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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 TRANSACTIONS**

**PROVISION OF SERVICES BY TIN HOU  
TO SOCIEDADE DE JOGOS DE MACAU, S.A.  
IN THE GAMING AREA OF GRAND EMPEROR HOTEL**

Pursuant to an ongoing review of continuing connected transactions of the Group, the Directors announce the entering into of the Agreement pursuant to which Tin Hou agreed to provide the Services to SJM, a subsidiary of the Company. The Directors consider that the execution of the Agreement on 19 February 2010, which formalised business arrangements between Tin Hou and SJM which had commenced in October 2009, is in the ordinary and usual course of the business of the Group as it allowed the Group to expand its casino operation to the Grand Emperor Hotel and to generate additional gaming revenue.

Tin Hou is a connected person of the Company by virtue of being a company indirectly controlled over 50% by a half-brother of a director of certain subsidiaries of the Company pursuant to Rule 14A.11(4)(b)(ii) of the Listing Rules which became effective from 3 June 2010. Accordingly, the Transactions have become continuing connected transactions for the Company and therefore the Company is required to comply with the reporting, annual review and disclosure requirements pursuant to Rule 14A.41 of the Listing Rules.

**INTRODUCTION**

Pursuant to an ongoing review of continuing connected transactions of the Group, the Directors announce the entering into of the Agreement pursuant to which Tin Hou agreed to provide the Services to SJM, a subsidiary of the Company.

## **THE AGREEMENT**

**Date:** 19 February 2010

**Parties:** (i) SJM; and  
(ii) Tin Hou, a company incorporated in Macau and an indirect wholly-owned subsidiary of EEH, which is principally engaged in business consultancy, management and promotion of the Gaming Area of the Grand Emperor Hotel.

**Term:** From 1 October 2009 to termination

**Subject:** Tin Hou agrees to provide the Services to SJM, comprising the following:

- (i) to provide the floor areas of the Grand Emperor Hotel for the Gaming Area operating by SJM;
- (ii) to manage, decorate and renovate the Gaming Area and related facilities in the Grand Emperor Hotel;
- (iii) to purchase selected gaming equipment from SJM;
- (iv) to bear all cost of purchasing, maintaining and repairing the gaming equipment including gaming tables, slot machines and other necessary equipment installed in the Gaming Area;
- (v) to bear all necessary operational expenses in relation to the operation of the Gaming Area including all salary and expenses of staff; and
- (vi) to handle the promotion, marketing, customer service and events coordination of the Gaming Area.

**Payment by SJM:** In consideration for the provision of Services to SJM, Tin Hou together with the nominated junket promoter, which is a fellow subsidiary of Tin Hou and wholly-owned by EEH, is entitled to a share of the gross win and gross loss in respect of the monthly operating performance of the Gaming Area.

The consideration for the provision of Services was determined after arm's length negotiation.

**Termination:** During the service period, the Agreement may be terminated on the occurrence of the following events:

- (i) on the expiration of SJM's gaming license under the Gaming Concession Contract on 31 March 2020 or any earlier termination thereof; or
- (ii) winding up or cessation of business of either party.

In addition, the Agreement may be terminated by either party giving 21 days notice to the other who is in default of the terms of the Agreement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT**

The Group's core business is the development and operation of casinos and related facilities in Macau and SJM is principally engaged in gaming business in Macau and is one of the six concessionaires/sub-concessionaires licensed to carry on casino operations in Macau. The Directors consider that the execution of the Agreement on 19 February 2010, which formalised business arrangements between Tin Hou and SJM which had commenced in October 2009, is in the ordinary and usual course of the business of the Group as it allowed the Group to expand its casino operation to the Grand Emperor Hotel and to generate additional gaming revenue.

The Board (including the independent non-executive Directors) is of the view that the terms of the Agreement are fair and reasonable and on normal commercial terms, and the execution of the Agreement is in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Tin Hou is a connected person of the Company by virtue of being a company indirectly controlled over 50% by a half-brother of a director of certain subsidiaries of the Company pursuant to Rule 14A.11(4)(b)(ii) of the Listing Rules which became effective from 3 June 2010. Accordingly, the Transactions have become continuing connected transactions for the Company and therefore the Company is required to comply with the reporting, annual review and disclosure requirements pursuant to Rule 14A.41 of the Listing Rules.

None of the Directors have a material interest in the transaction contemplated under the Agreement and therefore none of them is required to abstain from voting on the board resolution(s) for approving the Agreement.

## **DEFINITIONS**

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

“Agreement”	:	the agreement entered into between Tin Hou and SJM dated 19 February 2010, regarding provision of the Services to SJM
“associate”	:	has the same meaning as ascribed to it in 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 shares of which are listed on The Stock Exchange of Hong Kong Limited
“connected person”	:	has the same meaning as ascribed to it in the Listing Rules
“Directors”	:	the directors of the Company
“EEH”	:	Emperor Entertainment Hotel Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on The Stock Exchange of Hong Kong Limited

“Gaming Area”	:	the gaming area located at the Grand Emperor Hotel, No. 288 Avenida Commercial, Macau
“Gaming Concession Contract”	:	the license contract of Macau for operation of games of fortune or chance or other casino games dated 28 March 2002 between the Macau Government and SJM, pursuant to which SJM has obtained the license rights to operate casinos in Macau for 18 years from 1 April 2002 to 31 March 2020
“Group”	:	the Company and its subsidiaries
“Hong Kong”	:	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	:	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Macau”	:	the Macau Special Administrative Region of the People’s Republic of China
“Services”	:	the services or obligations to be provided or borne by Tin Hou to SJM under the Agreement, the details of which are set out in the section headed “The Agreement” in this announcement
“Shareholder(s)”	:	holder(s) of the ordinary share(s) of HK\$1.0 each in the share capital of the Company
“SJM”	:	Sociedade de Jogos de Macau, S.A., a subsidiary of the Company, incorporated under the laws of Macau
“Tin Hou”	:	Tin Hou Limited, a company incorporated in Macau and an indirect wholly-owned subsidiary of EEH
“Transactions”	:	the transactions contemplated under the Agreement
“HK\$”	:	Hong Kong dollars, 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, 13 December 2010

*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 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.*