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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)

DISCLOSEABLE TRANSACTION

ACCEPTANCE OF THE PROPOSED DRAFT LAND CONCESSION CONTRACT FROM THE MACAU GOVERNMENT IN RESPECT OF THE COTAI LAND

THE PROPOSED DRAFT LAND CONCESSION CONTRACT

The Board is pleased to announce that on 19 October 2012 (after trading hours), SJM, a subsidiary of the Company, accepted the proposed draft Land Concession Contract in respect of the lease of the Cotai Land with an area of 70,468 square metres. The proposed draft Land Concession Contract permits SJM to develop a complex containing a five-star hotel with total gross floor area of 521,435 square metres and with gaming areas on the Cotai Land. It also permits SJM, as a gaming concessionaire, to operate and manage gaming operations on the Cotai Land.

REASONS FOR AND BENEFITS OF THE ACCEPTANCE OF THE PROPOSED DRAFT LAND CONCESSION CONTRACT

The Group's core business is the development and operation of casinos and related facilities in Macau. The Board considers that the acceptance of the proposed draft Land Concession Contract represents a milestone development for the Group as it offers the opportunity for the Group to expand its existing gaming operations from Macau Peninsula to COTAI and to enhance the Group's revenue in the future upon completion of the development on the Cotai Land. The Group plans to build a casino gaming resort where the Group intends to apply to the Macau Government to operate approximately 700 gaming tables and 1,000 slot machines as well as approximately 2,000 hotel rooms (subject to the obtaining of applicable licences from licensing authorities). The Board considers that the terms of the proposed draft Land Concession Contract are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Group's obligations arising from the acceptance of the proposed draft Land Concession Contract is more than 5% but all the applicable percentage ratios are less than 25%, the acceptance of the proposed draft Land Concession Contract 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.

INTRODUCTION

The Board is pleased to announce that on 19 October 2012 (after trading hours), SJM, a subsidiary of the Company, accepted the proposed draft Land Concession Contract in respect of the lease of the Cotai Land with an area of 70,468 square metres. The proposed draft Land Concession Contract permits SJM to develop a complex containing a five-star hotel with total gross floor area of 521,435 square metres and with gaming areas on the Cotai Land.

THE PROPOSED DRAFT LAND CONCESSION CONTRACT

Permitted usage

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Development period

The development of the Cotai Land must be completed within 60 months from the Gazette Date.

Lease term

Pursuant to the proposed draft Land Concession Contract, SJM will lease the Cotai Land from the Macau Government for an initial term of 25 years from the Gazette Date and it has the right to renew the lease for successive periods in accordance with applicable laws.

Contract premium

The total contract premium payable to the Macau Government by SJM as determined by the Macau Government and pursuant to the proposed draft Land Concession Contract will be MOP2,150,504,955 (equivalent to approximately HK\$2,087,868,888). The initial payment of the contract premium in the amount of MOP800,000,000 (equivalent to approximately HK\$776,699,029) shall be settled in cash in due course by SJM. The remaining balance of the contract premium in the amount of MOP1,350,504,955 (equivalent to approximately HK\$1,311,169,859) together with 5% interest per annum as required by the Macau Government, totalling MOP1,506,810,736 (equivalent to approximately HK\$1,462,923,045), will be payable by SJM in cash in eight equal installments on a semi-annual basis in amount of MOP188,351,342 (equivalent to approximately HK\$182,865,381) each. The first installment is due six months from the Gazette Date. The payment of the contract premium, including interest, is expected to be satisfied by internal resources of the Group.

Annual rent

SJM is required to pay an annual rent to the Macau Government in the amounts of MOP2,114,040 (equivalent to approximately HK\$2,052,466) and MOP8,966,965 (equivalent to approximately HK\$8,705,791) during the course of development and after completion of the development of the Cotai Land respectively. The annual rent for the Cotai Land is subject to adjustment by the Macau Government once every five years.

Others

SJM is required to provide a guarantee to the Macau Government for its performance under the Land Concession Contract by way of a cash deposit or bank guarantee for an amount equal to the annual rent payable during the course of development of the Cotai Land.

Formal grant procedures

Shareholders should note that the Cotai Land has not been formally granted by the Macau Government as at the date of this announcement and the requisite formal grant procedures will continue to apply up to the final granting. The Macau Government will arrange for the publication of the final Land Concession Contract in the Gazette in due course. The Gazette Date will constitute the contract date of the Land Concession Contract and the formal date of granting of the Cotai Land pursuant to the Land Concession Contract. A further announcement in this regard will be made by the Company as and when appropriate and in accordance with the Listing Rules.

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GENERAL

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

DEFINITIONS

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

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| “Board” | : | the board of the Directors |
| “Company” | : | SJM Holdings Limited, a company incorporated in Hong Kong with limited liability, the ordinary shares of which are listed on The Stock Exchange of Hong Kong Limited |

“connected person”	:	has the meanings ascribed to it in the Listing Rules
“Cotai Land”	:	a plot of land with an area of 70,468 square metres located in the COTAI area of Macau, adjacent to Avenida do Aeroporto and Rua de Ténis
“Directors”	:	the directors of the Company
“Gazette”	:	the official gazette of Macau
“Gazette Date”	:	the date on which the Land Concession Contract is published in the Gazette
“Group”	:	the Company and its subsidiaries
“Hong Kong”	:	the Hong Kong Special Administrative Region of the People’s Republic of China
“Land Concession Contract”	:	the land concession contract to be granted to SJM by the Macau Government in respect of the lease of the Cotai Land
“Listing Rules”	:	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau Government”	:	the government of Macau
“Macau”	:	the Macau Special Administrative Region of the People’s Republic of China
“SJM”	:	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
“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 rate of MOP1.03 = HK\$1.00 for illustration only. No representation is 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
So Shu Fai
Executive Director and Chief Executive Officer

Hong Kong, 19 October 2012

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 Dato’ Dr. Cheng Yu Tung and the independent non-executive directors of the Company are Mr. Chau Tak Hay, Mr. Lan Hong Tsung, David, Mr. Shek Lai Him, Abraham and Mr. Tse Hau Yin.