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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)

**CONTINUING CONNECTED TRANSACTION
IN RESPECT OF LEASES OF PREMISES FROM
A DIRECTOR AND/OR HER ASSOCIATES**

THE PREMISES LEASING MASTER AGREEMENT

The Board is pleased to announce that on 22 November 2013, the Company and Ms. Leong have entered into the Premises Leasing Master Agreement, pursuant to which Ms. Leong agrees to lease and to procure her associates to lease certain premises to the Group and the Group agrees to lease and procure any member of the Group to lease such premises from Ms. Leong and/or her associates.

LISTING RULES IMPLICATIONS

Ms. Leong is a connected person of the Company under the Listing Rules by virtue of her being a Director. Accordingly, the transactions as contemplated under the Premises Leasing Master Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined in the Listing Rules (other than the profits ratio) as determined by reference to the Annual Caps, on an annual basis, exceed 0.1% but are less than 5.0%, the Company is required to comply with announcement, reporting and annual review requirements but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

(A) THE PREMISES LEASING MASTER AGREEMENT

The Board is pleased to announce that on 22 November 2013, the Company and Ms. Leong have entered into the Premises Leasing Master Agreement, pursuant to which Ms. Leong agrees to lease and to procure her associates to lease certain premises to the Group and the Group agrees to lease and procure any member of the Group to lease such premises from Ms. Leong and/or her associates.

Date: 22 November 2013

Parties: (i) Ms. Leong; and
(ii) the Company.

Subject matter: Ms. Leong agrees to lease and to procure her associates to lease certain premises to the Group and the Group agrees to lease and procure any member of the Group to lease such premises from Ms. Leong and/or her associates subject to the terms and conditions of the Premises Leasing Master Agreement and the relevant Lease Implementation Agreements.

The location, usage, and other details of the premises leased by Ms. Leong and/or her associates from time to time to the Group shall be set out in the Lease Implementation Agreements. Ms. Leong agrees that the quality and conditions of the premises to be provided under the Lease Implementation Agreement(s) will be satisfactory to the Group. As at the date of the Premises Leasing Master Agreement, the premises leased by Ms. Leong and/or her associates to the Group are all located in Macau.

Term and renewal: The Premises Leasing Master Agreement shall commence from 1 January 2014 and end on 31 December 2016.

The Company shall have the right in its sole discretion to renew the Premises Leasing Master Agreement for a further three years by giving at least six months' notice before its termination to Ms. Leong in which event parties to the Premises Leasing Master Agreement agree to sign new documents, subject to compliance with the relevant laws, rules and regulations and the Listing Rules.

Lease Implementation Agreement(s): Ms. Leong agrees to enter into and will procure her relevant associates to enter into the Lease Implementation Agreements with the relevant members of the Group to set out the details of the lease of each premises, including the specific quality, condition, rent, duration and other relevant specifications, which reflect the requirements of the relevant members of Group and the market conditions at the material time. The term for each of the Lease Implementation Agreements shall not exceed the term of the Premises Leasing Master Agreement (or its renewed term).

If any of the provisions of any Lease Implementation Agreement conflict with any provisions of the Premises Leasing Master Agreement, the provisions of the Premises Leasing Master Agreement shall prevail.

Rental, payment terms and other charges:	<p>The rental, the basis of rental payable and the exact date of rental payment in respect of each premises to be provided by Ms. Leong and/or her associates from time to time to the Group, and if appropriate the relevant building management fees, utility charges, air conditioning services charges and any other charges in respect of each premises to be charged by Ms. Leong and/or her associates, shall be set out in the relevant Lease Implementation Agreements and must be fair and reasonable.</p> <p>The relevant rental of each premises shall not be higher than the rental for the same or comparable type of premises provided by independent third parties in the ordinary course of business. The terms and conditions on which such premises are to be provided by Ms. Leong and/or her associates from time to time should be no less favourable to the Group than those offered by independent third parties.</p> <p>The rent for each of the premises, if renewal of the lease is agreed, will be subject to review and mutual agreement by the parties to the relevant Lease Implementation Agreement, provided that an independent property valuer to be appointed by the parties to the Lease Implementation Agreement confirms that such updated rental is not higher than the market rent.</p>
Maintenance and repair of the premises:	<p>The costs of maintenance and repair of the premises shall be borne, as set out in the Lease Implementation Agreements, by the relevant member of the Group as tenant/lessee in the case of regular maintenance and repair of usage deterioration and by Ms. Leong and/or her relevant associate as landlord/lessor in the case of structural repair required to maintain the integrity of the premises.</p>
Non-exclusivity and priority given by Ms. Leong and/or her associates:	<p>The Premises Leasing Master Agreement does not restrict any member of the Group from renting premises from other third parties.</p> <p>The provision of premises by Ms. Leong and/or her associates from time to time is on a non-exclusive basis and Ms. Leong and/or her associates from time to time may provide premises to other third parties, subject always to the obligation that Ms. Leong and/or her associates from time to time give priority to lease those premises required by the Group in accordance with the Premises Leasing Master Agreement.</p>
Condition precedent:	<p>The Premises Leasing Master Agreement is subject to and conditional on the fulfillment of the requirements of the Listing Rules and any conditions imposed by the Stock Exchange.</p>

(B) THE ANNUAL CAPS

Set out below are the Annual Caps for the Continuing Connected Transaction for each of the three years ending 31 December 2014, 2015 and 2016 (the “**Relevant Period**”).

	For the year ending 31 December		
	2014	2015	2016
	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>	<i>(HK\$ million)</i>
The Annual Caps	180	180	180

The Annual Caps are determined by reference to (i) the existing leases (including the lease of the Jai Alai Palace) entered between the Group and Ms. Leong and/or her associates; (ii) the expected renewal of certain existing leases during the Relevant Period; (iii) the estimated rental adjustments to be made to the renewed leases; and (iv) a buffer of 10% for any unanticipated fluctuations of market rental (including property management fee, if applicable) and any unexpected charges incidental to the transactions contemplated under the Premises Leasing Master Agreement as well as additional leases to be entered in the Relevant Period.

(C) REASONS FOR AND BENEFITS OF THE ENTERING INTO THE PREMISES LEASING MASTER AGREEMENT

The Group’s core business is the development and operation of casinos and related facilities in Macau. Ms. Leong and/or her associates owned a number of properties in which the Group operated, including the Jai Alai Palace. The Board (including the independent non-executive Directors) considers that leases of premises under the Premises Leasing Master Agreement are a necessary component of the Group’s ongoing business. The Board (including all independent non-executive Directors) considers the Continuing Connected Transactions are conducted in the ordinary and usual course of business of the Group. The Board (excluding Ms. Leong but including all independent non-executive Directors) considers that the terms of the Continuing Connected Transactions (including the Annual Caps) are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(D) LISTING RULES IMPLICATIONS

Ms. Leong is a connected person of the Company under the Listing Rules by virtue of her being a Director. Accordingly, the transactions as contemplated under the Premises Leasing Master Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

Since the applicable percentage ratios as defined in the Listing Rules (other than the profits ratio) as determined by reference to the Annual Caps, on an annual basis, exceed 0.1% but are less than 5.0%, the Company is required to comply with announcement, reporting and annual review requirements but is exempt from independent shareholders’ approval requirement under Chapter 14A of the Listing Rules.

The Directors confirmed that, save for Ms. Leong, none of them have a material interest in the Premises Leasing Master Agreement. Ms. Leong was absent from the Board meeting of the Company while the relevant resolution was being discussed and abstained from voting on the Board resolution on proposing the Premises Leasing Master Agreement.

(E) DEFINITIONS

Unless defined otherwise, the terms used in this announcement shall have the following meanings:

- “Annual Caps” : the annual maximum aggregate value for the transactions contemplated under the Premises Leasing Master Agreement (including the lease of the Jai Alai Palace as set out in the announcement of the Company dated 18 November 2012) for each of the three years ending 31 December 2014, 2015 and 2016, details of which are set out in the section headed “The Annual Caps” in this announcement
- “associate(s)” : has the meaning ascribed to it under the Listing Rules
- “Board” : the board of Directors of the Company
- “Company” : SJM Holdings Limited, a company incorporated in Hong Kong with limited liability, the ordinary shares of which are listed on the Stock Exchange
- “connected person(s)” : has the meaning ascribed to it under the Listing Rules
- “Continuing Connected Transactions” : the transactions contemplated under the Premises Leasing Master Agreement and, for the avoidance of doubt, including the lease of the Jai Alai Palace
- “Director(s)” : the director(s) of the Company
- “Group” : the Company and its subsidiaries
- “Hong Kong” : the Hong Kong Special Administrative Region of the People’s Republic of China
- “Independent Shareholders” : the Shareholders, other than Ms. Leong, who do not have any material interests in the Premises Leasing Master Agreement
- “Jai Alai Palace” : the shops and areas of the entire building located in Macau, at Zona de Aterros do Porto Exterior (ZAPE) N° S/N, Jai Alai (including the building and other ancillaries erected thereon), which is commonly known as “Jai Alai Palace”
- “Lease Implementation Agreement(s)” : the implementation agreement(s) entered into or to be entered into between members of the Group and Ms. Leong and/or her associates from time to time as set out in the Premises Leasing Master Agreement

“Listing Rules”	: The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	: the Macau Special Administrative Region of the People’s Republic of China
“Ms. Leong”	: Ms. Leong On Kei, Angela, a Director
“Premises Leasing Master Agreement”	: the premises leasing master agreement dated 22 November 2013 entered into between Ms. Leong and the Company in relation to the leases of premises owned by Ms. Leong and/or her associates to the Group
“Share(s)”	: the ordinary share(s) of HK\$1.0 each in the share capital of the Company
“Shareholder(s)”	: holder(s) of the Share(s)
“Stock Exchange”	: The Stock Exchange of Hong Kong Limited
“HK\$”	: Hong Kong dollar(s), the lawful currency of Hong Kong
“%”	: per cent.

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

Hong Kong, 22 November 2013

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, Mr. Shum Hong Kuen, David and Mr. Fok Tsun Ting, Timothy, the non-executive Director is Dr. Cheng Kar Shun, and the independent non-executive Directors are Mr. Chau Tak Hay, Dr. Lan Hong Tsung, David, Mr. Shek Lai Him, Abraham and Mr. Tse Hau Yin.