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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
IN RELATION TO
THE PROVISION OF THE TRANSPORTATION SERVICES
BY SHUN TAK & CITS COACH (MACAO) LIMITED**

THE CONTINUING CONNECTED TRANSACTIONS

The Board is pleased to announce that on 24 June 2011, SJM, a subsidiary of the Company, and ST-CITS entered into the Master Service Agreement pursuant to which ST-CITS agreed to, on request and subject to availability of resources, provide and procure members of the ST-CITS Group to provide the Transportation Services to members of the Group. The Directors consider the execution of the Master Service Agreement, which formalised business arrangements between the Group and the ST-CITS Group in relation to the provision of the Transportation Services under the Existing Contracts and the subsequent Additional Contracts, is in the ordinary and usual course of the business of the Group as ST-CITS has experience in the provision of transportation services within Macau locally as well as operating cross-border routes to mainland cities of China with strong coverage and reliability at competitive prices.

LISTING RULES IMPLICATIONS

ST-CITS is a connected person of the Company by virtue of the family interests of Dr. Ho, being a Director, having control of more than 50% in the voting power of ST-CITS. Accordingly, the provision of the Transportation Services by any member of ST-CITS Group to any member of the Group constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules. In addition, as the applicable percentage ratios (other than the profits ratio) as determined by reference to the Annual Caps is, on annual basis, more than 0.1% but less than 5%, the Company is required to comply with the reporting, announcement and annual review requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 24 June 2011, SJM, a subsidiary of the Company, and ST-CITS entered into the Master Service Agreement pursuant to which ST-CITS agreed to, on request and subject to availability of resources, provide and procure members of the ST-CITS Group to provide the Transportation Services to members of the Group. SJM agreed to, and procure members of the Group to, enter into the Additional Contracts with members of the ST-CITS Group with respect to the Transportation Services to be provided by such members of the ST-CITS Group.

THE MASTER SERVICE AGREEMENT

Date:	24 June 2011
Parties:	(i) SJM; and (ii) ST-CITS.
Transportation Services:	The Transportation Services comprise the provision by the ST-CITS Group of: (i) coach, mini-bus and limousine services to the Group's gaming patrons, hotel guests and staff in Macau locally as well as operating cross-border routes to mainland cities of China; and (ii) other services ancillary to or relating to the foregoing.
Consideration:	The consideration for the provision of the Transportation Services shall be on normal commercial terms (as defined in the Listing Rules) and determined on an arm's length basis between the relevant member of both the Group and the ST-CITS Group having regard to the quantity, specifications and/or other conditions of the Transportation Services to be provided and the prevailing price charged by independent third parties for the provision of the same or comparable type of the Transportation Services in the ordinary course of business.
Term and renewal:	The Master Service Agreement shall take effect from 24 June 2011 and continue in full force and effect until 31 December 2013. Subject to the compliance with the then requirements of the Listing Rules, the Master Service Agreement may be renewed, by mutual written agreement, for successive terms of three years.

Arrangements for the Existing Contracts and the Additional Contracts:

- (i) the Existing Contracts shall remain in full force and effect, subject to the compliance with the requirements set out in the paragraph headed “Compliance with the Listing Rules, laws and regulations” below;
- (ii) the parties to the Master Service Agreement shall, as soon as practicable, execute the Additional Contracts in compliance with the Master Service Agreement for the Existing Arrangements;
- (iii) save for the Existing Contracts, if the parties to the Master Service Agreement agree to enter into Additional Contracts, the Additional Contracts shall be in accordance with the terms of the Master Service Agreement and the Standard Terms and any variation thereof shall be subject to arm’s length negotiations; and
- (iv) the provision of the Transportation Services shall, unless otherwise specifically agreed by the parties to the Master Service Agreement in writing, be on a mutually non-exclusive basis.

Specific terms and conditions of the Additional Contracts:

Each Additional Contract which is to be entered into between the relevant member of the ST-CITS Group and the relevant member of the Group shall set out the specific terms and conditions including but not limited to: (a) the Transportation Services to be provided; (b) duration of the engagement; (c) working days; (d) place at which the Transportation Services are to be provided; (e) the price of the Transportation Services; and (f) payment terms and method.

Compliance with the Listing Rules, laws and regulations:

All transactions to be carried out pursuant to the Master Service Agreement and each of the Existing Contracts and Additional Contracts shall comply with the Listing Rules and all applicable laws and regulations including any requirement on the Annual Caps. If any of the provisions as contained in any of the Existing Contracts and Additional Contracts conflict in any material manner with the provisions of the Master Service Agreement, the provisions of the Master Service Agreement shall prevail.

Termination:

Either party may terminate the Master Service Agreement at any time by giving six months of prior written notice to the other party, however, such termination shall not affect the duration of the Existing Contracts which shall continue in full force and effect until their expiry in accordance with their terms. It is agreed between the parties to the Master Service Agreement that each Additional Contract shall contain a provision on termination in accordance with the Standard Terms.

THE ANNUAL CAPS

Set out below are the Annual Caps for the three financial years ending 31 December 2013.

	For the year ending 31 December		
	2011	2012	2013
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Annual Caps	60	77	88

The Annual Caps are determined by reference to a number of factors including (i) the historical consumption of the Transportation Services by the Group; (ii) the projected increase in volume of the Transportation Services; (iii) the inflation in costs of the provision of the Transportation Services including labour, fuel and other overhead costs; and (iv) buffers to accommodate possible additional demand for the Transportation Services required by the Group.

REASONS FOR AND BENEFITS OF THE CONTINUING CONNECTED TRANSACTIONS

The Group's core business is the development and operation of casinos and related facilities in Macau. The Directors consider the execution of the Master Service Agreement, which formalised business arrangements between the Group and the ST-CITS Group in relation to the provision of the Transportation Services under Existing Contracts and the subsequent Additional Contracts, is in the ordinary and usual course of the business of the Group as ST-CITS has experience in the provision of transportation services within Macau locally as well as operating cross-border routes to mainland cities of China with strong coverage and reliability at competitive prices.

The Board (including the independent non-executive Directors) is of the view that the terms of the Master Service Agreement and the Annual Caps are fair and reasonable and on normal commercial terms, and the entering into of the Master Service Agreement is in the interests of the Company and the Shareholders as a whole. The Directors confirmed that, save for Dr. Ho, none of them have a material interest in the Master Service Agreement and the Continuing Connected Transactions. Dr. Ho abstained from voting on the board resolution on proposing the Master Service Agreement and the Continuing Connected Transactions.

LISTING RULES IMPLICATIONS

ST-CITS is a connected person of the Company by virtue of the family interests of Dr. Ho, being a Director, having control of more than 50% in the voting power of ST-CITS. Accordingly, the provision of the Transportation Services by any member of ST-CITS Group to any member of the Group constitutes continuing connected transactions for the Company under Chapter 14A of the Listing Rules. In addition, as the applicable percentage ratios (other than the profits ratio) as determined by reference to the Annual Caps is, on annual basis, more than 0.1% but less than 5%, the Company is required to comply with the reporting, announcement and annual review requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

“Additional Contract(s)”	:	any renewed Existing Contracts or any additional or renewal agreements or form of agreements which may be constituted by the acceptance of price quotations, sales orders or other written documents (including the Existing Arrangements) in relation the provision of the Transportation Services
“Annual Caps”	:	the annual maximum aggregate value for the Continuing Connected Transactions for each of the three financial years ending 31 December 2011, 31 December 2012 and 31 December 2013, details of which are set out in the section headed “The Annual Caps” in this announcement
“associate(s)”	:	has the same meaning as ascribed to it in the Listing Rules
“Board”	:	the board of Directors of the Company
“China”	:	the People’s Republic of China
“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 same meaning as ascribed to it in the Listing Rules
“Continuing Connected Transactions”	:	the continuing transactions entered and to be entered into between members of the Group and members of the ST-CITS Group pursuant to the Master Service Agreement
“Director(s)”	:	the director(s) of the Company
“Dr. Ho”	:	Dr. Ho Hung Sun, Stanley, the Chairman of the Company and an executive Director
“Existing Arrangements”	:	the existing agreements for the provision of the Transportation Services which have not been formalised in executed contracts
“Existing Contracts”	:	the existing agreements between ST-CITS and SJM relating to the provision of the Transportation Services
“Group”	:	the Company and its subsidiaries
“Hong Kong”	:	the Hong Kong Special Administrative Region of China
“Listing Rules”	:	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	:	the Macau Special Administrative Region of China

“Master Service Agreement”	:	the master service agreement entered into between SJM and ST-CITS dated 24 June 2011, pursuant to which ST-CITS agreed to, on request and subject to availability of resources, provide and procure members of the ST-CITS Group to provide the Transportation Services to members of the Group
“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 company incorporated under the laws of Macau and a subsidiary of the Company
“Standard Terms”	:	additional specific terms and conditions governing the provision of the Transportation Services at operational level, which in substantially the same form as set out in the Master Service Agreement
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“ST-CITS”	:	Shun Tak & CITS Coach (Macao) Limited, a company incorporated in Macau with limited liability and principally engaged in the provision of rental services within Macau locally as well as operating cross-border routes to mainland cities of China, which is owned as to 49% by an independent third party, as to the aggregate of 51% by associates of Dr. Ho
“ST-CITS Group”	:	ST-CITS and its subsidiaries
“Transportation Services”	:	the provision by the ST-CITS Group of coach, mini-bus and limousine services to the Group’s gaming patrons, hotel guests and staff in Macau locally as well as operating cross-border routes to mainland cities of China and other services ancillary to or relating to the foregoing
“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, 24 June 2011

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.