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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

**CONNECTED TRANSACTION
IN RELATION TO
THE ACQUISITION OF THE PROPERTY
(KAM PEK COMMUNITY CENTRE)**

THE ACQUISITION AND THE PROPERTY

The Board is pleased to announce that on 21 May 2024, the Promissory Assignee, a subsidiary of the Company, and the Promissory Assignor entered into the Promissory Agreement. Pursuant to the Promissory Agreement, the Promissory Assignor has promised to sell and the Promissory Assignee has promised to purchase the Property free from any charges or liens. The Consideration for the Property is agreed at HK\$166 million, which will be settled in cash in three stages. The Consideration is equivalent to the estimated market value of the Property of HK\$166 million as appraised by an independent property valuer.

The Property is acquired for the Group to work on its refurbishment and redevelopment, which will be the Group's prime target for the revitalisation of part of Avenida de Almeida Ribeiro (San Ma Lo) area in order to complement other UNESCO heritage sites and to strengthen the non-gaming attractions of Macau for international visitation, in fulfilment of SJM Resorts' non-gaming investment commitment under the gaming concession contract. As one of the Group's strategic move to capitalize on its strength in gastronomy, Kam Pek Community Centre is intended to be transformed into food and beverage operations. By doing so, it aims to complement its existing food and beverage offerings in Grand Lisboa and Hotel Lisboa, which are located on the other end of San Ma Lo. The Group recognizes the potential of leveraging its expertise in gastronomy to attract a wider customer base and enhance its presence and contribute to the overall development and vibrancy of San Ma Lo as a culinary hub in the older city within the Macau Peninsula.

LISTING RULES IMPLICATIONS

The Promissory Assignor is STDM, the controlling Shareholder interested in approximately 54.81% of the issued Shares and therefore a connected person of the Company as at the date of this announcement. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since all of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceed 0.1% but fall below 5%, the Acquisition is subject to reporting and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

(A) INTRODUCTION

The Board is pleased to announce that on 21 May 2024, the Promissory Assignee, a subsidiary of the Company, and the Promissory Assignor entered into the Promissory Agreement. Pursuant to the Promissory Agreement, the Promissory Assignor has promised to sell and the Promissory Assignee has promised to acquire the Property free from any charges or liens at the Consideration of HK\$166 million in cash.

(B) THE ACQUISITION

Promissory Agreement

Date: 21 May 2024

Parties: (i) the Promissory Assignor; and
(ii) the Promissory Assignee.

The Promissory Assignor is STDM, the controlling Shareholder interested in approximately 54.81% of the issued Shares as at the date of this announcement.

The STDM Group is a conglomerate principally engaged in, among others, hospitality operation and management in Macau.

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

Asset to be acquired

Pursuant to the Promissory Agreement, the Promissory Assignor has promised to sell and the Promissory Assignee has promised to acquire the Property free from any charges or liens. Kam Pek Community Centre is currently occupied as a community centre with ancillary office and its gross floor area is approximately 23,210 square feet.

Consideration

The Consideration is agreed at HK\$166 million in cash. The Consideration is agreed after arm's length negotiations between the Promissory Assignee and the Promissory Assignor based on a valuation report prepared by an independent property valuer with an estimated market value of the Property of HK\$166 million (the "**Appraised Value**") as at 30 April 2024, which was determined on an open market basis in accordance with the floor areas, uses and floor plans provided assuming sale with the benefit of vacant possession. The Consideration is equivalent to the Appraised Value.

The Consideration will be settled in cash in three stages with: (i) stage 1 — HK\$16.6 million payable on the date of execution of the Promissory Agreement; (ii) stage 2 — HK\$83 million payable on or before 31 December 2024 with the signing of the Deed with Reservation and (iii) stage 3 — the remaining balance of HK\$66.4 million on or before 31 March 2025 with the signing of the Public Deed. The Consideration is expected to be funded by internal resources of the Group.

Based on the information provided by STDM, the original acquisition cost of Kam Pek Community Centre is not applicable as the building was developed by the Promissory Assignor; and the original acquisition cost of the relevant land concession rights of the Property was approximately MOP4,626,749 (equivalent to approximately HK\$4,491,989).

There was no net profit/loss attributable to the Property for the last two financial years.

Conditions precedent

The execution of the Deed with Reservation is subject to any of (a) the declaration of non-exercise by Macau of its right of pre-emption over the Property or (b) no response from Macau to the notification submitted by the Promissory Assignor regarding exercise of pre-emption right over the Property within 90 days from the submission date of the said notification.

If Macau exercises the pre-emption right over the Property, any amount paid by the Promissory Assignee to the Promissory Assignor under the Promissory Agreement will be fully refunded without interest to the Promissory Assignee within 30 days from the date of receipt of notification of exercise of pre-emption right.

Possession

The Promissory Assignee will be handed over the full possession of the Property on the execution date of the Promissory Agreement by the Promissory Assignor.

Deed with Reservation and Public Deed

The Deed with Reservation which will restate the key terms and conditions, as well as the representations and warranties in the Promissory Agreement must be executed on or before 31 December 2024 and the Public Deed must be executed on or before 31 March 2025 with final discharge of the Consideration.

Completion

Completion will occur on the execution of the Deed with Reservation and is expected to take place by no later than 31 December 2024. However, the ownership of the Property will be reserved with STDM from the date of the Deed of Reservation until the execution of Public Deed and final discharge of the Consideration which are expected to take place by no later than 31 March 2025.

(C) REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the development and operation of casinos and related facilities in Macau.

The Property, located on the city's main thoroughfare, is acquired for the Group to work on its refurbishment and redevelopment, which will be the Group's prime target for the revitalisation of part of Avenida de Almeida Ribeiro (San Ma Lo) area in order to complement other UNESCO heritage sites and to strengthen the non-gaming attractions of Macau for international visitation, in fulfilment of SJM Resorts' non-gaming investment commitment under the gaming concession contract. As one of the Group's strategic move to capitalize on its strength in gastronomy, Kam Pek Community Centre is intended to be transformed into food and beverage operations. By doing so, it aims to complement its existing food and beverage offerings in Grand Lisboa and Hotel Lisboa, which are located on the other end of San Ma Lo. The Group recognizes the potential of leveraging its expertise in gastronomy to attract a wider customer base and enhance its presence and contribute to the overall development and vibrancy of San Ma Lo as a culinary hub in the older city within the Macau Peninsula.

The Acquisition is conducive to optimising the mix of the Group's food and beverage offerings within our control that could appeal to the Group's target customers so that the dining and beverage options offered by the Group could be further geared toward the mass market crowd and are expected to draw higher traffic to the gaming and other non-gaming facilities of the Group.

The Board (excluding the Abstained Directors but including the independent non-executive Directors) is of the view that the Acquisition is in the ordinary and usual course of business of the Group, in the interests of the Company and the Shareholders as a whole and the terms of the Promissory Agreement are on normal commercial terms and fair and reasonable.

(D) LISTING RULES IMPLICATIONS

The Promissory Assignor is STDM, the controlling Shareholder interested in approximately 54.81% of the issued Shares as at the date of this announcement and therefore a connected person of the Company. Accordingly, the Acquisition constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

Since all the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition exceed 0.1% but fall below 5%, the Acquisition is subject to reporting and announcement requirements but exempt from the 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 Promissory Agreement and the transaction contemplated thereunder. The Abstained Directors were absent from the relevant Board meeting of the Company while the relevant resolution was being discussed and have abstained from voting on the Board resolution approving the Promissory Agreement and the transaction contemplated thereunder.

(E) DEFINITIONS

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

“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 a material interest in the transaction contemplated under the Promissory Agreement in view of their interests in the STDM Group, were absent from the relevant Board meeting of the Company while the relevant resolution was being discussed and have abstained from voting on the Board resolution on such transactions contemplated under the Promissory Agreement
“Acquisition”	the acquisition of the Property from the Promissory Assignor by the Promissory Assignee pursuant to the Promissory Agreement
“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 Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Acquisition
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of HK\$166 million for the Acquisition
“controlling Shareholder”	has the meaning ascribed to it under the Listing Rules
“Deed with Reservation”	a public deed to be entered into between the Promissory Assignor and the Promissory Assignee in respect of the Acquisition with reservation of ownership of the Property in favour of the Promissory Assignor
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries from time to time

“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
“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
“MOP”	Macanese Pataca(s), the lawful currency of Macau
“Promissory Agreement”	the promissory agreement entered into on 21 May 2024 between the Promissory Assignor and the Promissory Assignee in respect of the Acquisition
“Promissory Assignee”	SJM Resorts
“Promissory Assignor”	STDM
“Property”	an urban building plot, located at Avenida de Almeida Ribeiro S/N and Rua da Caldeira S/N, in Macau, recorded in the Macau Land Registry under number 816 which a building “Kam Pek Community Centre” with 3 floors and purpose for casino, restaurant and offices has been constructed thereon with and pursuant to all land concession rights vested in the Promissory Assignor by the Macau Government thereon
“Public Deed”	the public deed to be entered into between the Promissory Assignor and the Promissory Assignee to cancel the reservation of ownership of the Property provided under the Deed with Reservation
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“SJM Resorts”	SJM Resorts, S.A. (in Portuguese) 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

“STDM”	Sociedade de Turismo e Diversões de Macau, S.A. (in Portuguese) 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
“STDM Group”	STDM and its subsidiaries (other than the Group) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

For the purpose of this announcement, the translation of MOP into HK\$ is based on the approximate exchange rate of MOP1.03 = HK\$1.00. Such translation should not be construed as a representation that the amount in question has been, could have been or could be converted at any exchange rate or at all.

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

Hong Kong, 21 May 2024

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. Chan Un Chan and Mr. Shum Hong Kuen, David, the non-executive director of the Company is Mr. Tsang On Yip, Patrick and the independent non-executive directors of the Company are Mr. Tse Hau Yin, Ms. Wong Yu Pok, Marina, Mr. Yeung Ping Leung, Howard and Mr. Ho Hau Chong, Norman.