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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

CONTINUING CONNECTED TRANSACTIONS
UNDER
AIRCRAFT SUBLEASE AGREEMENTS

Reference is made to the Prospectus under the section headed “Connected Transactions” where it is disclosed that the Company applied to the Stock Exchange for, and the Stock Exchange granted a waiver from compliance with the announcement requirement pursuant to Rule 14A.42(3) of the Listing Rules in respect of the continuing connected transactions under the Aircraft Sublease Agreements. Pursuant to Rule 14A.34 of the Listing Rules, these transactions are exempt from the independent shareholders’ approval requirement of the Listing Rules. The Stock Exchange waiver expired on 31 December 2008. Upon such expiration, the Continuing Connected Transactions, will be carried on by the Group from 1 January 2009 onwards, which would be subject to reporting and announcement requirements under the Listing Rules.

As the Continuing Connected Transactions have been continued and carried out in the ordinary and usual course of the Group’s business on normal commercial terms and on terms that are fair and reasonable as far as the Shareholders as a whole are concerned, the Directors considered that it would not be practical to make disclosure for each transaction every time as it arises. Therefore, the Company makes this announcement on its plans for 2009 and 2010 with respect to the Continuing Connected Transactions to fulfil its announcement obligation.

As the applicable percentage ratios for the annual caps of the Continuing Connected Transactions for 2009 and 2010 exceed 0.1% but are less than 2.5%, they are subject to the reporting and announcement requirements under Rule 14A.34 of the Listing Rules and are exempt from independent shareholders’ approval requirement of Chapter 14A of the Listing Rules.

BACKGROUND

Reference is made to the Prospectus under the section headed “Connected Transactions” where in the listing application process, the Company applied to the Stock Exchange for, and the Stock Exchange granted, a waiver from compliance with announcement requirement pursuant to Rule 14A.42(3) of the Listing Rules in respect of the continuing connected transactions under the Aircraft Sublease Agreements (the “Continuing Connected Transactions”), subject to the annual value of such Continuing Connected Transactions for the year 2008 not exceeding the relevant cap amounts as stated in the Prospectus. Such waiver granted by the Stock Exchange expired on 31 December 2008. Upon such expiration, the Continuing Connected Transactions have been carried on by the Group from 1 January 2009 onwards, which would be subject to reporting and announcement requirements under the Listing Rules.

As the Continuing Connected Transactions have been continued and carried out in the ordinary and usual course of the Group’s business on normal commercial terms and on terms that are fair and reasonable as far as the Shareholders as a whole are concerned, the Directors considered that it would not be practical to make disclosure for each transaction every time as it arises. Therefore, the Company makes this announcement on its plans for 2009 and 2010 with respect to the Continuing Connected Transactions to fulfil its announcement obligation.

INFORMATION RELATING TO THE CONNECTED PERSON

STDM is the controlling shareholder of the Company. STDM and its associates (other than the Group) are the Company’s connected persons under Rule 14A.11 of the Listing Rules.

Jet Asia is a subsidiary of STDM and therefore an associate of STDM under the Listing Rules and a connected person of the Company pursuant to Rule 14A.11(4) of the Listing Rules. Jet Asia principally engages in the operation and provision of chartered jet services throughout Asia Pacific, including clients based in Macau and has been providing non-exclusive chartered jet services to the Group.

CONTINUING CONNECTED TRANSACTIONS UNDER THE AIRCRAFT SUBLEASE AGREEMENTS

In May 2007, Jet Asia entered into a term sheet with a financier, an independent third party, to arrange for a finance lease transaction in respect of six aircraft pursuant to which, Sky Reach, a wholly-owned subsidiary of the Company, would enter into lease agreements for the six aircraft with such independent third party.

As at the date of this announcement, all Aircraft Sublease Agreements have been entered into between Sky Reach and Jet Asia pursuant to which Sky Reach agreed to sublease six aircraft to Jet Asia. The first and the second sublease agreements were entered into in December 2007, the third sublease agreement was entered into in May 2008, the fourth and the fifth sublease agreements were entered into in August 2008 and the last sublease agreement was entered into in December 2008. Delivery of the sixth aircraft was completed on 15 January 2009.

Each of the Aircraft Sublease Agreements has an initial term of 10 years and may be extended by mutual consent of Sky Reach and Jet Asia on such terms as may be agreed between them. Such terms are in line with the lease term under the term sheet entered into between Jet Asia and the financier. As mentioned in the Prospectus, it is normal business practice for finance leases to have terms of similar or longer durations. Based on the above reasons, the Directors and Deutsche Bank AG, Hong Kong Branch (the Company's sponsor in relation to the Company's listing application) were of the opinion that a term exceeding 3 years is required for each of the Aircraft Sublease Agreements and confirmed that it is normal business practice for aircraft leases of this type to be of such minimum duration. Such a view was set out on page 229 of the Prospectus.

According to the Aircraft Sublease Agreements, the rental for the six aircraft which Jet Asia will pay to Sky Reach would be equivalent to the rental which Sky Reach will pay to the independent third party financier under the respective aircraft lease agreements. Sky Reach is not expected to make a profit or loss under the Aircraft Sublease Agreements.

HISTORICAL TRANSACTION FIGURES

The maximum aggregate annual value (cap) for the Continuing Connected Transactions for 2008 is HK\$38.0 million and the unaudited aggregated rental paid by Jet Asia to Sky Reach pursuant to the Aircraft Sublease Agreements for the year ended 31 December 2008 was approximately HK\$30.3 million.

PROPOSED ANNUAL CAPS

The proposed annual caps of the aggregate rental payable by Jet Asia to Sky Reach for the years ending 31 December 2009 and 2010 will be approximately HK\$55.0 million and HK\$55.0 million, respectively for the subleasing of all six aircraft.

The annual caps for the years ending 31 December 2009 and 2010, being the aggregate rental payable by Jet Asia to Sky Reach and the aggregate rental payable by Sky Reach to the independent third party financier, were determined by reference to the contractual terms of the Aircraft Sublease Agreements and subject to prevailing interest rates.

The increase in the proposed annual caps for the years ending 31 December 2009 and 2010 is because the total rental paid by Jet Asia to Sky Reach in 2008 did not represent the aggregated rental for all six aircraft as only two aircraft were delivered prior to 2008, the other three aircraft were delivered at various times during 2008 and the last aircraft was delivered in January 2009. The proposed annual caps of HK\$55.0 million represent the aggregate rental payment of all six aircraft (except rental for the sixth aircraft commenced from the actual delivery date, i.e. 15 January 2009).

LISTING RULES IMPLICATIONS

As the applicable percentage ratios for the annual caps of the Continuing Connected Transactions for 2009 and 2010 exceed 0.1% but are less than 2.5%, they are subject to the reporting and announcement requirements under Rule 14A.34 of the Listing Rules and are exempt from independent shareholders' approval requirement of Chapter 14A of the Listing Rules.

REASONS AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

As mentioned in the Prospectus, the Aircraft Sublease Agreements were entered into to ensure adequate chartered jet services for the Group's gaming patrons without having to directly operate the six aircraft for which the Group have no licence and expertise, nor commit additional resources to enter into a non-core business.

The Directors (including the independent non-executive Directors) believe that the Continuing Connected Transactions were entered into in the ordinary and usual course of business of the Company and the terms of the Continuing Connected Transactions were determined after arms-length negotiation, on normal commercial terms, are fair and reasonable so far as the Company and the Shareholders are concerned and are in the interests of the Company and the Shareholders as a whole.

INFORMATION RELATING TO THE GROUP

The Group's current core business is the operation of casinos and related facilities in Macau.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the following meaning:

“Aircraft Sublease Agreements”	the six aircraft sublease agreements entered into between Sky Reach and Jet Asia during May 2007 and December 2008, pursuant to which Sky Reach agreed to sublease six aircraft to Jet Asia
“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Company”	SJM Holdings Limited, a limited liability company incorporated in Hong Kong and the shares of which are listed on the Stock Exchange
“connected persons”	has the meaning ascribed to it in the Listing Rules
“Continuing Connected Transactions”	the continuing connected transactions under the Aircraft Sublease Agreements entered into between Sky Reach and Jet Asia
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Jet Asia”	Companhia de Aviação Jet Asia Limitada, a limited liability company by quotas (“ <i>sociedade por quotas</i> ”) incorporated under the laws of Macau and a subsidiary of STDM
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Prospectus”	the prospectus of the Company dated 26 June 2008
“Shareholders”	the shareholders of the Company
“Sky Reach”	Sky Reach Investments Limited, a limited liability company incorporated under the laws of the British Virgin Islands and a wholly-owned subsidiary of the Company, which is engaged in aircraft leasing
“STDM”	Sociedade de Turismo e Diversões de Macau, S.A., a joint stock company “ <i>sociedade anônima</i> ” incorporated under the laws of Macau and one of the controlling shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiaries”	has the meaning ascribed to it in the Listing Rules

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

Hong Kong, 20 January 2009

As at the date of this announcement, the executive Directors are Dr. Ho Hung Sun, Stanley, Dr. So Shu Fai, Mr. Ng Chi Sing, Mr. Rui José da Cunha, Ms. Leong On Kei, Angela and Mr. Shum Hong Kuen, David, the non-executive Director is Dato’ Dr. Cheng Yu Tung and the independent non-executive Directors are Mr. Chau Tak Hay, Mr. Lan Hong Tsung, David, Mr. Shek Lai Him, Abraham and Mr. Tse Hau Yin.