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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**

**FORMATION OF JOINT VENTURE WITH  
eGAME SOLUTIONS (HOLDINGS) LIMITED**

This announcement is made by the Company pursuant to the disclosure obligation under the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules.

The Board is pleased to announce that EML, a direct subsidiary of the Company, has entered into the Joint Venture Agreement with ESO and Mr. Cheng Chun Man (as Guarantor) on 6 February 2014, pursuant to which EML and ESO have agreed to set up the JV Company which will be a holding company for a number of country-specific operating companies, which will run lottery operations and which shall be financed, operated and managed by the JV Company.

**THE JOINT VENTURE**

This announcement is made by the Company pursuant to the disclosure obligation under the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the SFO and Rule 13.09(2) of the Listing Rules.

The Board is pleased to announce that EML, a direct subsidiary of the Company, has entered into the Joint Venture Agreement with ESO, a subsidiary of ESH, and Mr. Cheng Chun Man (as Guarantor) on 6 February 2014, pursuant to which EML and ESO have agreed to set up the JV Company, which will be beneficially owned by EML as to 75% and ESO as to 25%. The JV Company will be a holding company for a number of country-specific operating companies, which will run lottery operations and which shall be financed, operated and managed by the JV Company.

## **Details on business plan for lottery projects**

Pursuant to the Joint Venture Agreement, EML and ESO have agreed an initial business plan of establishing five operating companies to operate a national lottery in each of five different countries upon successful award of a lottery licence in those countries.

EML has agreed in principle to provide US\$20 million in aggregate in the form of equity and loan capital to the JV Company, which will then fund the relevant operating company, for the first two projects, with a commitment to invest up to a further US\$30 million in aggregate in three other projects depending on the performance of the earlier projects.

ESO will procure members of the eGame Group to provide technical and operational resources to the operating companies including licences to use the intellectual property rights comprised in the lottery platform and systems which will be used in the business of the JV Company.

It is proposed that, subject to the joint venture agreement to be entered into by the shareholders of each operating company, dividends from the operating companies will be paid in equal proportions to the shareholders of the operating company (including the JV Company) and towards repayment of the loan from JV Company until full repayment. Thereafter, all dividends will be paid to the shareholders of the operating company in the normal manner subject to the laws of the jurisdiction in which the operating company resides.

### **The Guarantor**

Mr. Cheng Chun Man is the controlling shareholder of ESH. Under the terms of the Joint Venture Agreement, Mr. Cheng has guaranteed certain obligations of ESO relating to intellectual property rights attaching to the lottery systems owned by ESH and which will be used in the business of the JV Company.

## **INFORMATION ABOUT THE GROUP**

The Group's core business is the development and operation of casinos and related facilities in Macau. The Directors consider the Group's involvement in the Joint Venture may provide an attractive return to the Group based on the track record and prospects of lottery businesses managed by the eGame Group and the Group's own expertise in gaming.

## **INFORMATION ABOUT eGAME GROUP**

The eGame Group provides integrated technology and management services for national lotteries in various countries across the world. It has successfully provided turnkey solutions to a number of national lotteries in Africa, Asia, Europe and South America.

## **LISTING RULES IMPLICATIONS**

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, ESO, ESG, ESH and their respective ultimate beneficial owner(s) and Mr. Cheng Chun Man are third parties independent of, and not connected with, the Company and its connected persons.

As none of the percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the formation of the Joint Venture and the transactions contemplated under the Joint Venture Agreement exceed 5%, the said transactions do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions 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
“Director(s)”	director(s) of the Company
“eGame Group”	ESH and its subsidiaries
“EML”	Elite Most Limited, a company incorporated in the British Virgin Islands and a direct subsidiary of the Company
“ESG”	eGame Solutions Global Limited, a company incorporated in Hong Kong and a subsidiary of ESH
“ESH”	eGame Solutions (Holdings) Limited, a company incorporated in Samoa
“ESO”	eGame Solutions Operation Limited, a company incorporated in Samoa and a subsidiary of ESH
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China
“Joint Venture”	the joint venture by the eGame Group and the Group to run national lottery businesses pursuant to the terms of the Joint Venture Agreement

“Joint Venture Agreement”	the Joint Venture Agreement dated 6 February 2014 entered into between EML, ESO and Mr. Cheng Chun Man in relation to the Joint Venture
“JV Company”	Elite eGame International Holdings Limited, a company to be incorporated in Samoa with limited liability
“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
“SFO”	Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 6 February 2014

*As at the date of this announcement, the executive directors of the Company are Dr. Ho Hung Sun, Stanley, Dr. So Shu Fai, Mr. Ng Chi Sing, Mr. Rui José da Cunha, Ms. Leong On Kei, Angela, Mr. Shum Hong Kuen, David and Mr. Fok Tsun Ting, Timothy, 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, Mr. Shek Lai Him, Abraham and Mr. Tse Hau Yin.*