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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

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO THE TRANSFER OF OCEANUS
INVOLVING THE ISSUE OF THE CONVERTIBLE BONDS
UNDER SPECIFIC MANDATE**

AND

CLOSURE OF REGISTER OF MEMBERS

Financial Adviser to the Company



SOMERLEY CAPITAL LIMITED

Independent Financial Adviser

to the Independent Board Committee and the Independent Shareholders

BALLAS
C A P I T A L

REASONS FOR AND BENEFITS OF THE TRANSFER

Pursuant to Article 40 of the Gaming Law and in accordance with the Gaming Concession Contract, SJM Resorts, as well as other Concessionaires, is obliged to automatically revert to the Macau Government, free of charge and free of any encumbrances or burdens, its casinos and related equipment without compensation at the end of the concession period.

Pursuant to the recent discussions between the Macau Government and the Group in relation to the government procedure for the extension of its Gaming Concession Contract to 31 December 2022 and to enable the Group to fulfill the relevant requirements and allow the Group to qualify for the application of the Extension, SJM Resorts (the lessee of Oceanus) and the Seller (the owner of Oceanus) have agreed, at the request and for the benefit of the Company and SJM Resorts and in exchange for valuable consideration, to provide the Letter of Commitment to the Macau Government ahead of the Concession Expiry Date ensuring that the Oceanus Gaming Area be reverted to the Macau Government at the end of the concession period, i.e. 31 December 2022. In view of the above, the Group entered into the Transfer Agreement to meet the Property Ownership Requirement and to enable SJM Resorts to be eligible to tender for a new gaming concession contract for a further 10 years. Lastly, the Company considers the Transfer to be imperative as it enables SJM Resorts to operate both gaming and non-gaming businesses within Oceanus in a synergised manner which are complementary to one another.

THE TRANSFER

The Board is pleased to announce that on 26 May 2022 (after trading hours), the Purchaser (as the purchaser and a subsidiary of the Company), the Company (as the guarantor of the purchaser and the Issuer for the issue of the Convertible Bonds), the Issuer (as the issuer of the Convertible Bonds and a subsidiary of the Company), the Seller (as the seller and a subsidiary of STD M) and STD M (as the guarantor of the seller) entered into the Transfer Agreement, pursuant to which and at the request, and for the benefit of, the Company and SJM Resorts, (i) the Seller agreed to provide the Letter of Commitment to the Macau Government for reversion of the Oceanus Gaming Area to the Macau Government as required under the Gaming Concession Contract entered into by SJM Resorts; and (ii) the Seller agreed to sell and the Purchaser agreed to purchase the Oceanus Non-gaming Area, subject to the terms and conditions of the Transfer Agreement. The Consideration for the Transfer of HK\$1,906 million shall be entirely satisfied by the issue of the Convertible Bonds by the Issuer to STD M and represents the sum of the market value of the Oceanus Non-gaming Area of HK\$516 million and the market value of the Oceanus Gaming Area of HK\$1,390 million, as determined by an independent professional valuer.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of the Transfer exceeds 5% but all of the applicable percentage ratios are less than 25%, the Transfer constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

As at the date of this announcement, STD M is the substantial shareholder of the Company holding approximately 54.7% interest in issued shares of the Company. The Seller is a subsidiary of STD M. Accordingly, each of STD M and the Seller is a connected person of the Company and the Transfer constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the announcement, reporting, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Friday, 17 June 2022 to Wednesday, 22 June 2022 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify to attend and vote at the EGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 16 June 2022 (last share registration date).

WARNING

The Transfer is subject to the satisfaction of certain conditions, including the approval of the Transfer (including the issue of the Convertible Bonds) by the Independent Shareholders at the EGM. There is no assurance that the Transfer will take place or as to when it may take place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.

(A) INTRODUCTION

The Board is pleased to announce that on 26 May 2022 (after trading hours), the Purchaser (as the purchaser and a subsidiary of the Company), the Company (as the guarantor of the Purchaser and the Issuer for the issue of the Convertible Bonds), the Issuer (as the issuer of the Convertible Bonds and a subsidiary of the Company), the Seller (as the seller and a subsidiary of STDM) and STDM (as the guarantor of the seller) entered into the Transfer Agreement, pursuant to which and at the request, and for the benefit of, the Company and SJM Resorts, (i) the Seller agreed to provide the Letter of Commitment to the Macau Government for reversion of the Oceanus Gaming Area to the Macau Government as required under the Gaming Concession Contract entered into by SJM Resorts; and (ii) the Seller agreed to sell and the Purchaser agreed to purchase the Oceanus Non-gaming Area, subject to the terms and conditions of the Transfer Agreement. The Consideration for the Transfer of HK\$1,906 million shall be entirely satisfied by the issue of the Convertible Bonds by the Issuer to STDM and represents the sum of the market value of the Oceanus Non-gaming Area of HK\$516 million and the market value of the Oceanus Gaming Area of HK\$1,390 million, as determined by an independent professional valuer.

(B) PRINCIPAL TERMS OF THE TRANSFER AGREEMENT

Set out below are the principal terms of the Transfer Agreement:

Date: 26 May 2022

Parties:

- (i) the Purchaser (as the purchaser)
- (ii) the Issuer (as the issuer of the Convertible Bonds)
- (iii) the Company (as the guarantor of the Purchaser and the Issuer for the issue of the Convertible Bonds)
- (iv) the Seller (as the seller)
- (v) STDM (as the guarantor of the Seller)

Subject matter: At the request of, and for the benefit of, the Company and SJM Resorts and for valuable consideration:

- (i) the Seller agreed to provide the Letter of Commitment to the Macau Government for reversion of the Oceanus Gaming Area, being an area of approximately 13,576 sq. m. (subject to adjustment as may be determined by the Macau Government) inside Oceanus for the uses of casino gaming business and relevant logistics, to the Macau Government free of charge and free of any encumbrances or burdens at the end of the concession period as may be extended (the “**Reversion**”); and
- (ii) the Seller agreed to sell and the Purchaser agreed to purchase the Oceanus Non-gaming Area, being an area of approximately 25,666 sq. m. inside Oceanus for operation of commercial purpose other than casino gaming business and relevant logistics.

Consideration and payment terms:

The Consideration for the Transfer is HK\$1,906 million, which shall be entirely satisfied by the issue of the Convertible Bonds by the Issuer to STDM. The Consideration represents the sum of the market value of the Oceanus Non-gaming Area of HK\$516 million and the market value of the Oceanus Gaming Area of HK\$1,390 million, as determined by an independent professional valuer. Further details of the Convertible Bonds are set out in section (C) headed “Principal terms of the Convertible Bonds” below in this announcement.

The original acquisition cost of Oceanus paid by STDM amounted to HK\$688.7 million in 1999.

Basis of the Consideration: The Consideration for and payment terms of the Transfer was determined after arm's length negotiations among the parties to the Transfer Agreement after taking into account, among other things, (i) the preliminary indication of value of Oceanus of approximately HK\$1,906 million valued by an independent professional valuer based on, among other things, the projected future cashflows from Oceanus for an approximately 10-year period; and (ii) the future prospects of Casino Oceanus.

Guarantee: *Purchaser guarantee:*

The Company unconditionally and irrevocably (i) guarantees to the Seller the due performance by the Purchaser of all its obligations under or pursuant to the Transfer Agreement; (ii) guarantees to the Seller the due performance by the Issuer of its obligation to issue the Convertible Bonds; and (iii) agrees that if and each time that the Purchaser fails to make any payment to the Seller when it is due under or pursuant to the Transfer Agreement, the Company shall on demand pay that amount to the Seller.

Seller guarantee:

STDM unconditionally and irrevocably (i) guarantees to the Purchaser the due performance by the Seller of all its obligations under or pursuant to the Transfer Agreement; and (ii) agrees that if and each time that the Seller fails to make any payment to the Purchaser when it is due under or pursuant to the Transfer Agreement, STDM shall on demand pay that amount to the Purchaser.

Conditions precedent: Completion is conditional upon fulfilment of the following conditions:

- (i) the passing of the relevant resolutions by the Independent Shareholders at the EGM to be convened and held to approve the Transfer Agreement and the transactions contemplated thereunder, including the issue of the Convertible Bonds and the specific mandate to allot and issue the Conversion Shares;
- (ii) the approval by the Listing Committee for the listing of, and permission to deal in, the Conversion Shares to be issued upon the exercise of the Conversion Rights and such approval and permission having not been subsequently revoked; and
- (iii) the issue of a declaration by SJM Resorts to the Seller confirming that SJM Resorts has executed or will execute the Letter of Commitment and that it accepts the terms and conditions of the Transfer Agreement.

Letter of Commitment: Pursuant to the Transfer Agreement, the Seller and SJM Resorts shall execute and deliver the Letter of Commitment on the terms and with the contents required by the Macau Government for consenting on the Reversion.

The Company expects that the Letter of Commitment shall be delivered to the Macau Government on or before 15 June 2022.

Closing: Completion shall take place immediately after all conditions precedent have been satisfied.

After Completion, the Seller and the Purchaser shall enter into a promissory sale and purchase agreement with respect to the transfer of the Oceanus Non-gaming Area. The execution and delivery of the promissory sale and purchase agreement shall take place on the date set by the Purchaser in its discretion.

Long stop date: 24 June 2022 or such later date as may be agreed by the parties to the Transfer Agreement in writing.

Termination: If the Seller (on the one hand) or the Purchaser or the Issuer (on the other hand, and in either case, the “**Affected Party(ies)**”) fails or is unable to comply with any of its/their obligations on Completion then the Purchaser (if the failure or inability is on the part of the Seller) or the Seller (if the failure or inability is on the part of the Purchaser or the Issuer) (the “**Unaffected Party**”), the Unaffected Party shall have the right to terminate the Transfer Agreement on such date by notice to the Affected Party.

(C) PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

Set out below are the principal terms of the Convertible Bonds:

Issuer: Champion Power Global Limited 冠威環球有限公司, a wholly-owned subsidiary of the Company

Guarantor: The Company

Initial Bondholder: STDM

Issue: Hong Kong dollar-denominated 2.0% per annum convertible bonds due on the fifth anniversary of the First Issue Date in an aggregate principal amount of HK\$1,906,000,000 and convertible into fully paid ordinary shares of the Company

Maturity date: The date which falls on the fifth anniversary of the First Issue Date

Status: The Convertible Bonds will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer.

Issue price: 100% of the principal amount of the Convertible Bonds

Form and denomination of the Convertible Bonds: The Convertible Bonds will be issued in registered form in the denomination of HK\$100,000 each and integral multiples thereof.

Conversion Price: Initially HK\$4.07 per Conversion Share, subject to adjustment for, among other things, consolidation, subdivision, redesignation or reclassification of Shares, capitalisation of profits or reserves, distributions, rights issues of Shares or options over Shares, rights issues of other securities, issues at less than current market price, other issues at less than current market price, modification of rights of conversion, other offers to shareholders and other events as described in the CB Conditions.

The initial Conversion Price of HK\$4.07 per Conversion Share represents:

- (i) a premium of approximately 35.7% over the closing price of HK\$3.0 per Share as quoted on the Stock Exchange on 26 May 2022, being the date of the Transfer Agreement;
- (ii) a premium of approximately 32.6% over the average closing price of approximately HK\$3.07 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Transfer Agreement; and
- (iii) a premium of approximately 30.0% over the average closing price of approximately HK\$3.13 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Transfer Agreement.

The initial Conversion Price was arrived at after arm's length negotiations among the parties to the Transfer Agreement and was determined with reference to the premiums of convertible bonds recently issued by other Hong Kong listed companies and a 30% premium over the average closing price per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including 26 May 2022, being the date of the Transfer Agreement.

468,304,668 Conversion Shares will be issued upon exercise of the conversion right attaching to the Convertible Bonds in full based on the initial Conversion Price of HK\$4.07 per Conversion Share.

The number of 468,304,668 Conversion Shares represent (i) approximately 8.2% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.6% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

- Coupon rate: 2.0% per annum, payable annually
- Default interest: If the Issuer fails to pay any sum in respect of the Convertible Bonds when the same becomes due and payable under the CB Conditions, interest shall accrue on the overdue sum at the coupon rate from the relevant due date.
- Conversion rights: Subject to the CB Conditions, the Bondholder(s) has the right to convert their Convertible Bonds into Shares at any time during the Conversion Period.
- Conversion Period: Subject to and upon compliance with the CB Conditions, (i) at any time on or after the First Issue Date up to the close of business (at the place where the certificate evidencing such Convertible Bonds is deposited for conversion) on the date falling seven days prior to the Maturity Date (both days inclusive), or (ii) if such Convertible Bonds shall have been called for redemption by the Issuer before the Maturity Date, then up to the close of business (at the place aforesaid) on a date no later than 7 days (both days inclusive and in the place aforesaid) prior to the date fixed for redemption thereof.
- Transferability: The Convertible Bonds will be evidenced by way of a definitive certificate and will not be transferable without the prior consent of the Issuer, save for any transfer by a Bondholder to its direct or indirect wholly-owned subsidiaries or any holding company that directly or indirectly owns 100% of the share capital of that Bondholder.
- Maturity: Unless previously redeemed, converted or purchased and cancelled as provided in the CB Conditions, the Issuer will redeem each Convertible Bond at 100 per cent. of its principal amount together with any accrued but unpaid interest on the Maturity Date.
- Ranking of Conversion Shares: The Conversion Shares to be issued upon exercise of the conversion right attaching to the Convertible Bonds will be fully paid and rank *pari passu* in all respects with the Shares then in issue on the date on which the name of the exercising Bondholder is registered as holder of the relevant Conversion Shares in the register of members of the Company.

Redemption for taxation reasons: The Convertible Bonds may be redeemed, at the option of the Issuer in whole, but not some only, at any time, on giving not less than 30 nor more than 60 days' notice (a "**Tax Redemption Notice**") to the Bondholder(s) in accordance with the CB Conditions (which notice shall be irrevocable), on the date specified in the Tax Redemption Notice for redemption (the "**Tax Redemption Date**") at their principal amount together with any interest and/or premium accrued but unpaid to such date, if (i) the Issuer (or if the guarantee was called, the Company) has or will become obliged to pay Additional Tax Amounts as provided or referred to in the CB Conditions as a result of any change in, or amendment to, the laws or regulations of Hong Kong (in the case of a payment by the Company) or the British Virgin Islands (in the case of a payment by the Issuer) or any political subdivision or any authority thereof or therein having power to tax, or any change in the general application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after 26 May 2022; and (ii) such obligation cannot be avoided by the Issuer (or the Company, as the case may be) taking reasonable measures available to it, provided that no Tax Redemption Notice shall be given earlier than 90 days prior to the earliest date on which the Issuer (or the Company, as the case may be) would be obliged to pay such Additional Tax Amounts were a payment in respect of the Convertible Bonds then due.

Redemption for delisting or suspension: If at any time the Shares (i) cease to be listed or admitted to trading, or (ii) suspended for trading for a period of more than 45 consecutive trading days on, in each case the Stock Exchange or, if applicable, the alternative stock exchange in respect of the Shares, each Bondholder will have the right at such Bondholder's option, to require the Issuer to redeem all or some only of such holder's Convertible Bonds on the relevant event redemption date at their principal amount together with any interest and/or premium accrued but unpaid to such date.

Listing: The Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange. The Conversion Shares will be allotted and issued under a specific mandate to be approved by the Independent Shareholders at the EGM.

An application will be made to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares issuable upon the exercise of the Conversion Rights.

(D) REASONS FOR AND BENEFITS OF THE ENTERING INTO THE TRANSFER AGREEMENT (INCLUDING THE ISSUE OF THE CONVERTIBLE BONDS)

Pursuant to Article 40 of the Gaming Law and in accordance with the Gaming Concession Contract, SJM Resorts, as well as other Concessionaires, is obliged to automatically revert to the Macau Government, free of charge and free of any encumbrances or burdens, its casinos and related equipment without compensation at the end of the concession period.

Pursuant to the recent discussions between the Macau Government and the Group in relation to the government procedure for the extension of its Gaming Concession Contract to 31 December 2022 (the “**Extension**”) and to enable the Group to fulfill the relevant requirements and allow the Group to qualify for the application of the Extension, SJM Resorts (the lessee of Oceanus) and the Seller (the owner of Oceanus) have agreed, at the request and for the benefit of the Company and SJM Resorts and in exchange for valuable consideration, to provide the Letter of Commitment to the Macau Government ahead of the Concession Expiry Date ensuring that the Oceanus Gaming Area be reverted to the Macau Government at the end of the concession period, i.e. 31 December 2022 (the “**Property Ownership Requirement**”). In view of the above, the Group entered into the Transfer Agreement to meet the Property Ownership Requirement and to enable SJM Resorts to be eligible to tender for a new gaming concession contract for a further 10 years. Lastly, the Company considers the Transfer to be imperative as it enables SJM Resorts to operate both gaming and non-gaming businesses within Oceanus in a synergised manner which are complementary to one another. During the period pre-Covid when the borders were open with the Mainland and Hong Kong, the Group generated substantial free cash flow from Casino Oceanus and it was one of the best performing casinos of the Group during the years 2017 to 2019.

The issue of the Convertible Bonds allows the Group to preserve its cash resources in the challenging business environment in Macau due to travel restrictions amid the continuing COVID-19 pandemic and provides protection to the Independent Shareholders from immediate shareholding dilution.

The Board (excluding the Abstained Directors and other than the independent non-executive Directors whose opinion will be provided after reviewing the advice of the Independent Financial Adviser to be included in the circular to be despatched to the Shareholders) is of the view that the terms of the Transfer (including the issue of the Convertible Bonds) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(E) EFFECT OF THE TRANSFER ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately following Completion (assuming no other change in the shareholding structure of the Company after the date of this announcement and upon Completion); and (iii) immediately following full exercise of the conversion rights of the Convertible Bonds (assuming no other change in the shareholding structure of the Company after the date of this announcement and before the allotment and issue of the Conversion Shares):

Shareholders	As at the date of this announcement		Immediately following Completion		Immediately following full exercise of conversion rights of the Convertible Bonds	
	Number of Shares	Approximate% of the issued share capital of the Company	Number of Shares	Approximate% of the issued share capital of the Company	Number of Shares	Approximate% of the issued share capital of the Company
STDM Group	3,105,060,500	54.7%	3,105,060,500	54.7%	3,573,365,168	58.1%
The Directors (<i>Note 1</i>)	687,864,844	12.1%	687,864,844	12.1%	687,864,844	11.2%
Directors of subsidiaries of the Company	21,357,500	0.4%	21,357,500	0.4%	21,357,500	0.3%
Other Shareholders	1,867,161,449	32.8%	1,867,161,449	32.8%	1,867,161,449	30.4%
	<u>5,681,444,293</u>	<u>100.0%</u>	<u>5,681,444,293</u>	<u>100.0%</u>	<u>6,149,748,961</u>	<u>100.0%</u>

Notes:

1. The Shares held by the Directors comprise the Shares beneficially held by Ms. Ho Chiu Fung, Daisy, Mr. Fok Tsun Ting, Timothy, Deputada Leong On Kei, Angela, Dr. So Shu Fai, Dr. Chan Un Chan, Mr. Shum Hong Kuen, David, Mr. Ng Chi Sing, Mr. Chau Tak Hay and Mr. Tse Hau Yin.
2. The above percentage figures are subject to rounding adjustments.

It is expected that the Company will be able to maintain its public float following the full exercise of the Conversion Rights and the issue of the Conversion Shares.

(F) INFORMATION ABOUT THE PARTIES TO THE TRANSFER AGREEMENT AND OCEANUS

The Company

The Company and its subsidiaries is a leading owner, operator and developer of casinos and integrated entertainment resorts in Macau. Its principal subsidiary SJM Resorts is one of the six concessionaires in Macau, authorised by the Macau Government to operate casinos and gaming areas. SJM Resorts is also the only casino gaming concessionaire with its roots in Macau. The Company's operations cater to a wide spectrum of patrons, with casino gaming, leisure entertainment and hospitality services including fine and casual dining and luxury accommodation.

The principal activity of the Company is investment holding, whilst its operating subsidiaries are principally engaged in hotel, catering, retail, leasing and related services in Macau.

The Purchaser

Harbour Tide Limited 港汐有限公司, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company. It is principally engaged in property investment.

The Issuer

Champion Power Global Limited 冠威環球有限公司, a company incorporated in the British Virgin Islands, and a wholly-owned subsidiary of the Company. It is principally engaged in debt issuance activity.

STDM

STDM is a well-known joint stock company “*sociedade anónima*” incorporated under the laws of Macau and the controlling shareholder of the Company. STDM has substantial operations in Macau and it is principally engaged in investment holding, including its investment holding in the Company.

The Seller

The Seller is a company incorporated under the laws of Macau, and an indirect wholly-owned subsidiary of STDM. It is principally engaged in property investment.

Oceanus

Oceanus is located at Macau, at Avenida do Dr. Rodrigo Rodrigues nos. 1470 to 1526 and it is owned by the Seller, a subsidiary of STDM. Casino Oceanus commenced operations on 15 December 2009 and has consistently been one of the most successful casinos operated by the Group. Casino Oceanus is a multi-level casino facility in the Outer Harbour District and is linked to the Hong Kong-Macau Ferry Terminal which is the most active of the ferry terminals in Macau. In addition, Oceanus is easily accessible for visitors arriving via the Hong Kong-Zhuhai-Macau bridge and the border gate with Mainland China at Gongbei.

Oceanus is a 4-story building comprising approximately 39,242 sq. m.. Approximately 34.6% of the area is being used to operate the casino gaming business whilst the remaining area, being the Oceanus Non-gaming Area, represents common areas, food and beverage outlets and retail shops. Oceanus has been leased by the Seller to SJM Resorts and the total rents paid by SJM Resorts were approximately HK\$80.6 million and approximately HK\$43.0 million for the years ended 31 December 2021 and 2020 respectively.

(G) LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio as set out in Rule 14.07 of the Listing Rules in respect of the Transfer exceeds 5% but all of the applicable percentage ratios are less than 25%, the Transfer constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the announcement requirement under Chapter 14 of the Listing Rules.

As at the date of this announcement, STDM is the substantial shareholder of the Company holding approximately 54.7% interest in issued shares of the Company. The Seller is a subsidiary of STDM. Accordingly, each of STDM and the Seller is a connected person of the Company and the Transfer constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to the announcement, reporting, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Directors confirmed that, save for the Abstained Directors, none of them have a material interest in the Transfer (including the issue of the Convertible Bonds). Ms. Ho Chiu Fung, Daisy has beneficial interests in STDM via Lanceford Company Limited (a corporate director of STDM), and she is the representative of Lanceford Company Limited to act as a director of STDM. Deputada Leong On Kei, Angela, Dr. Chan Un Chan and Mr. Shum Hong Kuen, David have beneficial interests in STDM and are directors of STDM. Mr. Tsang On Yip, Patrick's relative has beneficial interests in STDM via Many Town Company Limited (a corporate director of STDM), and Mr. Tsang On Yip, Patrick is the representative of Many Town Company Limited to act as a director of STDM. The Abstained Directors abstained from voting on the Board resolution in relation to the Transfer and the related transactions (including the issue of the Convertible Bonds), and were absent from the relevant Board meeting of the Company during the time the relevant resolution was being discussed and voted on by the other Directors.

(H) THE INDEPENDENT BOARD COMMITTEE AND THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed to advise the Independent Shareholders with respect to the Transfer (including the terms of the Transfer Agreement and the issue of the Convertible Bonds).

Ballas Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in the same regard.

(I) EXTRAORDINARY GENERAL MEETING AND CLOSURE OF REGISTER OF MEMBERS

The EGM will be held at Artyzen Club, 401A, 4th Floor, Shun Tak Centre, 200 Connaught Road Central, Hong Kong on Wednesday, 22 June 2022 at 10:30 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the relevant resolution(s) in relation to the Transfer and the issue of the Convertible Bonds.

STDM, Ms. Ho Chiu Fung, Daisy, Deputada Leong On Kei, Angela, Dr. Chan Un Chan and Mr. Shum Hong Kuen, David and their respective close associates, who, in aggregate, can control or exercise the control of approximately 62.2% of the issued shares of the Company, will abstain from voting on the proposed resolution(s) at the EGM in respect of the Transfer and the issue of the Convertible Bonds. As at the date of this announcement, to the best knowledge and belief of the Directors having made all reasonable enquiries, save as disclosed herein, no other Shareholders will be required to abstain from voting in respect of the relevant resolution(s).

The register of members of the Company will be closed from Friday, 17 June 2022 to Wednesday, 22 June 2022 (both days inclusive), during which period no transfer of Shares will be registered. In order to qualify to attend and vote at the EGM, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 16 June 2022 (last share registration date).

(J) GENERAL

A circular containing, among other things, (i) further information about the Transfer; (ii) the recommendation of the Independent Board Committee to the Independent Shareholders; (iii) the advice from the Independent Financial Adviser on the Transfer (including the terms of the Transfer Agreement and the issue of the Convertible Bonds); (iv) a property valuation report of Oceanus prepared by an independent professional valuer; and (v) other information as required under the Listing Rules, together with a notice convening the EGM are expected to be despatched to the Shareholders on or before 6 June 2022.

The Transfer is subject to the satisfaction of certain conditions, including the approval of the Transfer (including the issue of the Convertible Bonds) by the Independent Shareholders at the EGM. There is no assurance that the Transfer will take place or as to when it may take place. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the securities of the Company.

(K) DEFINITIONS

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

“Abstained Directors”	Ms. Ho Chiu Fung, Daisy, Deputada Leong On Kei, Angela, Dr. Chan Un Chan, Mr. Shum Hong Kuen, David and Mr. Tsang On Yip, Patrick, who are regarded as having material interests in the Transfer and the issue of the Convertible Bonds in view of their interests in the STDM Group, abstained from voting on the board resolution on such transactions and were absent from the relevant Board meeting of the Company during the time the relevant resolution was being discussed and voted on by the other Directors
“Additional Tax Amounts”	such additional amounts to be paid by the Issuer or, as the case may be, the Company, as will result in the receipt by the Bondholders of such amounts as would have been received by them had no deduction or withholding for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied collected, withheld or assessed by or on behalf of Hong Kong or the British Virgin Islands or any authority thereof or therein having power to tax (unless deduction or withholding of such taxes, duties, assessments or governmental charges is required by law)
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company
“Bondholder(s)”	the holder(s) of the Convertible Bonds
“Business Day”	a day other than a Saturday or Sunday or a day on which a tropical cyclone warning Number 8 or above or a “black” rain warning signal is hoisted in Hong Kong at any time between 9 a.m. and 5 p.m. on which banks are ordinarily open for the transaction of normal banking business in Hong Kong and Macau
“Casino Oceanus”	Casino Oceanus at Jai-Alai which is located at Macau at Travessa do Reservatório nos. 33 to 95, Rua do Terminal Marítimo nos. 24 to 78, Avenida da Amizade nos. 1565 to 1595, Avenida do Dr. Rodrigo Rodrigues nos. 1470 to 1526

“CB Conditions”	the terms and conditions of the Convertible Bonds
“CB Instrument”	the instrument constituting the Convertible Bonds
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	SJM Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Completion”	completion of the Transfer
“Concession Expiry Date”	the date of the expiry of the Gaming Concession Contract, being 26 June 2022
“Concessionaires”	the three concessionaires, including SJM Resorts, who have been granted concessions by the Macau Government to operate casinos in Macau and, where the context so requires, includes the sub-concessionaires of the concessionaires
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Transfer in the sum of HK\$1,906 million
“Conversion Period”	as defined in the paragraph headed “Conversion Period” in the section (C) headed “Principal terms of the Convertible Bonds” in this announcement
“Conversion Price”	HK\$4.07 per Conversion Share, subject to adjustment pursuant to the CB Instrument
“Conversion Rights”	the rights pursuant to the CB Instrument attaching to the Convertible Bonds to convert the principal amount or a part thereof into Conversion Shares, and must be exercised within the Conversion Period
“Conversion Share(s)”	468,304,668 new Shares to be allotted and issued upon the exercise of the Conversion Rights attaching to the Convertible Bonds
“Convertible Bond(s)”	the convertible bonds in the principal amount of HK\$1,906 million at 2.0% coupon rate with 5-year maturity to be issued in accordance with the CB Instrument
“Director(s)”	the director(s) of the Company

“EGM”	an extraordinary general meeting of the Company to be held on Wednesday, 22 June 2022 at 10:30 a.m. to consider and, if thought fit, approve the Transfer and the issue of the Convertible Bonds and the Conversion Shares issuable on exercise of the Conversion Rights
“First Issue Date”	the initial date of issue of the Convertible Bonds under and pursuant to the CB Instrument
“Gaming Concession Contract”	the gaming concession contract for the operation of casino games dated 28 March 2002 entered into between the Macau Government and SJM Resorts (as amended and supplemented by supplemental agreements between the same parties dated 19 April 2005, 26 September 2013 and 23 January 2017) and as extended up to 26 June 2022 by a concession extension contract dated 15 March 2019
“Gaming Law”	The Macau’s Gaming Laws – Law No. 16/2001 published on 24 September 2001; Administrative Regulation n°26/2001, published on 29 October 2001; which together with other separate laws, regulations and administrative orders regulate gaming activity in Macau
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Company comprising all the independent non-executive Directors, formed for the purpose of advising the Independent Shareholders in respect of the Transfer including the terms of the Transfer Agreement and the issue of the Convertible Bonds
“Independent Financial Adviser”	Ballas Capital Limited, a licensed corporation licensed to carry on Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Transfer
“Independent Shareholder(s)”	Shareholders other than STDM, Ms. Ho Chiu Fung, Daisy, Deputada Leong On Kei, Angela, Dr. Chan Un Chan and Mr. Shum Hong Kuen, David and their respective close associates

“Issuer”	Champion Power Global Limited 冠威環球有限公司, a company incorporated in the British Virgin Islands, and a wholly-owned subsidiary of the Company
“Letter of Commitment”	a letter of commitment to be provided by the Seller and SJM Resorts to the Macau Government ahead of the Concession Expiry Date confirming that the area of Oceanus which SJM Resorts operates in for its gaming business will revert to the Macau Government free of charge and free of any encumbrances or burdens at the end of the concession period as may be extended
“Listing Committee”	has the meaning ascribed to it in the Listing Rules
“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
“Macau Government”	the Government of Macau
“Maturity Date”	the maturity date of the Convertible Bonds, being the date which falls on the fifth anniversary of the issue date of the Convertible Bonds
“Oceanus”	the building in which Casino Oceanus resides
“Oceanus Gaming Area”	an area of approximately 13,576 sq. m. inside Oceanus for the uses of casino gaming business and relevant logistics
“Oceanus Non-gaming Area”	an area of approximately 25,666 sq. m. inside Oceanus for operation of commercial purpose other than casino gaming business and relevant logistics
“Purchaser”	Harbour Tide Limited 港汐有限公司, a company incorporated in the British Virgin Island and a wholly-owned subsidiary of the Company
“Seller”	Centro Comercial Jai-Alai, Limitada (in Portuguese) or Jai-Alai Shopping Centre Company Limited (in English), a company incorporated under the laws of Macau and an indirectly wholly-owned subsidiary of STDM
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) in issue

“SJM Resorts”	SJM Resorts, S.A. (in Portuguese) or SJM Resorts, Limited (in English) (name changed from Sociedade de Jogos de Macau, S.A. on 9 June 2021), a joint stock company “ <i>sociedade anónima</i> ” incorporated under the laws of Macau and a subsidiary of the Company
“sq. m.”	square meter(s)
“STDM”	Sociedade de Turismo e Diversões de Macau, S.A. (in Portuguese) or Macau Tourism and Amusement Company Limited (in English), a joint stock company “ <i>sociedade anónima</i> ” incorporated under the laws of Macau and the controlling shareholder of the Company
“STDM Group”	STDM and its subsidiaries (other than the Group) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer”	the provision of the Letter of Commitment by the Seller to the Macau Government for reversion of the Oceanus Gaming Area to the Macau Government and the acquisition of the Oceanus Non-gaming Area by the Purchaser from the Seller pursuant to the terms and conditions of the Transfer Agreement
“Transfer Agreement”	the transfer agreement dated 26 May 2022 entered into among the Purchaser, the Company, the Issuer, the Seller and STDM in relation to the Transfer
“%”	per cent.

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

Hong Kong, 26 May 2022

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, Mr. Tse Hau Yin, Ms. Wong Yu Pok, Marina and Mr. Yeung Ping Leung, Howard.