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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in SJM Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
ADOPTION OF SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening the annual general meeting of SJM Holdings Limited to be held at Golden Restaurant, Macau Jockey Club (HK) Club House, 1st Floor, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on Wednesday, 13 May 2009 at 3 p.m. is set out in Appendix IV to this circular. Whether or not you are able to attend the annual general meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting should you so wish.

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## DEFINITIONS

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*In this circular, unless the context states otherwise, the following expressions have the following meanings:*

|                            |  |
|----------------------------|--|
| “Adoption Date”            | the date on which the Share Option Scheme is adopted by resolution of the shareholders of the Company in general meeting   |
| “AGM”                      | the annual general meeting of the Company to be held at Golden Restaurant, Macau Jockey Club (HK) Club House, 1st Floor, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on Wednesday, 13 May 2009 at 3 p.m.   |
| “Annual Report 2008”       | the annual report of the Company for the financial year ended 31 December 2008 dispatched to the Shareholders together with this circular  |
| “Articles of Association”  | the articles of association of the Company   |
| “associates”               | shall have the meaning ascribed to it under the Listing Rules  |
| “Auditors”                 | the auditors for the time being of the Company   |
| “Board”                    | the board of Directors   |
| “Business Day”             | a day on which the Hong Kong Stock Exchange is open for the business of dealing in securities  |
| “Companies Ordinance”      | the Companies Ordinance, Chapter 32 of the Laws of Hong Kong   |
| “Company”                  | SJM Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Hong Kong Stock Exchange   |
| “connected person(s)”      | shall have the meaning ascribed to it under the Listing Rules  |
| “Director(s)”              | the director(s) of the Company   |
| “Grant Date”               | the date (which shall be a Business Day) on which the grant of an Option is made to (and subject to acceptance by) a Participant as determined in accordance with the provisions of the Share Option Scheme  |
| “Grantee”                  | any Participant who accepts the grant of any Option in accordance with the terms of the Share Option Scheme or (where the context so permits) a person entitled under the Share Option Scheme to exercise any such Option in accordance with the provisions of the Share Option Scheme |
| “Group”                    | the Company and its subsidiaries   |
| “Hong Kong”                | the Hong Kong Special Administrative Region of the PRC   |
| “Hong Kong Stock Exchange” | The Stock Exchange of Hong Kong Limited  |

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## DEFINITIONS

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|---------------------------|--|
| “Latest Practicable Date” | 3 April 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular   |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange  |
| “Macau”                   | the Macau Special Administrative Region of the PRC   |
| “Memorandum”              | Memorandum of Association of the Company   |
| “Notice of AGM”           | the notice dated 8 April 2009 convening the AGM as set out in Appendix IV to this circular   |
| “Option(s)”               | an option or options to subscribe for Shares granted to (and subject to acceptance by) a Participant pursuant to the Share Option Scheme   |
| “Option Period”           | a period of 9 years commencing on the date falling 6 months after the Grant Date and expiring on the last day of the said 9 years period   |
| “Participant(s)”          | any individual being an employee, officer, agent, consultant or representative of the Company or any Subsidiary (as defined under the Share Option Scheme), including any executive or non-executive director of the Company or any Subsidiary (as defined under the Share Option Scheme), who satisfies the criteria set out in the provisions of the Share Option Scheme |
| “PRC”                     | the People’s Republic of China which, for the purpose of this circular excludes Hong Kong, Macau and Taiwan  |
| “Scheme Period”           | the period of ten years commencing on the Adoption Date  |
| “SFO”                     | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong   |
| “SJM SA”                  | Sociedade de Jogos de Macau, S.A., a joint stock company (“sociedade anónima”), incorporated on 28 November 2001 under the laws of Macau   |
| “Share(s)”                | ordinary share(s) of HK\$1.00 each in the capital of the Company   |
| “Shareholder(s)”          | holder(s) of Share(s) in issue   |
| “Share Option Scheme”     | the share option scheme which is proposed to be adopted by the Company subject to the approval of the Shareholders at the AGM  |
| “STDM”                    | Sociedade de Turismo e Diversões de Macau S.A.   |

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## DEFINITIONS

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|----------------------|--|
| “Subscription Price” | the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option as described in the provisions of the Share Option Scheme, subject to adjustment in accordance with the Share Option Scheme |
| “Subsidiary”         | shall have the meaning ascribed to it under the Listing Rules  |
| “Takeovers Code”     | the Hong Kong Code on Takeovers and Mergers  |
| “HK\$”               | Hong Kong Dollars, the lawful currency of Hong Kong  |

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LETTER FROM THE CHAIRMAN

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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)**

***Executive Directors***

Dr. Ho Hung Sun, Stanley (*Chairman*)  
Dr. So Shu Fai  
Mr. Ng Chi Sing  
Mr. Rui José da Cunha  
Ms. Leong On Kei, Angela  
Mr. Shum Hong Kuen, David

***Registered office***

Unit 14–Unit 16  
15th Floor  
China Merchants Tower  
Shun Tak Centre  
168–200 Connaught Road Central  
Hong Kong

***Non-executive Director***

Dato' Dr. Cheng Yu Tung

***Independent non-executive Directors***

Mr. Chau Tak Hay  
Mr. Lan Hong Tsung, David  
Mr. Shek Lai Him, Abraham  
Mr. Tse Hau Yin

8 April 2009

*To Shareholders*

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS,  
GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES,  
ADOPTION OF THE SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to give Shareholders information on matters to be dealt with at the AGM, which include (i) re-election of Directors; (ii) grant of general mandates to issue and repurchase Shares; and (iii) adoption of the Share Option Scheme.

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## LETTER FROM THE CHAIRMAN

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### RE-ELECTION OF DIRECTORS

In accordance with Article 97 of the Articles of Association and the Code on Corporate Governance Practices set out in Appendix 14 to the Listing Rules, Dr. Ho Hung Sun, Stanley (an executive Director), Mr. Rui José da Cunha (an executive Director), Mr. Shek Lai Him, Abraham (an independent non-executive Director) and Mr. Tse Hau Yin (an independent non-executive Director) shall retire by rotation at the AGM and, all being eligible, offer themselves for re-election as Directors at the AGM.

The biographical details and interests in the Shares and other information as required under Rule 13.51(2) of the Listing Rules of all the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

The remuneration policy for the Directors is set out in the Corporate Governance Report contained in the Annual Report 2008.

Save as disclosed in this circular, there are no other matters in relation to the above Directors that need to be brought to the attention of the Shareholders. Save as disclosed in this circular, there is no information required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

Under resolution No. 3(a), the re-election of each of the Directors proposed to be re-elected will be voted by the Shareholders individually.

### GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

At the AGM, the notice of which is set out on pages 24 to 26 of this circular, the following ordinary resolutions will be proposed to grant the Directors the general and unconditional mandates to issue and repurchase Shares:

- (i) an ordinary resolution (resolution No. 5) to grant to the Directors a general and unconditional mandate to authorise them to allot, issue and deal with the Shares up to 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM (the “**Issue Mandate**”). The Issue Mandate will end on (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; or (iii) the revocation or variation by ordinary resolution of Shareholders in general meeting, whichever is the earliest;
- (ii) an ordinary resolution (resolution No. 6) to grant to the Directors a general and unconditional mandate to authorise them to repurchase Shares up to a maximum of 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the AGM (the “**Repurchase Mandate**”). The Repurchase Mandate will end on (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; or (iii) the revocation or variation by ordinary resolution of Shareholders in general meeting, whichever is the earliest; and
- (iii) conditional upon the passing of the resolutions No. 5 and No. 6 as stated above, an ordinary resolution (resolution No. 7) to extend the Issue Mandate by an amount representing the aggregate nominal amount of Shares repurchased by the Company under the Repurchase Mandate provided that such aggregated amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the AGM.

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## LETTER FROM THE CHAIRMAN

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On the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the AGM, the Company would be allowed to issue a maximum of 1,000,000,000 Shares under the Issue Mandate and to repurchase a maximum of 500,000,000 Shares under the Repurchase Mandate.

Shareholders are invited to refer to the Notice of AGM for details of the abovementioned ordinary resolutions. An explanatory statement, as required by the Listing Rules to be sent to the Shareholders in connection with the Repurchase Mandate, is also set out in Appendix I to this circular. Appendix I contains all the information reasonably necessary to enable the Shareholders to make an informed decision on whether or not to vote for or against the ordinary resolution to grant the Repurchase Mandate at the AGM.

### **ADOPTION OF SHARE OPTION SCHEME**

#### **Principal terms of the Share Option Scheme**

A summary of the terms of the Share Option Scheme is set out in Appendix III to this circular.

#### **Conditions of the Share Option Scheme**

The Share Option Scheme is conditional upon:

- (i) the passing by the Shareholders, at the AGM, of an ordinary resolution to approve and adopt the Share Option Scheme and the allotment and issuance of the Shares, which may be allotted and issued upon the exercise of the Option(s); and
- (ii) the Listing Committee of the Hong Kong Stock Exchange granting the listing of, and permission to deal in, any Shares which fall to be issued pursuant to the exercise of the Options under the Share Option Scheme.

#### **Reasons for adopting the Share Option Scheme**

The reasons for adopting the Share Option Scheme is to provide incentives to the Participants to contribute to the Group and/or to enable the Group to retain and recruit high-calibre employees and/or attract human resources that are valuable to the Group.

#### **Value of the Options**

The Directors consider that it is not appropriate to state the value of all the Options that can be granted under the Share Option Scheme as if they had been granted at the Latest Practicable Date prior to the approval of the Share Option Scheme since the variables which are critical for the calculation of the value of such Options cannot be determined. Such factors include the exercise period and the conditions, if any, that an option is subject to. Accordingly, the Directors believe that any valuation of the Options based on a large number of speculative assumptions would not be meaningful and may be misleading to the Shareholders.

#### **Listing and dealings**

An application will be/has been made to the Hong Kong Stock Exchange for the listing of and permission to deal in the Shares which may be issued and allotted pursuant to the Share Option Scheme.



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## LETTER FROM THE CHAIRMAN

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The Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules, and the adoption of the Share Option Scheme is subject to the approval of the Shareholders at the AGM by an ordinary resolution. To the extent that the Directors are aware having made all reasonable enquiries, none of the Shareholders is required to abstain from voting the said resolution.

### ANNUAL GENERAL MEETING

The notice of the AGM is set out in Appendix IV to this circular. The AGM will be held at Golden Restaurant, Macau Jockey Club (HK) Club House, 1st Floor, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong on Wednesday, 13 May 2009 at 3 p.m..

There is enclosed a form of proxy for use at the AGM. You are requested to complete the form of proxy and return it to the registered office of the Company in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the meeting, whether or not you intend to be present at the meeting. The completion and return of the form of proxy will not prevent you from attending and voting in person at the AGM should you wish to do so.

The chairman of the AGM will demand poll voting for all the resolutions set out in the Notice of AGM in accordance with the requirements of the Listing Rules and the Articles of Association.

Pursuant to Article 66(A) of the Articles of Association, on a poll, every member present in person or by proxy or representative shall have one vote for each Share of which he is the holder and which is fully paid up. A person entitled to cast more than one vote upon a poll need not use all his votes or cast all the votes he uses in the same way.

The results of the poll will be published by way of an announcement on the Company's website and website of the Hong Kong Stock Exchange in accordance with the requirements of the Listing Rules.

### RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

### RECOMMENDATION

The Directors believe that the proposals mentioned above, including the proposals for the re-election of the Directors, the grant of the Repurchase Mandate and the Issue Mandate and the adoption of the Share Option Scheme are in the interests of the Company and the Shareholders as a whole. Therefore, the Directors recommend the Shareholders vote in favour of all the relevant resolutions to be proposed at the AGM.

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## LETTER FROM THE CHAIRMAN

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### DOCUMENT AVAILABLE FOR INSPECTION

A copy of the Share Option Scheme will be available for inspection at the registered office of the Company in Hong Kong at Unit 14–Unit 16, 15th Floor, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong during normal business hours, up to and including 13 May 2009.

Yours faithfully,  
**Dr. Ho Hung Sun, Stanley**  
*Chairman*

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to the Shareholders for their consideration of the proposed resolution in relation to the Repurchase Mandate and also constitutes the memorandum required under Section 49BA of the Companies Ordinance.

### **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 5,000,000,000 Shares. Subject to the passing of resolution No. 5 approving the Repurchase Mandate as set out in the Notice of AGM and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 500,000,000 Shares until (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association or any applicable law to be held; or (iii) the revocation or variation by ordinary resolution of Shareholders in general meeting, whichever is the earliest.

### **REASONS FOR REPURCHASES**

The Directors believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and its Shareholders as a whole. Trading conditions on the Hong Kong Stock Exchange have sometimes been volatile in recent years and if there are occasions in the future when depressed market conditions arise, repurchases of Shares may support the share price of the Company and lead to an enhancement of the net asset value of the Company and/or its earnings per Share. It would then be beneficial to those Shareholders who retain their investment in the Company since their respective interests in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company.

### **FUNDING OF REPURCHASES**

Repurchases would be funded entirely from the Company's available cashflow or working capital facilities which are funds legally available for that purpose and in accordance with the applicable laws of Hong Kong and the Memorandum and Articles of Association of the Company.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with its financial position as disclosed in the Annual Report 2008) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period. The Directors, however, do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors may from time to time be appropriate for the Company.

### **TAKEOVERS CODE**

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase in the Shareholders' interest, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 and Rule 32 of the Takeovers Code, and the provision may apply as a result of any such increase.

The Directors are not aware of any consequences, which may arise under the Takeover Code as a result of any repurchase, which may be made under the Repurchase Mandate. As at the Latest Practicable Date, STDM and Dr. Ho (and his associates) were together beneficially interested in approximately 68.625 per cent of the issued share capital of the Company. Based on these shareholdings, and in the event that the Directors were to exercise in full the power to repurchase Shares under the Repurchase Mandate, the combined shareholdings of STDM and Dr. Ho (and his associates) would increase to approximately 76.25 per cent of the issued share capital of the Company.

The Directors have no intention to exercise the Repurchase Mandate in such a way and to such extent that would give rise to obligations under the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequence of repurchases which would arise under the Takeovers Code except that the repurchases may lead to the Company's failure to comply with the public float requirement under the Listing Rules. The Directors, however, have no present intention to exercise the Repurchase Mandate to the extent that the Company would be unable to comply with such public float requirement.

#### **GENERAL**

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective associates have any present intention to sell any Shares to the Company or its subsidiaries if the resolution in relation to the Repurchase Mandate is approved by the Shareholders.

No connected person of the Company has notified the Company that they have a present intention to sell any Share to the Company, or that they have undertaken not to do so in the event that the resolution in relation to the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company under the Repurchase Mandate in accordance with the Listing Rules and the applicable laws of Hong Kong.

#### **SHARE REPURCHASE MADE BY THE COMPANY**

The Company has not purchased any Share (whether on the Hong Kong Stock Exchange or otherwise) during the six months prior to the Latest Practicable Date.

## SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Hong Kong Stock Exchange during each of the months from 16 July 2008 (being the date of listing of the Shares on the Hong Kong Stock Exchange) to the Latest Practicable Date were as follows:

|   | Per Share              |                       |
|---|------------------------|-----------------------|
|   | Highest<br><i>HK\$</i> | Lowest<br><i>HK\$</i> |
| <b>2008</b>                               |                        |                       |
| July                                      | 3.21                   | 2.73                  |
| August                                    | 2.87                   | 2.27                  |
| September                                 | 2.33                   | 1.41                  |
| October                                   | 1.70                   | 1.20                  |
| November                                  | 1.63                   | 1.20                  |
| December                                  | 2.08                   | 1.29                  |
| <b>2009</b>                               |                        |                       |
| January                                   | 2.03                   | 1.55                  |
| February                                  | 1.77                   | 1.49                  |
| March                                     | 1.81                   | 1.61                  |
| April (up to the Latest Practicable Date) | 1.95                   | 1.80                  |

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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The following are the particulars of the Directors (as required by Rule 13.51(2) of the Listing Rules) that are subject to retirement by rotation at the AGM and proposed for re-election in accordance with the Company's Articles of Association at the AGM.

**Dr. Ho Hung Sun, Stanley**, aged 87, is the Chairman and an Executive Director of the Company and has been the Managing Director of SJM SA since 2001. Dr. Ho is also a director of the following principal subsidiaries of the Group: Efort Limited, Grand Lisboa — Hotel Administration Company Limited, Grand Lisboa — Property Investment Company Limited, Nam Van Lake View Investment Limited, SJM — F&B Service Limited, SJM — Investment Limited, SJM Retail Services Private Limited and Sociedade de Desenvolvimento Unido de Macau S.A.R.L. Dr. Ho is the founder of and has been the Managing Director of STDM since 1962. Dr. Ho is the Vice-Chairman of the board of directors of Macau International Airport Company Limited, the Co-Chairman of the Advisory Committee of Seng Heng Bank Limited and the Chairman of the board of directors of the Macau Horse Racing Company, Limited. Dr. Ho is also the Group Executive Chairman of the Hong Kong Main Board Listed Shun Tak Holdings Limited and the Chairman of the board of directors of the Euronext Lisbon listed Estoril Sol, SGPS, S.A. In the past three years, Dr. Ho was the Chairman of the Hong Kong Main Board listed Value Convergence Holdings Limited up to 29 April 2008, and the Chairman of the Hong Kong Main Board listed Melco International Development Limited up to 15 March 2006.

Dr. Ho is a Standing Committee member of the 11th National Committee of the Chinese People's Political Consultative Conference. Dr. Ho has been the President of The Real Estate Developers Association of Hong Kong since 1984. Dr. Ho is a member of the Court of The Hong Kong Polytechnic University, an Honorary Lifetime Chairman of The University of Hong Kong Foundation for Educational Development and Research, as well as a Vice-Patron of The Community Chest of Hong Kong. In Macau, Dr. Ho is a member of the Economic Development Council of the Macau Government, Trustee of the Macau Foundation and Council member of the University of Macau. Dr. Ho was a Vice-President of both the Macau Special Administrative Region Preparatory Committee and the Macau Special Administrative Region Basic Law Drafting Committee. He was also a member of the Consultative Committee for the Basic Law of the Hong Kong Special Administrative Region.

Dr. Ho was awarded the Grand Lotus Medal of Honour and the Golden Lotus Medal of Honour by the Macau Government in 2007 and 2001 respectively, and he was awarded the Gold Bauhinia Star by the Hong Kong Government in 2003. Internationally, Dr. Ho has received decorations from various governments in the world including the *Grã-Cruz da Ordem do Infante Dom Henrique* from Portugal, the Officer of the Order of the British Empire (O.B.E.) from the United Kingdom, the *Commandeur de la Légion d'Honneur* from France, the *Cruz de Plata de la Orden Civil de la Solidaridad Social* from Spain, the Insignia of the Order of the Sacred Treasure from Japan, the *Commandeur de L'ordre de la Couronne* from Belgium and others.

Dr. Ho received honorary doctoral degrees from the University of Macau, The University of Hong Kong, The Hong Kong Polytechnic University and The Open University of Hong Kong. Dr. Ho is also an honorary fellow of The Hong Kong Academy for Performing Arts and a Fellow of The Royal Academy of Dance in the United Kingdom.

Save as disclosed above, Dr. Ho has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years preceding the Latest Practicable Date.

As at the Latest Practicable Date, Dr. Ho had personal interests in 381,262,500 Shares and interests held by a controlled corporation of Dr. Ho in 3,049,987,500 Shares within the meaning of Part XV of the SFO.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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Save as disclosed herein and in the prospectus of the Company dated 26 June 2008, Dr. Ho has no other relationship with any director, senior management or substantial or controlling shareholders of the Company.

Dr. Ho has not entered into any service contract with the Company and there is no designated length of service for his appointment but he is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association and the Listing Rules.

As an executive director, Dr. Ho is entitled to receive an annual directors' fee of HK\$24.3 million or such other amount as the Remuneration Committee shall recommend which shall be determined in accordance with the Articles of Association. His term of appointment as a director will be in accordance with the Articles.

**Mr. Rui José da Cunha**, aged 67, is an executive Director of the Company and has been a director of the Company since 2001. As the company secretary of SJM SA since 2003, he is responsible for overseeing the company secretarial and legal affairs of the Company. Mr. Cunha is also a director of the following principal subsidiaries of the Group: Efort Limited, Grand Lisboa - Hotel Administration Company Limited, Grand Lisboa - Property Investment Company Limited, Nam Van Lake View Investment Limited, SJM Employment Agency Limited, SJM - F&B Service Limited, SJM - Investment Limited, SJM Retail Services Private Limited and Sociedade de Desenvolvimento Unido de Macau S.A.R.L. Mr. Cunha is also the company secretary and president of the general meeting of the following principal subsidiaries of the Group: Grand Lisboa - Hotel Administration Company Limited, Grand Lisboa - Property Investment Company Limited, Pier 16 - Property Development Limited and Sociedade de Desenvolvimento Unido de Macau S.A.R.L.

Mr. Cunha has been an attorney-at-law in Macau since 1981, and was a founding member of the Macau Bar Association. Mr. Cunha is the founder and senior partner of C&C Advogados, a law office with headquarters in Macau and an overseas office in Lisbon, Portugal. From 1965 until 1981, Mr. Cunha served as Public Prosecutor, Attorney General and Judge of High Court in Portugal and various ex-Portuguese colonies. Mr. Cunha graduated in 1964 from the University of Lisbon, Portugal.

Save as disclosed, Mr. Cunha did not hold directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, nor did he hold any other major appointments.

As at the Latest Practicable Date, Mr. Cunha had personal interests in 15,937,500 Shares within the meaning of Part XV of the SFO.

Mr. Cunha is the founder and senior partner in the Macau law firm, C&C Advogados, which provides legal services to Dr. Ho and STDM on normal commercial terms. Apart from this relationship, Mr. Cunha has no other relationship with any director, senior management or substantial or controlling shareholders of the Company.

Mr. Cunha has not entered into any service contract with the Company and there is no designated length of service for his appointment but he is subject to retirement by rotation and re-election at the AGM in accordance with the Articles of Association and the Listing Rules.

As an executive director, Mr. Cunha is entitled to receive an annual director's fee of HK\$1.4 million or such other amount as the Remuneration Committee shall recommend which shall be determined in accordance with the Articles of Association. His term of appointment as a director will be in accordance with the Articles.

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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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**Mr. Shek Lai Him, Abraham**, aged 63, has been an independent non-executive Director of the Company since 2008. He is also an independent non-executive director of the following companies and investment trusts listed on the Main Board of the Hong Kong Stock Exchange:

- Titan Petrochemical Group Limited
- NWS Holdings Limited
- Midas International Holdings Limited
- Paliburg Holdings Limited
- Lifestyle International Holdings Limited
- Chuang's Consortium International Limited
- Chuang's China Investments Limited
- ITC Corporation Limited
- Country Garden Holdings Company Limited
- MTR Corporation Limited
- Hsin Chong Construction Group Limited
- Hop Hing Group Holdings Limited
- Regal Portfolio Management Limited, the Manager of Regal Real Estate Investment Trust
- Eagle Asset Management (CP) Limited, the Manager of Champion Real Estate Investment Trust

Mr. Shek graduated from the University of Sydney with a Bachelor of Arts Degree.

Mr. Shek was an independent non-executive director of the Hong Kong Main Board listed New World TMT Limited from 2004 to 2006, Hop Hing Holdings Limited from January 2007 to April 2008 and See Corporation Limited from October 2005 to September 2008. He was also a member of the Managing Board of Kowloon-Canton Railway Corporation from February 2004 to December 2007. He is a member of the Legislative Council of Hong Kong and a director of the Hong Kong Mortgage Corporation Limited. He is also vice chairman of Independent Police Complaints Council. Mr. Shek was appointed as a Justice of the Peace in 1995.

As at the Latest Practicable Date, Mr. Shek did not have any interests in Shares, within the meaning of Part XV of the SFO.

Save as disclosed, Mr. Shek did not hold directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, nor did he hold any other major appointments.

Mr. Shek has no relationship with any director, senior management or substantial or controlling shareholders of the Company.

Mr. Shek has not entered into any service contract with the Company. Mr. Shek entered into a letter of appointment with the Company on 11 January 2008. The letter of appointment is for an initial term of three years commencing from the date of appointment at the annual general meeting held by the Company on 20 June 2008, subject to the arrangements of retirement and re-election pursuant to the Articles of Association of the Company and the Listing Rules.

As an independent non-executive director, Mr. Shek is entitled to receive an annual directors' fee of HK\$200,000 or such other amount as the Remuneration Committee shall recommend which shall be determined in accordance with the Articles of Association. His term of appointment as a director will be in accordance with the Articles.



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## APPENDIX II      DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

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**Mr. Tse Hau Yin**, aged 61, is an independent non-executive Director of the Company since 2008. Mr. Tse is also an independent non-executive director of China Construction Bank Corporation, China Telecom Corporation Limited, CNOOC Limited, Sinofert Holdings Limited, Wing Hang Bank Limited and Linmark Group Limited, all of which are listed on the Main Board of the Hong Kong Stock Exchange. Mr. Tse is a member of Supervisory Committee of SJM SA. Mr. Tse is a fellow member of the Institute of Chartered Accountants in England and Wales and a fellow member and past president of Hong Kong Institute of Certified Public Accountants. He is also a registered auditor in Macau. He joined KPMG in 1976, became a partner in 1984 and retired in March 2003. Between 1997 and 2000, Mr. Tse served as the non-executive chairman of KPMG's operation in the PRC and was a member of the KPMG China Advisory Board. He is currently the chairman of the International Advisory Council of The People's Municipal Government of Wuhan. Mr. Tse holds a Bachelor of Social Sciences degree from The University of Hong Kong.

As at the Latest Practicable Date, Mr. Tse did not have any interests in Shares, within the meaning of Part XV of the SFO.

Save as disclosed, Mr. Tse did not hold directorships in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, nor did he hold any other major appointments.

Mr. Tse has no relationship with any director, senior management or substantial or controlling shareholders of the Company.

Mr. Tse has not entered into any service contract with the Company. Mr. Tse entered into a letter of appointment with the Company on 11 January 2008. The letter of appointment is for an initial term of three years commencing from the date of appointment at the annual general meeting held by the Company on 20 June 2008, subject to the arrangements of retirement and re-election pursuant to the Articles of Association of the Company and the Listing Rules. In addition, Mr. Tse also entered into a service contract with SJM SA on 1 December 2007, which was renewed on 25 November 2008, pursuant to which he is appointed as an independent non-executive officer of SJM SA.

As an independent non-executive director, Mr. Tse is entitled to receive an annual directors' fee of HK\$300,000 or such other amount as the Remuneration Committee shall recommend which shall be determined in accordance with the Articles of Association and as an independent non-executive officer of SJM SA, he is entitled to receive a salary of HK\$500,000. His term of appointment as a director will be in accordance with the Articles.

*The following is a summary of the terms of the Share Option Scheme.*

## 1. PURPOSE OF THE SHARE OPTION SCHEME

The purpose of the Share Option Scheme is to provide incentives to Participants to contribute to the Group and/or to enable the Group to recruit high-calibre employees and/or attract human resources that are valuable to the Group.

## 2. PARTICIPANTS

The Participant as referred to in the Share Option Scheme is any employee, officer, agent, consultant or representative of the Company or any Subsidiary, including any executive or non-executive director of the Company or any Subsidiary who, as the Board may determine in its absolute discretion, is regarded as valuable human resources of the Group based on his work experience, knowledge in the industry and other relevant factors, and subject to such Conditions as the Board may think fit. For the purpose of the Share Option Scheme, the definition of “Subsidiary(ies)” shall be any company(ies) which is or are for the time being and from time to time subsidiaries (within the meaning of Section 2 of the Companies Ordinance) of the Company whether incorporated in Hong Kong or elsewhere.

## 3. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- (i) The limit on the total number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Share Option Scheme, together with all outstanding options granted and yet to be exercised under any other share option scheme(s) of the Company and/or any Subsidiary, must not exceed 30 per cent (30%) of the number of issued Shares from time to time. No Options may be granted if such grant will result in the said 30-per cent limit being exceeded. Options lapsed or cancelled in accordance with the terms of the Share Option Scheme or any other share option scheme(s) of the Company and/or any Subsidiary shall not be counted for the purpose of calculating the said 30-per cent limit.
- (ii) Subject to (i) above and (iii) and (iv) below, the total number of Shares which may be issued upon exercise of all Options to be granted, together with all options to be granted under any other share option scheme(s) of the Company and/or any Subsidiary, must not represent more than 10 per cent (10%) of the nominal amount of all the issued Shares as at the Adoption Date (that is, 500,000,000 Shares (or such number of shares as shall result from a sub-division or a consolidation of such 500,000,000 Shares from time to time) representing 10 per cent (10%) of the nominal amount of all the issued Shares as at the Adoption Date), and (unless approved pursuant to (iv) below) no Options may be granted if such grant will result in the said 10-per cent limit being exceeded. Options lapsed in accordance with the terms of the Scheme or any other share option scheme(s) of the Company and/or any Subsidiary shall not be counted for the purpose of calculating the said 10-per cent limit.
- (iii) Subject to (i) above, the Company may seek approval by its shareholders in general meeting to refresh the 10 per cent limit provided in (i) above (the “**Original Limit**”) or to further “refresh” a 10 per cent limit previously “refreshed” as provided in this (iii) (the “**Previous Refreshed Limit**”) by approving a new limit (the “**New Refreshed Limit**”) on the total number of Shares which may be issued upon exercise of all Options to be granted, together with all options to be granted under any other share option scheme(s) of the Company and/or the Subsidiary, then with effect from the date of such shareholders’ approval (the “**Refresher Date**”), the New Refreshed Limit shall apply (subject to (iv) below) but the relevant “refreshed” limit (being the Original Limit or the Previous Refreshed Limit, as the case may be) shall not apply, in respect of Options to be granted to (and subject to acceptance by) a Participant on or after the Refresher Date provided that the New Refreshed Limit must not exceed 10 per cent (10%) of the number

of issued Shares as at the Refresher Date, and (unless approved pursuant to (iv) below) no Options may be granted to (and subject to acceptance by) a Participant on or after the Refresher Date if such grant will result in the New Refreshed Limit being exceeded. Options granted to (and subject to acceptance by) a Participant prior to the Refresher Date under the Share Option Scheme or any other share option scheme(s) of the Company and/or any Subsidiary (including those outstanding, cancelled or lapsed in accordance with the Share Option Scheme or such other scheme(s) of the Company and/or any Subsidiary and those that have been exercised) shall not be counted for the purpose of calculating the New Refreshed Limit.

- (iv) The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the 10 per cent (10%) limit under the Share Option Scheme in accordance with the provisions of the Listing Rules. Accordingly, if the prior approval of the Shareholders of the Company in general meeting is obtained in accordance with the relevant procedural requirements of the Listing Rules, the Board may grant Options to such Participants in respect of such number of Shares and on such terms as may be specified in the said Shareholders' approval, notwithstanding that such grant of Options will result in any of the 10 per cent (10%) limits referred to in (ii) and (iii) above being exceeded.

#### **4. MAXIMUM ENTITLEMENT TO EACH PARTICIPANT**

Subject to the grant of options mentioned in 5(ii) below and subject as hereinafter provided in this paragraph, no Participant shall be granted an Option which, if accepted and exercised in full, would result in the total number of Shares already issued and which may fall to be issued upon exercise of such Option proposed to be granted and all other options already granted and to be granted to him under the Share Option Scheme and any other share option scheme(s) of the Company and/or any Subsidiary, within the 12-month period up to and including the proposed Grant Date (including exercised, cancelled and outstanding Options), would represent in aggregate over one per cent (1%) of the number of Shares in issue as at the proposed Grant Date. If the prior approval of the Shareholders of the Company in general meeting is obtained in accordance with the relevant procedural requirements of the Listing Rules, at which meeting such Participant and his associates shall abstain from voting on the relevant resolution, the Board may grant Options to such Participant in respect of such number of Shares and on such terms as may be specified in the said Shareholders' approval, notwithstanding that such grant of Options will result in the said one-per cent limit being exceeded.

#### **5. GRANT OF OPTIONS TO CONNECTED PERSONS**

- (i) Where any grant of Options is proposed to be made to a Participant who is a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates, such grant must first be approved by all the independent non-executive Directors of the Company (excluding any independent non-executive Director who is the proposed Grantee of such Options).
- (ii) Without prejudice to the generality of (i) above, where any grant of Options is proposed to be made to a Participant who is a substantial Shareholder or an independent non-executive Director of the Company, or any of their respective associates, would result in the Shares issued and may fall to be issued upon the exercise of such Options proposed to be granted and all other Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person under the Share Option Scheme and any other share option scheme(s) of the

Company and/or any Subsidiary in the 12-month period up to and including the proposed Grant Date for such Options:

- (a) representing in aggregate over 0.1 per cent (0.1%) of the number of Shares then in issue; and
- (b) having an aggregate value, based on the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheets on each relevant date on which the grant of such Options is made to (and subject to acceptance by) such person under the relevant scheme, in excess of \$5 million,

then such grant of Options must first be approved by the Shareholders of the Company in general meeting at which meeting all the connected persons of the Company shall abstain from voting in favour at the general meeting, where such connected persons may vote against the relevant resolution at the general meeting provided that their intention to do so has been stated in the circular required to be issued pursuant to the Listing Rules. Any vote taken at the meeting to approve the proposed grant of such Options must be taken on a poll.

#### **6. TIME OF ACCEPTANCE AND EXERCISE OF AN OPTION**

- (i) An offer of grant of an Option shall remain open for acceptance by the Participant for a period of 28 days from the date of the letter containing the grant, provided that no such grant shall be open for acceptance after the expiry of the Scheme Period or after the Share Option Scheme has been terminated (if applicable). A consideration of HK\$1.00 is payable by remittance in favour of the Company on acceptance of the offer of grant of an Option.
- (ii) An Option may be exercised in whole or in part (but if in part only, in respect of a board lot or an integral multiple thereof) in the manner provided in this Paragraph 6 and the letter to the Participant regarding the grant of Options as mentioned in (i) above by the Grantee (or, as the case may be, by his legal personal representative(s)) giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given.
- (iii) Subject to the provisions of the Share Option Scheme, the Option may be exercised by the Grantee in accordance with the terms of the grant letter referred to in (i) above and the provisions of the Share Option Scheme at any time during the Option Period provided that:
  - (a) in the event of the Grantee ceasing to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the Company or any Subsidiary for any reason, other than his death, ill health, disability or insanity or the termination of his employment, office, agency, consultancy or representation on one or more of the grounds specified in Paragraph 10(v) below, then, if the Option Period has not at the date of such cessation commenced, the Option shall lapse; and if the Option Period has commenced, the Grantee may exercise the Option up to his entitlement at the date of cessation (to the extent not already exercised) until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of 3 months (or such longer period as the Board may determine) following the date of such cessation, which date shall be the last actual day of employment, office, agency, consultancy or representation with the Company or the relevant Subsidiary whether payment in lieu of notice is made or not (if applicable);

- (b) in the event of the Grantee ceasing to be an employee (including any executive director), officer (including any non-executive director), agent, consultant or representative of the Company or any Subsidiary by reason of death, ill health, disability or insanity and none of the events which would be a ground for termination of his employment, office, agency, consultancy or representation specified in Paragraph 10(v) below has occurred, the Grantee or the legal personal representative(s) of the Grantee shall be entitled after commencement of the Option Period until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of 12 months from the date of cessation (or such longer period as the Board may determine) to exercise the Option (to the extent not already exercised) in full or to the extent specified in the notice to exercise such Option;
- (c) if a general offer to acquire shares (whether by takeover offer, merger, privatisation proposal by scheme of arrangement between the Company and its members or otherwise in like manner) is made to all the holders of the Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror) and such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Grantee (or his legal personal representative(s)) shall, even if the Option Period has not yet commenced, be entitled to exercise the Option (to the extent not already exercised) at any time until whichever is the earlier of the date of expiry of the Option Period or the last day of the period of 14 days after the date on which the offer becomes or is declared unconditional, after which the Option shall lapse;
- (d) in the event of an effective resolution being passed during the Option Period for the voluntary winding-up of the Company, other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the date such resolution is passed give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Paragraph), and the Grantee (or his legal personal representative(s)) may by notice in writing to the Company, which is received by the Company within 21 days after the date of such resolution, elect to be treated, save as provided herein, as if the Option (to the extent not already exercised) had been exercised immediately before the passing of such resolution either to its full extent or to the extent specified in the notice, such notice to be accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon no Shares will be allotted to the Grantee but the Grantee will be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of Shares such sum as would have been received in respect of the Shares the subject of such election had the Grantee been a member of the Company in respect of those Shares at the time of the resolution; and
- (e) in the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and a notice is given by the Company to its members to convene a general meeting for the purposes of considering and, if thought fit, approving such a compromise or arrangement, the Company shall forthwith after it dispatches such notice to each member of the Company give notice thereof to all Grantees (such notice to specify the record date for ascertaining entitlements to attend and vote at the proposed general meeting, together with a notice of the existence of the provisions of this Paragraph) and thereupon, each Grantee (or his legal personal representative(s)) shall, even if the Option Period has not yet commenced, be entitled to

exercise all or any of his Options at any time not later than five Business Days prior to the record date for ascertaining entitlements to attend and vote at the proposed general meeting of the Company (after which the Option shall lapse) by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Subscription Price for the Shares in respect of which the notice is given, whereupon the Company shall as soon as possible and, in any event, no later than the record date for ascertaining entitlements to attend and vote at the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

(iv) The right to exercise an Option is not subject to the achievement of any performance target.

A grant of an Option shall be made to a Participant by letter (the date of which shall be deemed to be the date on which the grant of an Option (subject to acceptance by the Grantee) is made) in such form as the Board may from time to time determine specifying, inter alia, the number of Shares comprised in and the Option Period in respect of the relevant Option and the Subscription Price and requiring the Participant to undertake to hold the Option on the terms on which it is granted and to be bound by the provisions of the Share Option Scheme.

#### **7. SUBSCRIPTION PRICE FOR SHARES**

The Subscription Price shall be a price determined by the Board and notified to a Participant at the time the grant of the Option(s) (subject to any adjustments made for the reorganization of the capital structure of the Company pursuant to the Share Option Scheme) is made to (and subject to acceptance by) the Participant and shall not be less than the highest of: (a) the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotations sheets on the Grant Date, which must be a Business Day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Grant Date; and (c) if applicable, the nominal value of the Shares.

#### **8. RANKING OF SHARES**

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association and will rank *pari passu* with the fully paid Shares in issue on the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment, or, if later, before the date of registration of the allotment in the register of members of the Company.

#### **9. PERIOD OF THE SHARE OPTION SCHEME**

The Share Option Scheme will remain in force for period of ten (10) years commencing on the Adoption Date.



**10. LAPSE OF OPTIONS**

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the expiry of any of the other periods referred to in Paragraphs 6(iii)(a), 6(iii)(b), 6(iii)(c) or 6(iii)(e) above;
- (iii) subject to Paragraph 6(iii)(d) above, the date of the commencement of the winding-up of the Company;
- (iv) save as otherwise provided in Paragraph 6(iii)(c) or 6(iii)(e) above or by the Court in relation to the Share Option Scheme in question, upon the sanctioning pursuant to the Companies Ordinance by the High Court of Hong Kong of a compromise or arrangement between the Company and its members or creditors for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies;
- (v) the date on which the Grantee ceases to be an employee (including any executive Director), officer (including any non-executive Director), agent, consultant or representative of the Company or any Subsidiary by reason of the termination of his employment, office, agency, consultancy or representation on any one or more of the grounds that he has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer or principal would be entitled to terminate his employment, office, agency, consultancy or representation at common law or pursuant to any applicable laws or under the Grantee's service contract, terms of office, or agency, consultancy, or representation agreement or arrangement with the Company or the relevant Subsidiary. A resolution of the Board or the board of Directors of the relevant Subsidiary to the effect that the employment, office, agency, consultancy or representation of a Grantee has or has not been terminated on one or more of the grounds specified in this Paragraph 10(v) or that one or more of the grounds specified in this Paragraph 10(v) has arisen in respect of the employment, office, agency, consultancy or representation of a Grantee shall be conclusive and binding on the Grantee and, where appropriate, the Grantee's legal personal representative(s);
- (vi) the date on which the Grantee ceases to be an employee (including any executive Director), officer (including any non-executive Director), agent, consultant or representative of the Company or any Subsidiary for any reason other than death, ill health, disability or insanity if the Option Period has not then commenced and for the purposes of this Clause the date of cessation shall be the last actual day of employment, office, agency, consultancy or representation with the Company or the relevant Subsidiary whether payment in lieu of notice is made or not (if applicable); or
- (vii) where the Grantee commits a breach of Paragraph 14 below, the date on which the Board shall exercise the Company's right to cancel the Option.

**11. REORGANISATION OF SHARE CAPITAL STRUCTURE**

Subject to the provisions as described in the clause under “Maximum Number of Shares Available for Subscription” of the Share Option Scheme, in the event of any capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction) whilst an Option remains outstanding in that it is granted and yet to be exercised (and has not lapsed or been cancelled), corresponding adjustments (if any) shall be made in:

- (i) the number of Shares subject to the Share Option Scheme;
- (ii) the number of Shares subject to outstanding Options;
- (iii) the Subscription Price in relation to each outstanding Option; and/or
- (iv) the method of exercise of the Options,

Provided That any such adjustments shall be made such that the proportion of the issued share capital of the Company to which an Option entitles the Grantee to subscribe after such adjustment must be the same as that to which the Option entitled the Grantee to subscribe immediately before such adjustment, but so that no such adjustment shall be made to the extent that the effect of such adjustment would be to enable any Share to be issued at less than its nominal value. In respect of any adjustment required by this Paragraph 11, other than any made on a capitalisation issue, an independent financial adviser or the Auditors must also confirm to the Board in writing that the adjustments satisfy the foregoing proviso.

The capacity and role of the independent financial adviser or the Auditors pursuant to this Paragraph 11 is that of experts and not of arbitrators and their confirmation shall (in the absence of manifest error) be final and binding on the Company and the Grantees. The costs of the independent financial adviser or the Auditors shall be borne by the Company.

**12. CANCELLATION OF OPTIONS**

The Board may effect the cancellation of any Options granted but not exercised on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion see fit and in a manner that complies with all applicable legal requirements for such cancellation.

Where the Company cancels any Options granted but not exercised and grants new Options to the same Grantee, such grant of new Options may only be made under the Share Option Scheme if there is available unissued Options (excluding the cancelled Options) within each of the 10 per cent (10%) limits as referred to in Paragraph 3(ii) and 3(iii) above.

**13. TERMINATION OF THE SHARE OPTION SCHEME**

The Company by resolution passed at a general meeting of its Shareholders or at a meeting of the Board may at any time terminate the operation of the Share Option Scheme and in such event no further Options will be granted or accepted but the provisions of the Share Option Scheme shall remain in force in all other respects. All Options granted and accepted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.



**14. TRANSFERABILITY OF OPTIONS**

An Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Option or purport to do any of the foregoing. Any breach of the foregoing shall entitle the Company to cancel any outstanding Option, or any part thereof, in favour of such Grantee.

**15. ADMINISTRATION OF THE SHARE OPTION SCHEME**

The Share Option Scheme shall be subject to the administration of the Board whose decision (save as otherwise provided in the Share Option Scheme) shall be final and binding on all parties.

The Board shall have the power from time to time to make or vary regulations for the administration and operation of the Share Option Scheme, provided that the same are not inconsistent with the provisions of the Share Option Scheme.

The Share Option Scheme may be altered in any respect by resolution of the Board except that certain provisions of the Share Option Scheme (as specified in the clause under “Alterations of the Scheme” of the Share Option Scheme) shall not be altered to the advantage of Participants unless with the prior sanction of a resolution of the shareholders of the Company in general meeting, subject to the following:

- (i) No such alteration as referred to in the above Paragraph shall operate to affect adversely the terms of issue of any Option granted to any Participant for acceptance prior to such alteration, except in the circumstances provided in the Share Option Scheme;
- (ii) Any alterations to the terms and conditions of the Share Option Scheme which are material in nature must first be approved by the shareholders of the Company, except where such alterations take effect automatically under the existing terms of the Share Option Scheme;
- (iii) The amended terms of the Share Option Scheme must still comply with the relevant requirements of Chapter 17 of the Listing Rules; and
- (iv) Any change to the authority of the Board in relation to any alteration to the terms of the Share Option Scheme must first be approved by the shareholders of the Company in general meeting.



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)

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of SJM Holdings Limited (the “Company”) will be held at Golden Restaurant, Macau Jockey Club (HK) Club House, 1st Floor, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong, on Wednesday, 13 May 2009 at 3 p.m. for the following purposes:

1. To receive and adopt the audited financial statements and the reports of the directors and the auditor of the Company for the year ended 31 December 2008.
2. To declare a final dividend of HK6 cents per share for the year ended 31 December 2008 to the shareholders of the Company.
3. (a) To re-elect the following directors of the Company:
  - (i) Dr. Ho Hung Sun, Stanley as an executive director;
  - (ii) Mr. Rui José da Cunha as an executive director;
  - (iii) Mr. Shek Lai Him, Abraham as an independent non-executive director; and
  - (iv) Mr. Tse Hau Yin as an independent non-executive director.
- (b) To authorise the board of directors of the Company to fix the directors’ remuneration.
4. To re-appoint Messrs. Deloitte Touche Tohmatsu, Certified Public Accountants and H.C. Watt & Company Limited, as the joint auditors of the Company and authorise the board of the directors of the Company to fix their remuneration.

To consider as special business and, if thought fit, to pass with or without modification, the following resolutions as ordinary resolutions of the Company:

5. **“THAT:**
  - (a) subject to paragraph (c) below, a general mandate be and is hereby unconditionally granted to the directors of the Company (“Directors”) to exercise during the Relevant Period (as defined in paragraph (d) below) all the powers of the Company to allot, issue and deal with shares in the Company and to make or grant offers, agreements, options or warrants which would or might require the exercise of such powers;
  - (b) the mandate in paragraph (a) shall authorise the Directors during the Relevant Period (as defined in paragraph (d) below) to make or grant offers, agreements and options which would or might require the exercise of such powers after the end of the Relevant Period (as defined in paragraph (d) below);

- (c) the aggregate nominal value of shares of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the mandate in paragraph (a), otherwise than pursuant to (i) a Right Issue (as defined in paragraph (d) below); or (ii) any option scheme or similar arrangement for the time being adopted by the Company for the purpose of granting or issuing shares or rights to acquire shares of the Company to the directors, officers and/or employees of the Company and/or any of its subsidiaries; or (iii) any scrip dividend or similar arrangement pursuant to the articles of association of the Company from time to time, shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution and the said mandate shall be limited accordingly;
- (d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Company’s articles of association or any applicable law to be held; and
- (iii) the date on which authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Right Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong).

6. **“THAT:**

- (a) a general mandate be and is hereby unconditionally given to the Directors to exercise during the Relevant Period (as defined in paragraph (b) below) all the powers of the Company to repurchase or otherwise acquire shares of HK\$1 each in the capital of the Company in accordance with all applicable laws and the requirements of the Rule Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, provided that the aggregate nominal amount of shares so repurchased or otherwise acquired shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this Resolution;
- (b) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;

- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Company's articles of association or any applicable law to be held; and
  - (iii) the date on which the authority set out in this Resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting."
7. "THAT, conditional upon the passing of resolutions No. 5 and No. 6 set out in the notice convening this meeting, the aggregate nominal amount of the shares which are repurchased or otherwise acquired by the Company pursuant to resolution No. 6 shall be added to the aggregate nominal amount of the shares which may be issued pursuant to resolution No. 5."
8. "THAT conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting approval of the listing of and permission to deal in the shares to be issued pursuant to the exercise of any options granted under the share option scheme (the "Share Option Scheme") (a copy of which has been presented to this meeting marked "A" and initialed by the chairman of the meeting for identification purpose), the Share Option Scheme be and is hereby approved and adopted and that the Directors be and are hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give effect to the Share Option Scheme."
9. "THAT the board of directors of the Company be and is hereby authorized to fix the remuneration of each of the directors of the Company for the financial year ending 31 December 2009."

By order of the Board  
**Henry Mok**  
*Company Secretary*

Hong Kong, 8 April 2009

**Notes:**

- (1) A shareholder entitled to attend and vote at the above meeting may appoint one or more proxies to attend and vote instead of him. A proxy need not be a shareholder of the Company.
- (2) A form of proxy for use at the above meeting (or at any adjournment thereof) is enclosed in the Company's circular to be dated 8 April 2009. In order to be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority shall be deposited at the registered office of the Company at Unit 14–Unit 16, 15th Floor, China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Hong Kong, not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof.
- (3) The register of members of the Company will be closed from Friday, 8 May 2009 to Wednesday, 13 May 2009 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the proposed final dividend and to attend the above meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 7 May 2009.