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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

**ISSUANCE OF US\$500,000,000 4.50% SENIOR NOTES DUE
2026 AND US\$500,000,000 4.85% SENIOR NOTES DUE 2028 AND
DISCLOSURE PURSUANT TO RULE 13.18
OF THE LISTING RULES
&
EXEMPTED CONNECTED TRANSACTION IN RELATION TO
THE PARTIAL SUBSCRIPTION OF THE NOTES
BY CONNECTED PERSONS**

THE NOTES ISSUANCE

Reference is made to the announcement of the Company dated 18 January 2021 in relation to the proposed issuance of the Notes.

The Company is pleased to announce that on 20 January 2021, the Issuer (a wholly-owned subsidiary of the Company), the Company and the Initial Purchasers entered into the Purchase Agreement in connection with the issue of US\$500,000,000 4.50% senior notes due 2026 and US\$500,000,000 4.85% senior notes due 2028.

The Company estimates that the net proceeds from the offering of the Notes will be approximately US\$991 million after deducting discounts of the Initial Purchasers and estimated offering expenses payable by the Company. The Company intends to use approximately 90% of the net proceeds from the proposed offering for refinancing the Syndicated Credit Facilities and the balance for general corporate purposes.

The Company and the Issuer will seek a listing of the Notes on the Stock Exchange and have received an eligibility letter from the Stock Exchange for the listing of the Notes. Admission of the Notes to the Stock Exchange and quotation of the Notes on the Stock Exchange are not to be taken as an indication of the merits or credit quality of the Issuer, the Company, the Notes or the Guarantee.

Although STDM, the Company's controlling shareholder (as defined in the Listing Rules), is not a party to the Purchase Agreement or to the Indentures, the Indentures will contain a change of control provision that would, if triggered, give rise to a right in favor of the holders of the Notes to require the Company to repurchase the Notes. Certain circumstances that will constitute a change of control are described in this announcement. The disclosure relating to the right in favor of the holders of the Notes to require the Company to repurchase the Notes is made pursuant to Rule 13.18 of the Listing Rules.

As the conditions precedent to completion of the Purchase Agreement may or may not be satisfied and the Purchase Agreement may be terminated upon the occurrence of certain events, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company.

CONNECTED TRANSACTION AND LISTING RULES IMPLICATION

STDM and certain directors of the Company and their affiliates agreed to subscribe an aggregate principal amount of US\$79,500,000 of the Notes. STDM is the controlling shareholder of the Company. Therefore, each of the Connected Subscribers is a connected person of the Company as defined under Chapter 14A of the Listing Rules and thus the Connected Subscription constitutes a connected transaction of the Company in the form of financial assistance received by the Company from a connected person.

The Board is of the view that the Connected Subscription is conducted on normal commercial terms or better. In addition, the terms of the Notes (including interest rate) are arrived after arm's length negotiations between the Company and each of the Connected Subscribers, and the Notes are not secured by the assets of the Group. Therefore, the Connected Subscription is fully exempt from all disclosure, annual review, circular and shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

The Company conducted an offering of the Notes to institutional investors on 20 January 2021. BNP Paribas, Industrial and Commercial Bank of China (Macau) Limited, Bank of China Limited, Macau Branch, Industrial and Commercial Bank of China (Asia) Limited and BOCI Asia Limited have been appointed as the Joint Global Coordinators, Banco Nacional Ultramarino, S.A., Bank of Communications Co., Ltd. Macau Branch, China Construction Bank Corporation Macau Branch, China International Capital Corporation Hong Kong Securities Limited, Oversea-Chinese Banking Corporation Limited, Tai Fung Bank Limited, The Bank of East Asia, Limited and Yue Xiu Securities Company Limited have been appointed as Joint Bookrunners. The Company is pleased to announce that on 20 January 2021, the Issuer, the Company and the Initial Purchasers entered into the Purchase Agreement in connection with the Notes Issue.

THE PURCHASE AGREEMENT

Date : 20 January 2021

Parties : (1) the Issuer;
(2) the Company; and
(3) the Initial Purchasers.

The Issuer is offering the Notes only outside the United States in reliance on Regulation S under the Securities Act. The Notes and the Guarantee have not been and will not be registered under the Securities Act or the securities laws of any other place. None of the Notes will be offered to the public in Hong Kong.

PRINCIPAL TERMS OF THE 2026 NOTES

Issuer : The Issuer

Aggregate principal amount : US\$500,000,000

Offering price : 100.00% of the principal amount of the 2026 Notes

Issue date : 27 January 2021

Interest rate : 4.50% per annum payable semi-annually in arrears on 27 January and 27 July of each year. Interest will accrue from 27 January 2021

Maturity date : 27 January 2026, unless earlier redeemed in accordance with terms thereof

First interest payment due date : 27 July 2021

PRINCIPAL TERMS OF THE 2028 NOTES

Issuer : The Issuer,

Aggregate principal amount : US\$500,000,000

Offering price : 100.00% of the principal amount of the 2028 Notes

Issue date : 27 January 2021

Interest rate : 4.85% per annum payable semi annually in arrears on 27 January and 27 July of each year. Interest will accrue from 27 January 2021

Maturity date : 27 January 2028, unless earlier redeemed in accordance with terms thereof

First interest payment due date : 27 July 2021

Ranking of the Notes

The Notes will be general obligations of the Issuer and are guaranteed by the Company on a senior basis. The Notes are senior in right of payment to any existing and future obligations of the Issuer expressly subordinated in right of payment to the Notes and rank at least *pari passu* in right of payment with all other unsecured and unsubordinated indebtedness of the Issuer (subject to any priority rights of such unsecured and unsubordinated indebtedness pursuant to applicable law). The Notes are also effectively subordinated to (i) the other secured obligations (if any) of the Issuer and the Company, to the extent of the value of the assets serving as a security therefor; and (ii) all existing and future obligations of the Company's subsidiaries other than the Issuer.

Events of default

The events of default under the Notes include, among others:

- (1) default in the payment when due (at maturity, upon acceleration, redemption or otherwise) of the principal of, or premium, if any, on the Notes;
- (2) default for 30 days in the payment when due of interest on the Notes;
- (3) failure by the Company and the Issuer to comply with:
 - a. any payment obligations (including, without limitation, obligations as to the timing or amount of such payments) relating to the repurchase by the Company and the Issuer of the Notes at the option of the holders of the Notes upon certain change of control triggering events or special put option events as described in the Indentures;
 - b. the covenants relating to consolidation, merger or sale of assets;
- (4) failure by the Company or any of its subsidiaries for 30 days after receipt of written notice from the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the other agreements in the Indentures not identified in paragraphs (1), (2) or (3) above;
- (5) there occurs with respect to any indebtedness of the Company or any of its subsidiaries having an outstanding principal amount of US\$50.0 million (or the dollar equivalent thereof) or more in the aggregate for all such indebtedness: (a) an event of default that has caused the holder of such indebtedness to declare such indebtedness to be due and payable prior to its stated maturity and/or (b) the failure to make a principal payment when due;
- (6) failure by the Company or any of its significant subsidiaries to pay final judgments or orders rendered against the Company or any significant subsidiary aggregating in excess of US\$50.0 million (or the equivalent thereof), which judgments are not paid, bonded, discharged or stayed for a period of 60 days;

- (7) certain involuntary bankruptcy or insolvency proceedings commenced against the Company or any significant restricted subsidiary described in the Indentures;
- (8) certain voluntary bankruptcy or insolvency proceedings commenced by the Company or any significant restricted subsidiary described in the Indentures; or
- (9) Company denying or disaffirming its obligations under its guarantee securing the obligations of the Notes or, except as permitted by the Indentures, any such guarantee is determined to be illegal or invalid or shall for any reason cease to be in full force and effect.

In the case of an event of default arising from certain events in clause (7) or (8) above, all outstanding Notes will become due and payable immediately without further action or notice. If any other event of default occurs and is continuing, the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding may declare all the Notes to be due and payable immediately.

Covenants

The Notes and the Indentures will limit the Company's ability to, among other things:

- (1) effect a consolidation or merger; and
- (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its subsidiaries, taken as a whole.

Redemption

Optional Redemption of the 2026 Notes

At any time prior to 27 January 2024, the Issuer may redeem the 2026 Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2026 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to 27 January 2024, the Issuer may at its option redeem up to 35% of the aggregate principal amount of the 2026 Notes with the net cash proceeds of one or more sales of the common stock of the Company in an equity offering at a redemption price of 104.50% of the principal amount of the 2026 Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; *provided* that at least 65% of the aggregate principal amount of the 2026 Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 45 days after the closing of the related equity offering.

At any time from time to time on or after 27 January 2024, the Issuer may on any one or more occasions redeem the 2026 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve-month period beginning on 27 January of the years indicated below:

Year	Percentage
2024	102.250%
2025 and thereafter	101.125%

Optional Redemption of the 2028 Notes

At any time prior to 27 January 2025, the Issuer may redeem the 2028 Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the 2028 Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date.

At any time and from time to time prior to 27 January 2025, the Issuer may at its option redeem up to 35% of the aggregate principal amount of the 2028 Notes with the net cash proceeds of one or more sales of the common stock of the Company in an equity offering at a redemption price of 104.85% of the principal amount of the 2028 Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the 2028 Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 45 days after the closing of the related equity offering.

At any time from time to time on or after 27 January 2025, the Issuer may on any one or more occasions redeem the 2028 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below plus accrued and unpaid interest, if any, to (but not including) the redemption date if redeemed during the twelve-month period beginning on 27 January of the years indicated below:

Year	Percentage
2025	102.425%
2026	101.213%
2027 and thereafter	100.00%

Gaming Redemption

Subject to certain conditions, if any Gaming Authority requires a holder or beneficial owner of the Notes to be licensed, qualified or found suitable under any applicable Gaming Law and the holder or beneficial owner fails to apply or become licensed or qualified within the required time period or is notified that it will not be licensed, qualified or found suitable by any Gaming Authority, the Issuer will have the right to require the holder or beneficial owner to dispose of its Notes or redeem the Notes at a redemption price equal to the price required by applicable law or by order of any Gaming Authority or the lesser of the principal amount of the Notes and the price that the holder or beneficial owner paid for the Notes, in either case, together with accrued and unpaid interest on the Notes.

Redemption for Tax Reasons

Subject to certain exceptions, the Company, the Issuer or a surviving person may redeem the Notes upon 10–60 days of notice, as a whole but not in part, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest, if any, to but excluding the date fixed by the Company, the Issuer or a surviving person, as the case may be, for redemption, if the Company or the Issuer would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances.

The right in favor of the holders of the Notes to require the Company to repurchase the Notes

Although STDM, the Company's controlling shareholder (as defined in the Listing Rules), is not a party to the Purchase Agreement or the Indentures, the Indentures will contain a change of control provision that would, if triggered, give rise to a right in favor of the holders of the Notes to require the Company and the Issuer to repurchase the Notes at 101% of the principal amount thereof, plus accrued and unpaid interest, if any, up to but excluding the date of repurchase. The circumstances that will constitute a change of control include:

- (1) the merger, amalgamation or consolidation of the Company with or into another person (other than STDM) or the merger or amalgamation of another person (other than STDM) with or into the Company, or the sale of all or substantially all the assets of the Company to another person (other than STDM);
- (2) STDM is the "beneficial owners" (as such term is used in Rule 13d-3 of the Exchange Act) of less than 51% of the total voting power of the voting stock of the Company;
- (3) the adoption of a plan relating to the liquidation or dissolution of the Company;
- (4) the first day on which Company ceases to own, directly or indirectly, 100% of the Voting Stock of the Issuer or Sociedade de Jogos de Macau, S.A.

Special Put Option

Upon the occurrence of (1) any event after which none of the Company or any subsidiary of the Company has such licenses, concessions, subconcessions or other permits or authorizations as are necessary for the Company and its subsidiaries to own or manage casino or gaming areas or operate casino games of fortune and chance in Macau in substantially the same manner and scope as the Company and its subsidiaries are entitled to on the date on which the Notes are issued, for a period of twenty consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its subsidiaries, taken as a whole; or (2) the termination, rescission, revocation or modification of any licenses, concessions, subconcessions or other permits or authorizations relating to casino or gaming operations which has had a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its subsidiaries, taken as a whole, each holder of the Notes will have the right to require the Company to repurchase all or any part of such holder's Notes at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to but excluding the date of repurchase.

REASONS FOR THE NOTES ISSUE AND PROPOSED USE OF PROCEEDS

The Company estimates that the net proceeds from the offering of the Notes will be approximately US\$991 million after deducting the discounts of the Initial Purchasers and estimated offering expenses payable by the Company. The Company intends to use approximately 90% of the net proceeds from the proposed offering for refinancing the Syndicated Credit Facilities and the balance for general corporate purposes. The Board believes that there would be significant benefit to the Company in effecting the proposed issuance and using the net proceeds for the intended purpose as it would extend the maturity profile of the Group's indebtedness and reduce the Group's secured indebtedness.

LISTING

The Company and the Issuer will seek a listing of the Notes on the Stock Exchange and have received an eligibility letter from the Stock Exchange for the listing of the Notes. Admission of the Notes to the Stock Exchange and quotation of the Notes on the Stock Exchange are not to be taken as an indication of the merits or credit quality of the Issuer, the Company, the Notes or the Guarantee.

GENERAL

The disclosure relating to the right in favor of the holders of the Notes to require the Company and the Issuer to repurchase the Notes is made pursuant to Rule 13.18 of the Listing Rules. In accordance with the requirements pursuant to Rule 13.21 of the Listing Rules, the Company will include appropriate disclosure in subsequent interim and annual reports for so long as the above-described right in favor of the holders of the Notes continues to exist under the Indentures.

As the conditions precedent to completion of the Purchase Agreement may or may not be satisfied and the Purchase Agreement may be terminated upon the occurrence of certain events, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless otherwise indicated in the context, the following expressions have the meanings set out below:

- “2026 Notes” : the US\$500,000,000 4.50% senior notes due 2026
- “2028 Notes” : the US\$500,000,000 4.85% senior notes due 2028
- “Board” : board of directors of the Company
- “Company” : SJM Holdings Limited, a company incorporated in Hong Kong on 17 February 2006 as a company with limited liability
- “Connected Subscribers” : STDM and certain directors of the Company and their affiliates who agreed to subscribe part of the Notes
- “Connected Subscription” : the subscription of an aggregate principal amount of US\$79,500,000 of the Notes by STDM and certain directors of the Company
- “Exchange Act” : the United States Securities Exchange Act of 1934, as amended
- “Gaming Authority” : the applicable gaming board, commission, or other governmental gaming regulatory body or agency which (a) has, or may at any time after issuance of the Notes have, jurisdiction over the gaming activities of the Company or any of its subsidiaries, or any successor to such authority or (b) is, or may at any time after the issuance of the Notes be, responsible for interpreting, administering and enforcing the Gaming Laws in any jurisdiction in which the Company or any of its subsidiaries manages or conducts any casino, gaming business or activities
- “Gaming Law” : all applicable constitutions, treaties, resolutions, laws, regulations, instructions and statutes pursuant to which any Gaming Authority possesses regulatory, licensing or permit authority over gaming, gambling or casino activities, and all rules, rulings, orders, ordinances, regulations of any Gaming Authority applicable to the gambling, casino, gaming businesses or activities of the Company (or any other operator of the casino including any of the Company’s affiliates) or the Company or any of its subsidiaries in any jurisdiction, as in effect from time to time, including the policies, interpretations and administration thereof by the Gaming Authorities

“Group”	:	the Company and its subsidiaries, or any of them, and the businesses carried on by such subsidiaries
“Guarantee”	:	the guarantee to be provided by the Company in respect of the Notes
“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
“Indentures”	:	the indenture in relation to 2026 Notes and the indenture in relation to 2028 Notes, each of which specifies the terms of such Notes including the interest rate and maturity date
“Initial Purchasers”	:	BNP Paribas, Industrial and Commercial Bank of China (Macau) Limited, Bank of China Limited, Macau Branch, Industrial and Commercial Bank of China (Asia) Limited, BOCI Asia Limited, Banco Nacional Ultramarino, S.A., Bank of Communications Co., Ltd. Macau Branch, China Construction Bank Corporation Macau Branch, China International Capital Corporation Hong Kong Securities Limited, Oversea-Chinese Banking Corporation Limited, Tai Fung Bank Limited, The Bank of East Asia, Limited and Yue Xiu Securities Company Limited
“Issuer”	:	Champion Path Holdings Limited, a wholly-owned subsidiary of the Company, a company incorporated with limited liability under the laws of the British Virgin Islands
“Listing Rules”	:	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“Macau”	:	the Macau Special Administrative Region of the People’s Republic of China
“Notes Issue”	:	the issue of the Notes by the Company
“Notes”	:	the 2026 Notes and the 2028 Notes
“Purchase Agreement”	:	the agreement dated 20 January 2021 entered into between, among others, the Issuer, the Company and the Initial Purchasers in relation to the issuance of the Notes
“Securities Act”	:	the United States Securities Act of 1933, as amended

“SFO”	:	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“STDM”	:	Sociedade de Turismo e Diversões de Macau, S.A., a company incorporated in Macau and the Company’s controlling shareholder
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“Syndicated Credit Facilities”	:	our secured bank loans for the Grand Lisboa Palace project and general corporate purposes, which consist of (i) a Hong Kong dollar term loan facility HK\$12,441.0 million, a US dollar term loan facility of US\$156.0 million and a Macau pataca term loan facility of MOP1,382.5 million with a term of 5 years and 5 months and (ii) a Hong Kong dollar revolving credit facility of HK\$8,294.0 million, a US dollar revolving credit facility of US\$104.0 million and a Macau pataca revolving credit facility of MOP921.6 million with an original term of 3 years and 5 months which has been extended to 5 years and 5 months by a waiver obtained on August 24, 2018
“Trustee”	:	DB Trustees (Hong Kong) Limited
“United States”	:	the United States of America
“US\$”	:	United States dollars, the lawful currency of the United States

By Order of the Board
SJM Holdings Limited
Ho Chiu Fung, Daisy
Chairman and Executive Director

Hong Kong, 21 January 2021

As at the date of this announcement, the executive directors of the Company are Ms. Ho Chiu Fung, Daisy, Mr. Fok Tsun Ting, Timothy, Deputada Leong On Kei, Angela, Dr. So Shu Fai, Dr. Chan Un Chan and Mr. Shum Hong Kuen, David, the non-executive directors of the Company are Mr. Ng Chi Sing and Mr. Tsang On Yip, Patrick and the independent non-executive directors of the Company are Mr. Chau Tak Hay, Hon. Shek Lai Him, Abraham, Mr. Tse Hau Yin and Ms. Wong Yu Pok, Marina.