independent shareholders’ approval requirements under Chapter 14A of the Listing Rules. The Directors therefore announce that the annual caps for each of the above transactions have been revised as above.

1. REVISION OF ANNUAL CAPS IN RESPECT OF CERTAIN CONTINUING CONNECTED TRANSACTIONS WITH THE STDM GROUP FOR THE TWO YEARS ENDING 31 DECEMBER 2010

(1) Background

Reference is made to the Prospectus under the section headed “Connected Transactions” where it is disclosed that the Company has entered into certain agreements, including the Products and Services Master Agreement, with members of the STDM Group to regulate transactions which constitute non-exempt continuing connected transactions under the Listing Rules.

In 2002, after SJM was granted the concession contract from the Macau Special Administrative Region of the PRC and the STDM Group transferred the assets for the operation of the casino gaming to SJM, the STDM Group retained certain assets and businesses, including hotel and transportation operations, which are only indirectly related to SJM’s casino gaming business. Various members of the STDM Group have continued to provide certain products and services from these assets and businesses to the Group after the listing of the Company. The Products and Services Master Agreement contains the principles, guidelines, terms and conditions for the provision of products and services, including the Specified Services, by the STDM Group to the Group.

As STDM is a controlling shareholder and therefore a connected person of the Company under the Listing Rules, transactions under the Specified Services constitute non-exempt continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(2) Revision of the Annual Caps for the Two Years Ending 31 December 2010

As disclosed in the Prospectus, the annual caps for the transactions under the Specified Services had been estimated taking into account the expectation that the Proposed Acquisition would be completed in 2008 or 2009. Following the completion of the Proposed Acquisition, the Company expected that it would no longer engage the STDM Group to provide the Specified Services.

The expected completion of the Proposed Acquisition was factored into the relevant annual caps as follows:

- i. Hotel Accommodation, the Company expected to have a decrease in room rate consumption with the STDM Group from 2008 to 2010;
- ii. Hotel Management and Operations, the Company expected it would no longer engage the STDM Group to provide management and operation services; and
- iii. Entertainment and Staff Messing, the Company expected to have a decrease in entertainment expenses and consumption.

Given the current economic conditions and worldwide credit crisis, the anticipated timing of the acquisition of the Hotel Lisboa (at the time of the Company's listing) proved unrealistic and the Hotel Lisboa remains 15/16 portion owned by STDM. As disclosed in the announcement of the Company dated 20 March 2009, the parties to the Purchase Option Agreements, SJM and STDM, have reached the conclusion that it was no longer appropriate to proceed with the options under Purchase Option Agreements in their original format.

Thus, the Company continues to engage the services of the STDM Group in the provision of the Specified Services. As a result, the Directors note that the annual caps for the two years ending 31 December 2010 for the transactions under the Specified Services are expected to be exceeded by the end of 2009 and end of 2010, respectively.

2. SUMMARY OF THE REVISED ANNUAL CAPS

The following table sets out the revised annual caps for the transactions under the Specified Services for the two years ending 31 December 2010 (the annual caps for the year ended 31 December 2008 are also shown below for reference):

| Expenditure | Existing | Existing | Existing | Revised | Revised |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Annual Cap 2008 | Annual Cap 2009 | Annual Cap 2010 | Annual Cap 2009 | Annual Cap 2010 |
| | (HK\$ millions) | (HK\$ millions) | (HK\$ millions) | (HK\$ millions) | (HK\$ millions) |
| Hotel Accommodation | 110 | 25 | 25 | 139 | 187 |
| Hotel Management and Operations | 150 | 38 | 0 | 38 | 42 |
| Entertainment and Staff Messing | 95 | 75 | 85 | 113 | 115 |

The revised annual caps for the transactions under the Specified Services for the two years ending 31 December 2010 are estimated by the Directors with reference to the amounts payable by the Company to the STDM Group under the Products and Services Master Agreement.

As mentioned above, the reason for significant increase in the revised annual caps for the two years ending 31 December 2010 is that the Company will continue to engage the services of the STDM Group in the provision of the Specified Services as a result of the changes to the Purchase Option Agreements.

Furthermore, the Group has been making bookings with Mandarin Oriental Macau for hotel accommodation used by the Group's customers. At present, such transactions are not connected transactions of the Company as Mandarin Oriental Macau is ultimately co-owned by Mandarin Oriental Holding Company Limited and Shun Tak and is not currently a connected person of the Company. In January 2009, it was announced by Shun Tak that STDM had contracted to acquire the entire equity interest of Mandarin Oriental Macau together with the piece of land on which Mandarin Oriental Macau is erected. Following completion of the acquisition, Mandarin Oriental Macau will become 100% owned by STDM and consequently it will become a connected person of the Company.

Following completion of the acquisition of Mandarin Oriental Macau by STDM, the hotel accommodation services provided by this hotel (which will be re-branded by STDM) to SJM will be subject to the existing Products and Services Master Agreement and will be in exactly the same nature as the transactions to which the existing annual caps on Hotel Accommodation and Entertainment & Staff Messing relate. It is proposed to increase the annual cap on Hotel Accommodation and Entertainment & Staff Messing on the basis assuming completion of the acquisition is anticipated within 2009.

Historical figures. The following table sets out the historical annual caps and the actual expenditures in relation to the Specified Services under the Products and Services Master Agreement for the financial year of 2008:

| Category | Annual Caps for the year ended 31 December 2008 (Note 1) HK\$ (in millions) | Actual Expenditures for the year ended 31 December 2008 HK\$ (in millions) |
|-------------------------------|--|---|
| Hotel Accommodation | 110 | 83 |
| Entertainment & Staff Messing | 95 | 79 |
| Hotel Management & Operation | 150 | 100 |

Notes:

1. These caps are part of the Stock Exchange waiver granted at the time of the listing of the Company

3. REASONS AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Products and Services Master Agreement was entered into to ensure adequate products and services are provided to the Group's gaming patrons, including the Specified Services, without the Group having to commit additional resources to enter into businesses which are only indirectly related to SJM's casino gaming business.

The three categories of products or services under the Products and Services Master Agreement are quite distinct. The category "Hotel Accommodation" is primarily for the casino patrons of SJM whereas the category "Entertainment and Staff Messing" represents primarily the expenses incurred by the staff of SJM. The category "Hotel Management and Operation" represents the cost to SJM in respect of the hotel management and operation services provided by subsidiaries of the STDM Group.

Accordingly, the Directors (including the independent non-executive Directors) are of the view that the terms of the continuing connected transactions above have been conducted on normal commercial terms, or on terms no less favourable than those available to independent third parties under prevailing market conditions, are entered into in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the shareholders of the Company as a whole.

4. IMPLICATIONS UNDER THE LISTING RULES

As each of the applicable percentage ratios (as defined in the Listing Rules) in respect of each of the revised annual caps for the two years ending 31 December 2010 is less than 2.5% on an annual basis, transactions under the Specified Services are subject to reporting and announcement requirements under Rule 14A.34 of the Listing Rules and are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Directors therefore announce that the annual caps for transactions under the Specified Services have been revised as above.

5. 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 which are predominantly in Macau include entertainment, leisure, sports, tourism and realty. STDM is the controlling shareholder of the Company. Certain associates of STDM (other than the Group) are the Company's connected persons under Rule 14A.11 of the Listing Rules.

6. DEFINITIONS

| | |
|-------------------------------------|--|
| “associates” | has the meaning ascribed to it in the Listing Rules |
| “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 |
| “connected persons” | has the meaning ascribed to it in the Listing Rules |
| “continuing connected transactions” | has the meaning ascribed to it in the Listing Rules |
| “controlling shareholder” | has the meaning ascribed to it in the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Entertainment and Staff Messing” | STDM Group's provision of food and beverages and other entertainment services for the Company's staff under the Products and Services Master Agreement |

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| “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 Accommodation” | STDM Group’s provision of hotel accommodation to the Company’s gaming patrons and guests under the Products and Services Master Agreement |
| “Hotel Management and Operation” | STDM Group’s provision of hotel management and operation services to the Company and assistance in the purchase of fixed assets and consumables for Grand Lisboa Hotel under the Products and Services Master Agreement |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |
| “Products and Services Master Agreement” | an agreement dated 18 June 2008 between the Company and STDM which contains the principles, guidelines, terms and conditions for the provision of products and services, including the Specified Services, by the STDM Group to the Company |
| “Proposed Acquisition” | the Company’s proposed acquisition of 15/16 portion of the Hotel Lisboa from the STDM Group which was not already owned by SJM at a consideration of HK\$4,295 million, which was expected to take place in 2008 or 2009 |
| “Prospectus” | the prospectus of the Company dated 26 June 2008 |
| “Purchase Option Agreements” | two purchase option agreements dated 17 October 2007 between STDM and SJM where STDM granted SJM options to acquire (1) the remaining 15/16 portion of the building known as Hotel Lisboa and (2) Nam Van Lake Lot 11-A |
| “Shareholders” | the shareholders of the Company |
| “Shun Tak” | Shun Tak Holdings Limited, a limited company incorporated in Hong Kong, the shares of which are listed on The Stock Exchange of Hong Kong Limited |

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| “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 |
| “Specified Services” | provision of Hotel Accommodation, Hotel Management and Operation, and Entertainment and Staff Messing under the Products and Services Master Agreement. |
| “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 |
| “subsidiaries” | has the meaning ascribed to it in the Listing Rules |

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

Hong Kong, 25 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.