
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this Prospectus or as to the action you should take, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **SJM Holdings Limited**, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "12. Documents delivered to the Registrar of Companies in Hong Kong" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 38D of the Companies (WUMP) Ordinance. The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility as to the contents of any of the Prospectus Documents or any other document(s) referred to above.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the paragraph headed "Warning of the Risks of Dealing in Shares and Nil-paid Rights Shares" in the "Letter from the Board" in this Prospectus.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

Distribution of this Prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this Prospectus (including, without limitation, agents, custodians, nominees and trustees) should acquaint themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction for which SJM Holdings Limited will not accept any liability.

This Prospectus is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale or purchase of securities in any jurisdictions in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the laws of any state or jurisdiction of the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the Securities Act and applicable state laws. There is no intention to register any portion of the Rights Shares or any securities described herein in the United States or to conduct a public offering of securities in the United States.



澳門博彩控股有限公司 SJM HOLDINGS LIMITED

incorporated in Hong Kong with limited liability Stock Code : 880

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FOUR (4) EXISTING SHARES HELD ON THE RECORD DATE

Underwriter



BNP PARIBAS

Unless the context otherwise requires, capitalised terms used on this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Prospectus.

The Rights Issue is conditional upon the fulfilment of the conditions (or, in respect of certain conditions, waiver thereof) as set out in the section headed "Letter from the Board – Underwriting Agreement – Conditions of the Underwriting Agreement" in this Prospectus. It should be noted that the Underwriting Agreement contains provisions entitling the Underwriter to terminate the Underwriting Agreement at any time before the Latest Termination Time on the occurrence of certain events including force majeure. These events are set out in the section headed "Rescission and Termination of the Underwriting Agreement" on pages xi to xv of this Prospectus. If the Underwriting Agreement is terminated by the Underwriter or does not become unconditional, the Rights Issue will not proceed.

Pursuant to the articles of the association of the Company and the Companies (WUMP) Ordinance, there are no requirements for minimum levels of subscription. Subject to fulfilment of the conditions of the Rights Issue and the Underwriting Agreement not being terminated, the Rights Issue will proceed regardless of the ultimate subscription level.

The Shares have been dealt in on an ex-rights basis since Friday, August 19, 2022. Dealings in the nil-paid Rights Shares will take place from Thursday, September 1, 2022 to Thursday, September 8, 2022 (both dates inclusive). If the conditions of the Rights Issue are not fulfilled and/or waived on or before 4:00 p.m. on Thursday, September 15, 2022 (or such later date as the Company and the Underwriter may agree in writing), the Rights Issue will not proceed. Any persons contemplating buying or selling Shares from the date of this Prospectus up to the date on which all the conditions of the Rights Issue are fulfilled, and any dealings in the nil-paid Rights Shares between Thursday, September 1, 2022 and Thursday, September 8, 2022 (both dates inclusive), bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating dealing in the Shares or nil-paid Rights Shares are recommended to consult their own professional advisers.

The Latest Time for Acceptance is 4:00 p.m. on Wednesday, September 14, 2022. Further details on the expected timetable for the Rights Issue are set out in the section headed "Expected timetable" in this Prospectus. The procedures for acceptance and payment and/or transfer of the nil-paid Rights Shares are set out in the section headed "Letter from the Board – Rights Issue – Procedure for acceptance, payment, transfer and/or splitting of provisional allotment of the Rights Shares" in this Prospectus.

August 30, 2022

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The Rights Issue is conditional upon the fulfillment or waiver (as applicable) of the conditions as described in the section headed “Letter from the Board – Underwriting Agreement – Conditions of the Underwriting Agreement” in this Prospectus, including the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with its terms. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events. Please refer to the section headed “Rescission and Termination of the Underwriting Agreement” on pages xi to xv of this Prospectus for further details. Accordingly, the Rights Issue may or may not proceed. If any of the conditions of the Rights Issue is not fulfilled or waived (as applicable), the Rights Issue will not proceed. It should be noted that existing Shares have been dealt in on an ex-rights basis from Friday, August 19, 2022. The Rights Shares in their nil-paid form are expected to be dealt in from Thursday, September 1, 2022 to Thursday, September 8, 2022 (both days inclusive). If the Underwriter terminates the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled or waived (as applicable), the Rights Issue will not proceed.

The contents of this Prospectus are not to be construed as legal, business, financial or tax advice. None of the Company or the Underwriter, or any of their respective representatives, is making any representation to any person regarding the legality of an investment in the Rights Shares by such person under the laws applicable to such person. Each prospective investor should consult his, her or its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice in connection with the Rights Issue or the purchase of the Rights Shares. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Rights Issue, including the merits and risks involved.

Investors also acknowledge that: (i) they have not relied on the Underwriter (or its affiliates) in connection with any investigation of the accuracy of any information contained in this document or their investment decision; (ii) they have relied only on the information contained in this Prospectus in making their relevant decision; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the Rights Issue (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or the Underwriter (or its affiliates).

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid forms is advised to exercise caution when dealing in the Shares and/or Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (or waived (as applicable)) (and the date

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on which the Underwriter's right of termination of the Underwriting Agreement ceases), will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS WITH REGISTERED ADDRESSES IN JURISDICTIONS OUTSIDE HONG KONG AND NEITHER IS THE RIGHTS ISSUE BEING MADE TO INVESTORS WHO ARE LOCATED OR RESIDING IN ANY OF THE JURISDICTIONS OUTSIDE HONG KONG, UNLESS AN OFFER OF RIGHTS SHARES AND NIL-PAID RIGHTS SHARES INTO SUCH JURISDICTIONS COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL OR REGULATORY REQUIREMENTS OR THE OFFER IS MADE IN RELIANCE ON ANY EXEMPTION OR WHERE COMPLIANCE IS NOT UNDULY BURDENSOME.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer, invitation or solicitation is unlawful. None of the nil-paid Rights Shares, the fully-paid Rights Shares, this Prospectus, the PAL and the EAF have been or will be registered or filed under the securities laws of any jurisdiction or with any securities commission or similar regulatory authority in any jurisdiction other than in Hong Kong and none of the nil-paid Rights Shares, the fully-paid Rights Shares, this Prospectus, the PAL and the EAF will qualify for distribution under any of the relevant securities laws of any of the jurisdictions outside Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the nil-paid Rights Shares and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any jurisdictions outside Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions other than in Hong Kong, or exemption from the registration or qualification requirements under applicable rules of such jurisdictions.

Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or who hold Shares on behalf of persons with such addresses should refer to the section headed "Letter from the Board – Rights Issue – Rights of the Overseas Shareholders" in this Prospectus.

Each person acquiring the nil-paid Rights Shares and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his acquisition of the nil-paid Rights Shares and/or Rights Shares to confirm, that he is aware of the restrictions on offers and sales of the nil-paid Rights Shares and/or Rights Shares described in this Prospectus.

NOTICE TO THE PRC SOUTHBOUND TRADING INVESTORS

The PRC Southbound Trading Investors can participate in the Rights Issue through China Clear. They can subscribe for their pro rata entitlements but cannot participate in the excess application of the Rights Issue. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares

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on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro-rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

However, China Clear will not support applications by such PRC Southbound Trading Investors for Excess Rights Shares under the Rights Issue through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect. The PRC Southbound Trading Investors (or the relevant China Clear participants as the case may be) whose stock accounts are credited with nil-paid Rights Shares could only sell those nil-paid Rights Shares on the Stock Exchange under Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect but could not purchase any other nil-paid Rights Shares nor transfer any nil-paid Rights Shares to other PRC Southbound Trading Investors. The PRC Southbound Trading Investors cannot sell or subscribe for Rights Shares until after the Company completes its filing with the CSRC in accordance with the CSRC Notice. For the avoidance of doubt, the Company will comply with the relevant filing requirements stipulated in the CSRC Notice.

NOTICE TO OVERSEAS INVESTORS

Based on the legal advice of the Company's legal advisers in relation to the laws of the relevant overseas jurisdictions, the following notices are set out for the attention of the overseas investors in the relevant jurisdictions.

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NOTICE TO INVESTORS IN THE UNITED KINGDOM

Neither this Prospectus nor any other document relating to the Rights Issue has been approved by the Financial Conduct Authority in the United Kingdom. No prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended (“**FSMA**”)) has been published or is intended to be published in relation to the Rights Issue. Accordingly the nil-paid Rights Shares and the Rights Shares referred to in this Prospectus may not be, and are not being, offered to the public in the United Kingdom under section 85(1) FSMA, except in circumstances where section 86(1) FSMA applies. Any Shareholder or beneficial owner in the United Kingdom who takes up Rights Shares shall be deemed to represent and warrant that he/she/it is not taking up those Rights Shares on behalf of other persons in the United Kingdom. This Prospectus should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

This Prospectus and any associated documents are directed only at Shareholders in the United Kingdom who are: (a) “qualified investors” as defined under Article 2 of Prospectus Regulation (2017/1129) as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 (the “**UK Prospectus Regulation**”); and (b) to fewer than 150 natural or legal persons (other than qualified investors) as per article 1(4) of the UK Prospectus Regulation.

This Prospectus is not a financial promotion to which section 21(1) FSMA applies since article 43 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”), as amended, removes the financial promotion restriction from communications (which are communicated by a body corporate to its members) which relate to shares in the share capital of the body corporate. Accordingly, in addition to the requirements above, the investments to which this Prospectus relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, persons within the United Kingdom (i) who fall within article 43 of the Order, as amended, or (ii) to whom it may otherwise be lawfully communicated (the “**relevant persons**”). Any person who is not a relevant person should not act or rely on this Prospectus or any of its contents.

NOTICE TO INVESTORS IN MACAU

The nil-paid Rights Shares and the Rights Shares are not required to be registered with the Macau Monetary Authority or with any other authority under the laws and regulations of Macau and this Prospectus may be despatched to Overseas Shareholders with registered addresses in Macau without any restrictions. In view of this, the Directors have decided to extend the Rights Issue to Overseas Shareholders with registered addresses in Macau, and such Overseas Shareholders are Qualifying Shareholders.

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NOTICE TO INVESTORS IN THE PRC (OTHER THAN THE PRC SOUTHBOUND TRADING INVESTORS)

The Rights Shares in nil-paid or fully-paid form shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless such person or entity is a PRC Southbound Trading Investor (subject to certain limitations in relation to the PRC Southbound Trading Investors' rights to participate in the Rights Issue as explained in this Prospectus), or such person or entity has otherwise been exempted by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

If a Shareholder resident in the PRC and/or any other PRC resident (including both individuals and companies) wishes to invest in the nil-paid Rights Shares or the fully-paid Rights Shares, he/she/it shall be responsible for complying with the relevant laws of the PRC. The Company will not be responsible for verifying the PRC legal qualification of such Shareholder and/or resident and thus, should the Company suffer any losses or damages due to non-compliance with the relevant laws of the PRC by any such Shareholder and/or resident, the Shareholder and/or resident shall be responsible to compensate the Company for the same. The Company shall not be obliged to issue the nil-paid Rights Shares or the fully-paid Rights Shares to any such Shareholder and/or resident, if issuing the nil-paid Rights or the fully-paid Rights Shares to them does not comply with the relevant laws of the PRC.

NOTICE TO INVESTORS IN SINGAPORE

The offer of nil-paid Rights Shares and the Rights Shares by the Company is made only to and directed at, and the nil-paid Rights Shares and Rights Shares are only available to, persons in Singapore who are existing members of the Company pursuant to Section 273(1)(cd) of the Securities and Futures Act, 2001 of Singapore, as modified or amended from time to time (the "SFA").

This Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore, and the nil-paid Rights Shares and the Rights Shares will be offered pursuant to exemptions under the SFA. Accordingly, the nil-paid Rights Shares and the Rights Shares may not be offered or sold or made the subject of an invitation for subscription or purchase nor may this Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of any nil-paid Rights Shares or Rights Shares be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (a) to an existing member of the Company pursuant to Section 273(1)(cd) of the SFA, or (b) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

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In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore (the “**CMP Regulations 2018**”), the Company has determined, and hereby notifies all relevant persons (as defined in Section 309A(1) of the SFA), that the nil-paid Rights Shares and the Rights Shares are “prescribed capital markets products” (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

NOTICE TO INVESTORS IN THE UNITED STATES

The PALs, the EAFs, the nil-paid Rights Shares and the Rights Shares have not been and will not be registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, allotted, taken up, exercised, resold, pledged, transferred or delivered, directly or indirectly, in or into the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the PALs, the nil-paid Rights Shares or the Rights Shares in the United States.

None of this Prospectus or the PALs or the EAFs offered hereunder constitutes or will constitute, or forms or will form, part of any offer or invitation to issue, purchase or acquire the nil-paid Rights Shares or the Rights Shares to any person with a registered address, or who is located, in the United States. The nil-paid Rights Shares and the Rights Shares offered pursuant to this Prospectus are only being offered outside the United States in reliance on Regulation S under the US Securities Act.

In addition, until 40 days after the commencement of the offering of the nil-paid Rights Shares and the Rights Shares, or the procurement of purchasers by the Underwriter of the Rights Shares not initially taken up, any offer, sale or transfer of the nil-paid Rights Shares or the Rights Shares in or into the United States by a dealer (whether or not participating in the Rights Issue) may violate the registration requirements of the US Securities Act.

The Underwriter may arrange for the offer of the Rights Shares not taken up in the Rights Issue only outside the United States in reliance on Regulation S under the US Securities Act. Each purchaser or subscriber of the Rights Shares being offered and sold outside the United States will be deemed to have represented and agreed, among other things, that the purchaser or subscriber is acquiring the Rights Shares in an offshore transaction meeting the requirements of Regulation S under the US Securities Act.

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FORWARD-LOOKING STATEMENTS

All statements in this Prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustrate”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this Prospectus include, without limitation, statements in respect of the Group’s business strategies, service offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

The forward-looking statements in this Prospectus are based on management’s present expectations about future events. Management’s present expectations reflect numerous assumptions regarding the Group’s strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group’s actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this Prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this Prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this Prospectus, be it as a result of new information, future events or otherwise.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and is subject to change. Further announcement(s) will be made by the Company as and when appropriate should there be any changes to the expected timetable.

All times in this Prospectus refer to Hong Kong time.

Event	Time and Date
First day for dealings in nil-paid Rights Shares	Thursday, September 1, 2022
Latest time for splitting PALs	4:30 p.m. on Monday, September 5, 2022
Last day for dealings in nil-paid Rights Shares	Thursday, September 8, 2022
Latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares	4:00 p.m. on Wednesday, September 14, 2022
Latest time for terminating or rescinding the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Thursday, September 15, 2022
Announcement of results of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company	Wednesday, September 21, 2022
Despatch of Share certificates for fully-paid Rights Shares	Thursday, September 22, 2022
Despatch of refund cheques, if any, for wholly or partially unsuccessful excess applications or if the Rights Issue is terminated or rescinded	Thursday, September 22, 2022
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Friday, September 23, 2022
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	9:00 a.m. on Friday, September 23, 2022
Designated broker ceases to provide matching services for odd lots of the Shares	4:00 p.m. on Thursday, October 13, 2022

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND PAYMENT FOR EXCESS RIGHTS SHARES

The latest time for acceptance of and payment for Rights Shares and application and payment for Excess Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning or “extreme conditions” caused by super typhoons as announced by the Government of Hong Kong:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, September 14, 2022. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, September 14, 2022. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares does not take place on Wednesday, September 14, 2022, the dates mentioned in the section headed “Expected timetable” in this Prospectus may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable in this regard.

RESCISSION AND TERMINATION OF THE UNDERWRITING AGREEMENT

If at any time prior to the Latest Time for Termination:

- (i) any matter or circumstance arises as a result of which any of the conditions of the Underwriting Agreement has become or is likely to become incapable of satisfaction (or, as applicable, waiver) as at the required time; or
- (ii) any breach of any of the representations, warranties, undertakings and other provisions contained in the Underwriting Agreement by the Company comes to the knowledge of the Underwriter, or there has been such breach on the part of the Company, or any matter has arisen which would reasonably be expected to give rise to such a breach or a claim in respect of any of the representations, warranties, undertakings and other provisions contained in the Underwriting Agreement; or
- (iii) any breach by STDM of any of the representations, warranties, undertakings and other provisions contained in the Irrevocable Undertaking comes to the knowledge of the Underwriter, or there has been such breach on the part of STDM or any matter has arisen which would reasonably be expected to give rise to such a breach by STDM, or a claim in respect of any of the representations, warranties, undertakings and other provisions contained in the Irrevocable Undertaking; or
- (iv) any event occurs or matter arises, which, if it had occurred before the date of the Underwriting Agreement or before any of the times on which the warranties are deemed to be given, would have rendered any of the warranties untrue, incorrect or misleading; or
- (v) any statement contained in any of the Prospectus Documents, the Announcement and any other announcement, circular or public documents issued or authorised by the Company relating to the Rights Issue has become or been discovered to be untrue, incorrect or incomplete in any material respect or misleading, or matters have arisen or have been discovered which would, if any of such documents was to be issued at the time, constitute a material omission therefrom; or
- (vi) the issue or requirement to issue by the Company of any supplement or amendment to any of the Prospectus Documents, the Announcement and any other announcement, circular or public documents issued or authorised by the Company relating to the Rights Issue; or
- (vii) non-compliance of any of the Prospectus Documents, the Announcement and any other announcement, circular or public documents issued or authorised by the Company relating to the Rights Issue (or any other documents used in connection with the contemplated offer and sale of the Rights Shares) or any aspect of the Rights Issue with the Listing Rules or any other applicable laws, rules or regulations; or

RESCISSION AND TERMINATION OF THE UNDERWRITING AGREEMENT

- (viii) there shall have developed, occurred or come in effect any change or development involving a prospective change, any event or circumstance likely to result in a change or development involving a prospective change, in or affecting the assets, liabilities, business, condition, results of operations, prospects, management, shareholders' equity or in the financial or trading position of the Group taken as a whole which, in the sole opinion of the Underwriter, is or may be materially adverse in the context of the Rights Issue or makes or may make it impracticable, inadvisable or inexpedient to proceed with the Rights Issue; or
- (ix) a petition is presented for the winding-up or liquidation of any member of the Group or any member of the Group makes any composition or arrangement with its creditors or enters into a scheme of arrangement or any resolution is passed for the winding-up of any member of the Group or a provisional liquidator, receiver or manager is appointed over all or part of the assets or undertaking of any member of the Group; or
- (x) permission to deal in and listing of all the Rights Shares (in their nil-paid and fully-paid forms) has been withdrawn and/or prohibited or otherwise restricted by the Stock Exchange; or
- (xi) a prohibition on the Company for whatever reason from allotting, issuing or selling any of the Rights Shares (whether in nil-paid or fully paid form) pursuant to the terms of the Rights Issue and the Underwriting Agreement; or
- (xii) any expert, whose consent is required for the issue of the Prospectus with the inclusion of its reports, letters or opinions and references to its name included in the form and context in which it respectively appears, has withdrawn its consent prior to the issue of the Prospectus; or
- (xiii) the Company has withdrawn any of the Prospectus Documents, the Announcement and any other announcement, circular or public documents issued or authorised by the Company relating to the Rights Issue or the Rights Issue; or
- (xiv) any of the major approvals, concessionaires, sanctions, orders, clearances, no objections declarations, qualifications, licences, permits, certificates, consents, permissions, authorisations, filings and registrations (collectively, the "**Approvals**") as required by any member of the Group in connection with its operations and business activities or the continuation of such operations and activities has expired or lapsed or has been terminated or withdrawn, or any of such Approvals has become or is likely to become incapable of being duly and successfully bided, obtained, granted, extended and renewed (as the case may be) in accordance with the applicable laws, rules and regulations; or

RESCISSION AND TERMINATION OF THE UNDERWRITING AGREEMENT

- (xv) there has occurred, happened, come into effect or, become public knowledge or become in contemplation or continued to be in contemplation, any event, series of events or circumstances concerning or relating to (whether or not foreseeable and whether or not in contemplation prior to or after the entering of the Underwriting Agreement) any law, rule or regulation, or any change or development involving a prospective change (whether or not permanent) in or affecting any laws, rules or regulations, or any other matters, that may affect the validity, bidding, obtaining, granting, extension or renewal of any of the major Approvals as required by any member of the Group in connection with its operations and business activities or the continuation of such operations and activities (which includes, without limitation, any event, series of events or circumstances concerning or relating to: (a) any conditions that may be imposed on, or qualifications or pre-requisites that may be required to be possessed or fulfilled by, SJM Resorts or any other member of the Group in order for SJM Resorts or any other member of the Group to bid for, renew or otherwise possess any of such Approvals; (b) any conditions with respect to the shareholding or share capital structure of SJM Resorts or any other member of the Group; and (c) any other requirements that may render the Company and/or SJM Resorts necessary or desirable to seek approval from its shareholders (whether or not such approval will be sought prior to or after completion of the Rights Issue) pursuant to the requirements of its articles of association or any applicable law, rule or regulation); or
- (xvi) there has occurred, happened, come into effect, become public knowledge or become in contemplation or continued to be in contemplation, any event, series of events or circumstances concerning or relating to (whether or not foreseeable and whether or not in contemplation prior to or after the entering of the Underwriting Agreement):
- (a) any change in, or any event or series of events that may result in any change in (whether or not permanent) in local, national or international financial, political, military, industrial, economic, legal, fiscal, regulatory or securities market matters or conditions or currency exchange rates or exchange controls in or affecting Hong Kong, Macau, the PRC, the United States, the European Union (or any member thereof), the United Kingdom or any other jurisdictions relevant to any member of the Group or the Rights Issue (collectively, the “**Relevant Jurisdictions**”); or
- (b) any event or circumstance in the nature of force majeure, including, without limitation, any act of government, economic sanctions, strike, curfew, riot, public disorder, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, deterioration of such pandemic and epidemic currently in existence or outbreak of infectious diseases leading to city-wide lock-down in Macau for over 5 calendar days, declaration of a state of emergency or calamity or crisis, in or affecting any of the Relevant Jurisdictions; or

RESCISSION AND TERMINATION OF THE UNDERWRITING AGREEMENT

- (c) the declaration of a banking moratorium by authorities in or affecting any of the Relevant Jurisdictions occurring due to exceptional financial circumstances or otherwise; or
- (d) any moratorium, suspension or restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange, NASDAQ, the London Stock Exchange or any major disruption of any securities settlement or clearing services in or affecting any of the Relevant Jurisdictions; or
- (e) the imposition of sanctions, in whatever form, directly or indirectly, by, or for, any Relevant Jurisdiction on or affecting any member of the Group, STDM or any director of the Group; or
- (f) any trading halt or suspension of dealings in the Shares for a consecutive period of more than three trading days (other than pending publication of the Announcement); or
- (g) any Governmental Authority commencing any investigation or other action, or announcing an intention to investigate or take other action, against any member of the Group or any of the Directors; or
- (h) any claims, actions, litigation, proceedings or investigations (whether by governmental or regulatory bodies or otherwise) demands, judgments or awards being threatened or instigated against any member of the Group or any of the Directors; or
- (i) any Director being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of a company; or
- (j) any Director vacating his or her office; or
- (k) any market, investor or analyst commentary or speculation, to any material extent, that any of the major Approvals as required by any member of the Group in connection with its operations and business activities or the continuation of such operations and activities may become incapable of being duly and successfully bided, obtained, granted, extended and renewed (as the case may be) in accordance with the applicable laws, rules and regulations; or
- (l) any law, rule or regulation, or any change or development involving a prospective change, whether or not permanent, in or affecting any taxation, exchange controls, currency exchange rates, laws, rules or regulations (or judicial interpretation thereof) in or affecting any of the Relevant Jurisdictions; or

RESCISSION AND TERMINATION OF THE UNDERWRITING AGREEMENT

- (m) any contravention by any member of the Group of any law, rule or regulation; or
- (n) any statement contained in any of the information or publication released by the Company (other than the Prospectus Documents, the Announcement and any other announcement, circular or public documents issued or authorised by the Company relating to the Rights Issue) has become or been discovered to be untrue, incorrect or incomplete in any material respect or misleading, or matters have arisen or have been discovered which would, if such statement was to be issued or made at the time, constitute a material omission therefrom; or
- (o) any change or development involving a prospective change which has or is likely to have the effect of materialisation of any of the risk factors in the Prospectus,

the effect of which events or circumstances referred to above individually or in the aggregate (in the sole opinion of the Underwriter) (1) is or will be or is likely to materially adverse to, or materially and prejudicially affects, the assets, liabilities, business, general affairs, management, shareholder's equity, profit, losses, results of operations, position or condition (financial or otherwise), or prospects of the Company or the Group as a whole; or (2) has or will have or is likely to have a material adverse effect on the success of the Rights Issue or the level of Rights Shares being applied for or accepted or subscribed for or taken or purchased or the distribution of the Rights Shares; or (3) has made or will make or is likely to make it impracticable or inadvisable or incapable for any material part of the Underwriting Agreement or the Rights Issue to be performed or implemented as envisaged; or (4) makes or will make or may make it impracticable or inadvisable or incapable to proceed with the Rights Issue or the delivery of the Rights Shares on the terms and in the manner contemplated by the Prospectus Documents, the Announcement and any other announcement, circular or public documents issued or authorised by the Company relating to the Rights Issue; or (5) would or might reasonably be expected to have a significant effect upon the market price or trading volume, or both, of the Shares or other securities of the Company; or (6) would have or may have the effect of making a part of the Underwriting Agreement (including underwriting) incapable of performance in accordance with its terms or which prevents the processing of applications and/or payments pursuant to the Rights Issue or pursuant to the underwriting thereof; or (7) makes or will make or may make it impracticable, inadvisable or inexpedient to proceed with the Rights Issue, then in any such case the Underwriter may by its sole determination by notice to the Company at any time prior to the Latest Time for Termination, rescind or terminate the Underwriting Agreement.

If the Underwriter terminates or rescinds the Underwriting Agreement, the Rights Issue will not proceed. A further announcement will be made by the Company if the Underwriting Agreement is terminated or rescinded by the Underwriter.

DEFINITIONS

In this Prospectus, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated August 3, 2022 in relation to, among other things, the Rights Issue
“Board”	the board of directors of the Company
“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
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Champion Power”	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
“China Clear”	China Securities Depository and Clearing Corporation Limited
“Concession Extension Agreement”	the agreement entered into between SJM Resorts and the Macau government on June 23, 2022 for the extension of SJM Resorts’ gaming concession to December 31, 2022
“Convertible Bonds”	the convertible bonds issued by Champion Power on June 22, 2022 in the principal amount of HK\$1,906 million at 2.0% coupon rate with 5-year maturity
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	SJM Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange

DEFINITIONS

“CSRC”	China Securities Regulatory Commission
“CSRC Notice”	the notice of the CSRC “Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect” (Announcement [2016] No. 21)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“DICJ”	Direcção de Inspeção e Coordenação de Jogos, the Gaming Inspection and Coordination Bureau in Macau
“Director(s)”	the director(s) of the Company
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for the Excess Rights Shares
“Excess Rights Share(s)”	any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance, any entitlements of the Non-Qualifying Shareholders provisionally allotted to a nominee of the Company which are left unsold, and shall (for avoidance of any doubt) include any of the Rights Shares created from the aggregation of fractions of the Rights Shares which are left unsold
“Governmental Authority”	any public, regulatory, taxing, administrative or governmental, agency or authority (including, without limitation, the Stock Exchange and the SFC) and any court at the national, provincial, municipal or local level
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any individual or company not being the connected persons (as defined under the Listing Rules) of the Company, independent of the Company and its connected persons and not connected with any of them or their respective associates
“Irrevocable Undertaking”	the irrevocable undertaking dated August 3, 2022 given by STDM in favour of the Company and the Underwriter
“Latest Practicable Date”	August 23, 2022, being the latest practicable date before the printing of this Prospectus for the purpose of ascertaining information contained herein
“Last Trading Day”	August 3, 2022, being the last trading day for the Shares on the Stock Exchange immediately before the publication of the Announcement
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, September 14, 2022, or such later time or date as may be agreed by the Company and the Underwriter in writing, being the latest time and date for acceptance of and payment for the Rights Shares and application for and payment for Excess Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on Thursday, September 15, 2022, or such later time or date as may be agreed by the Company and the Underwriter in writing, being the latest time for termination or rescission of the Underwriting Agreement
“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

DEFINITIONS

“Non-Qualifying Shareholders”	the Overseas Shareholder(s) in respect of whom the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“Outstanding Share Options”	outstanding and vested share options granted to subscribe for 147,733,000 Shares pursuant to the Share Option Scheme that are exercisable on or before the Record Date
“Overseas Shareholders”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue
“Posting Date”	Tuesday, August 30, 2022, or such other date as the Company and the Underwriter may agree in writing for the despatch of the Prospectus Documents
“PRC Southbound Trading Investor(s)”	the PRC investor(s) who hold Shares through China Clear as nominee under the Shenzhen-Hong Kong Stock Connect and the Shanghai-Hong Kong Stock Connect
“Prospectus”	this prospectus issued by the Company to the Qualifying Shareholders in connection with the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF issued by the Company
“Qualifying Shareholders”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)

DEFINITIONS

“Record Date”	Monday, August 29, 2022, or such other date as the Company and the Underwriter may agree in writing, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registrar of Companies”	Registrar of Companies in Hong Kong
“Rights Issue”	the proposed issue by way of rights of the Rights Shares to the Qualifying Shareholders on the basis of one (1) Rights Share for every four (4) existing Shares held on the Record Date at the Subscription Price, payable in full on acceptance and on the terms and subject to the conditions of the Underwriting Agreement and the Prospectus Documents
“Rights Shares”	the new Share(s) to be allotted and issued under the Rights Issue, being not less than 1,420,361,073 Rights Shares (assuming no change in the issued shares of the Company on or before the Record Date) and not more than 1,457,294,323 Rights Shares (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of the Outstanding Share Options, but otherwise no other change in the issued share capital of the Company on or before the Record Date)
“Senior Notes”	the senior notes include (a) the senior notes issued by Champion Path Holdings Limited, a wholly-owned subsidiary of the Company, on January 27, 2021 in the aggregate principal amount of US\$500 million at coupon rate of 4.50% with 5-year maturity; (b) the senior notes issued by Champion Path Holdings Limited on January 27, 2021 in the aggregate principal amount of US\$500 million at coupon rate of 4.85% with 7-year maturity; (c) the senior notes issued by Champion Moments Limited, a wholly-owned subsidiary of the Company, on May 12, 2021 in the aggregate principal amount of HK\$1,250 million at coupon rate of 3.9% with 5-year maturity; and (d) the senior notes issued by Champion Moments Limited on May 12, 2021 in the aggregate principal amount of MOP300 million at coupon rate of 3.9% with 5-year maturity. For more details, please refer to the annual report of the Company for the year ended December 31, 2021 published on April 21, 2022
“SFC”	the Securities and Futures Commission of Hong Kong

DEFINITIONS

“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
“Shanghai-Hong Kong Stock Connect”	a securities trading and clearing links programme developed by the Stock Exchange, the Shanghai Stock Exchange, HKSCC and China Clear for the establishment of mutual market access between Hong Kong and Shanghai
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s) in issue
“Share Option Scheme”	the share option scheme of the Company adopted on May 13, 2009 which has lapsed on May 13, 2019
“Shenzhen-Hong Kong Stock Connect”	a securities trading and clearing links programme developed by the Stock Exchange, the Shenzhen Stock Exchange, HKSCC and China Clear for the establishment of mutual market access between Hong Kong and Shenzhen
“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 June 9, 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) 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
“Subscription Price”	the subscription price of HK\$2.08 for each Rights Share under the Rights Issue
“Undertaken Shares”	1,098,313,099 Rights Shares, being the number of Rights Shares for which STDM has undertaken to take up (or procure to take up) and to apply for pursuant to the Irrevocable Undertaking

DEFINITIONS

“Underwriter”	BNP Paribas Securities (Asia) Limited, a licensed corporation under the SFO to conduct type 1 (dealing in securities), type 2 (dealing in future contracts), type 4 (advising on securities), and type 6 (advising on corporate finance) regulated activities as defined under the SFO
“Underwriting Agreement”	the underwriting agreement dated August 3, 2022 entered into among the Company and the Underwriter in relation to the Rights Issue, as revised, supplemented or amended from time to time in accordance with its terms
“Underwritten Shares”	up to 322,047,974 Rights Shares, being the minimum total number of Rights Shares issuable (assuming no change in the issued Shares on or before the Record Date), or up to 358,981,224 Rights Shares, being the maximum total number of Rights Shares issuable (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of the Outstanding Share Options, but otherwise no other change in the issued Shares on or before the Record Date), excluding the Rights Shares in respect of the Undertaken Shares STDM has undertaken to take up (or procure to take up) and apply for pursuant to the Irrevocable Undertaking
“Untaken Shares”	those (if any) of the Underwritten Shares in respect of which valid applications under the PALs and EAFs have not been received on or before the Latest Time for Acceptance
“%”	per cent.

LETTER FROM THE BOARD



澳門博彩控股有限公司 SJM HOLDINGS LIMITED

incorporated in Hong Kong with limited liability Stock Code : 880

Executive Directors:

Ms. Ho Chiu Fung, Daisy (*Chairman*)
Mr. Fok Tsun Ting, Timothy (*Co-Chairman*)
Deputada Leong On Kei, Angela (*Co-Chairman*)
Dr. So Shu Fai (*Vice-Chairman and
Chief Executive Officer*)
Dr. Chan Un Chan
Mr. Shum Hong Kuen, David

Registered Office:

18th Floor
China Merchants Tower
Shun Tak Centre
Nos. 168 – 200 Connaught Road Central
Hong Kong

Non-executive Director:

Mr. Tsang On Yip, Patrick

Independent Non-executive Directors:

Mr. Tse Hau Yin
Ms. Wong Yu Pok, Marina
Mr. Yeung Ping Leung, Howard
Mr. Ho Hau Chong, Norman

August 30, 2022

*To the Qualifying Shareholders and, for information only,
the Non-Qualifying Shareholders and the holders of the
Outstanding Share Options*

Dear Sir or Madam,

RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY FOUR (4) EXISTING SHARES HELD ON THE RECORD DATE

INTRODUCTION

Reference is made to the Announcement in relation to, among other things, the Rights Issue. The Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and not being terminated or rescinded in accordance with the terms thereof.

The purpose of this Prospectus is to provide you with further information on the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to you, and certain financial and other general information of the Group.

LETTER FROM THE BOARD

RIGHTS ISSUE

The terms of the Rights Issue are set out below:

Basis of the Rights Issue:	One (1) Rights Share for every four (4) existing Shares held by the Shareholders on the Record Date
Subscription Price:	HK\$2.08 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	5,681,444,293 Shares
Number of Rights Shares to be issued under the Rights Issue:	not less than 1,420,361,073 Rights Shares ^(Note 1) and not more than 1,457,294,323 Rights Shares ^(Note 2)
Undertaken Shares:	1,098,313,099 Rights Shares, being the aggregate number of Rights Shares for which STDM has undertaken to subscribe pursuant to the Irrevocable Undertaking
Total number of issued Shares as enlarged by the allotment and issue of the Rights Shares:	not less than 7,101,805,366 Shares ^(Note 1) and not more than 7,286,471,616 Shares ^(Note 2)
Underwriter:	BNP Paribas Securities (Asia) Limited
Maximum amount to be raised before expenses (assuming the Rights Issue is fully subscribed):	not less than approximately HK\$2,954.4 million ^(Note 1) and not more than approximately HK\$3,031.2 million ^(Note 2)
Rights of excess applications:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

Notes:

- 1. Assuming no change in the issued Shares on or before the Record Date.*
- 2. Assuming new Shares are issued on or before the Record Date pursuant to the full exercise of the Outstanding Share Options, but otherwise no other change in the issued Shares on or before the Record Date.*

Under the Rights Issue, the 1,420,361,073 nil-paid Rights Shares proposed to be provisionally allotted represent approximately 25% of the existing issued Shares as at the Latest Practicable Date and approximately 20.0% of the issued Shares as enlarged by the Rights Issue (assuming no change in the issued Shares on or before the Record Date).

LETTER FROM THE BOARD

As at the Latest Practicable Date, there are 147,733,000 Outstanding Share Options. Assuming exercise of all Outstanding Share Options, the maximum number of new Shares that would fall to be allotted and issued under the Share Option Scheme on or before the Record Date would be 147,733,000 Shares, which would result in the issue and allotment of 36,933,250 additional Rights Shares.

In addition, on June 22, 2022, Champion Power had issued the Convertible Bonds, pursuant to which (i) the Company is the guarantor; and (ii) 468,304,668 new Shares will be allotted and issued upon full exercise of the conversion rights attaching to the Convertible Bonds. However, as the holder of the Convertible Bonds (i.e. STDM) has irrevocably undertaken and warranted to the Company and the Underwriter not to exercise any of the conversion rights attaching to the Convertible Bonds from the date of the Irrevocable Undertaking to the date of completion of the Rights Issue pursuant to the Irrevocable Undertaking, no additional Rights Shares will be issued and allotted in relation to the full exercise of conversion rights attaching to the Convertible Bonds. For further details of the Convertible Bonds, please refer to the circular of the Company dated June 6, 2022.

As at the Latest Practicable Date, save as disclosed above, the Company (a) has no other outstanding derivatives, options, warrants, conversion rights or other similar rights which are convertible or exchangeable into or confer any right to subscribe for Shares in the Rights Issue; and (b) has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date. The Directors do not expect any exercise of the Outstanding Share Options on or before the Record Date.

Subscription Price

The Subscription Price of HK\$2.08 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or, where applicable, applies for Excess Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 29.8% to the closing price of HK\$2.70 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 33.8% to the closing price of HK\$3.14 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of approximately 34.8% to the average closing price per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$3.19 per Share;
- (iv) a discount of approximately 36.0% to the average closing price per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day of approximately HK\$3.25 per Share;

LETTER FROM THE BOARD

- (v) a discount of approximately 29.0% to the theoretical ex-rights price of approximately HK\$2.93 per Share based on the closing price of HK\$3.14 per Share as quoted on the Stock Exchange on the Last Trading Day and number of Shares in issue as at the date of the Announcement;
- (vi) a discount of approximately 34.9% to the latest published unaudited consolidated net asset value per Share as at June 30, 2022 of approximately HK\$3.19 (as shown in the announcement of the Company dated August 1, 2022 in relation to, among others, the interim results of the Company for the six months ended June 30, 2022). Having considered the financial performance of the Group due to COVID-19 during the past few years and the prevailing market prices which have been generally low during the last 12 months, the Directors consider the discount represented by the Subscription Price to the unaudited consolidated net asset value per Share as at June 30, 2022 to be fair and reasonable; and
- (vii) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 7.1%, represented by the theoretical diluted price of approximately HK\$2.99 per Share to the benchmarked price (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$3.14 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of the Announcement of approximately HK\$3.22 per Share) of approximately HK\$3.22 per Share.

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$2.08. Since the Company is incorporated in Hong Kong, the Rights Shares have no nominal value.

The Subscription Price was determined by the Company with reference to, among others, the following:

(i) the recent closing prices of the Shares

During the twelve months up to and including the Last Trading Day, the closing price of the Shares was on a general downward trend after reaching a high of HK\$7.48 per Share on September 8, 2021 decreasing to a low of HK\$2.92 per Share on March 15, 2022 and closed at HK\$3.14 per Share on the Last Trading Day. In view of the aforementioned general downward trend of the closing price of the Shares and in order to enhance the attractiveness of the Rights Issue to Shareholders, the Directors set the Subscription Price at a material discount to the then market prices of the Shares as mentioned above. It is also noted that the Rights Issue is fully-underwritten by the Underwriter, hence the Subscription Price would have to be attractive enough to Shareholders and investors, in order for the Underwriter to conclude that the proposed Rights Issue is commercially feasible to underwrite. Setting the Subscription Price materially higher might not have been commercially agreeable by the Underwriter, and

LETTER FROM THE BOARD

the underwriting commission rate could also have been higher if the Underwriter was to factor in the likelihood of lower acceptance rate by Shareholders if the Subscription Price was not attractive enough to Shareholders and potential investors.

(ii) prevailing market conditions and the financial position of the Group

The recent volatility of the capital market in Hong Kong was also referenced. During the seven months up to and including the Last Trading Day, the Hang Seng Index fluctuated between a high of approximately 24,966 at closing on January 21, 2022 and a low of approximately 18,415 at closing on March 15, 2022 and closed at approximately 19,767 on the Last Trading Day. In addition, the Group has been incurring significant losses since 2020. For the years ended December 31, 2020 and 2021, and the six months ended June 30, 2022, the Group incurred loss attributable to owners of the Company of approximately HK\$3,024.9 million, HK\$4,143.7 million and HK\$2,757 million, respectively. The Directors considered that such volatility and financial position of the Group may affect investors' confidence in the market and therefore set the Subscription Price at a discount to the then market prices of the Shares to encourage Shareholders to participate in the Rights Issue.

(iii) the amount of funds the Company intends to raise under the Rights Issue

The Company intends to apply the net proceeds from the Rights Issue for, among others, investment in SJM Resorts as part of the increase in share capital which SJM Resorts is required to have to pre-qualify for the tender process by which the Macau Government may grant SJM Resorts a 10-year gaming concession commencing on January 1, 2023. For further details, please refer to the section headed "Reasons for the Rights Issue and Use of Proceeds of the Rights Issue" below. Based on the Subscription Price, the net proceeds from the Rights Issue after deducting the estimated expenses are estimated to be not less than approximately HK\$2,936.1 million but not more than approximately HK\$3,011.4 million, which shall be sufficient for the use of proceeds purpose.

The Directors consider that the discount of the Subscription Price would encourage Shareholders to participate in the Rights Issue and accordingly maintain their shareholdings in the Company and participate in the future growth and development of the Group. The Directors have noted the material discount of approximately 34.9% to the latest published unaudited consolidated net assets value per Share as at June 30, 2022. Nevertheless, taking into account the fact that (i) the material discount of the Subscription Price as compared to the average share price of the Company for the different periods up to and including the Last Trading Day (as reflected in the paragraph headed "Rights Issue – Subscription Price" above); (ii) each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its shareholding interest held on the Record Date on a fair and equal basis; (iii) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue can sell their nil-paid rights in the market; (iv) the proceeds from the Rights Issue can finance the investment in SJM Resorts as part of the increase in share capital which SJM Resorts is required to have to pre-qualify for the tender process by which the Macau Government may

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grant SJM Resorts a 10-year gaming concession commencing on January 1, 2023 and help improve the financial position of the Group; and (v) the reasons for the Rights Issue as stated in the paragraph headed “Reasons for the Rights Issue and Use of Proceeds of the Rights Issue” below, the Directors consider the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every four (4) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Qualifying Shareholders and Non-Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders outside of the United States for information purposes only but will not send any PAL or EAF to them.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder. Shareholders having an address in Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will qualify for the Rights Issue.

Shareholders having an address outside Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will not qualify for the Rights Issue if the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers that the exclusion of such Overseas Shareholders from the Rights Issue would be necessary or expedient on account either of legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place.

Shareholders with their Shares held by nominee(s) (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee(s) (or held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as a member of the Company by the Record Date, all transfer documents of the Shares (together with the relevant share certificate(s)) must be lodged for registration with the Company’s share registrar, Computershare Hong Kong Investor Services

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Limited, at Shops 1712 – 1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong by not later than 4:30 p.m. on Monday, August 22, 2022. The last day for dealing in the Shares on a cum-rights basis is Thursday, August 18, 2022.

Holders of Outstanding Share Options who wish to participate in the Rights Issue should exercise their Outstanding Share Options in accordance with the terms and conditions of the Share Option Scheme and be registered as holders of the Shares so allotted and issued to them pursuant to such exercise with the Company on or before the Record Date.

Application for all or any part of a Qualifying Shareholder’s provisional allotment should be made by completing the PAL and lodging the same with a cheque or banker’s cashier order for the Rights Shares being applied for 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 on or before the Latest Time for Acceptance.

If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholder will need to split his/her/its PAL into the denominations required. Details as to how to split the PALs has been set out in the paragraph headed “Procedure for acceptance, payment, transfer and/or splitting of provisional allotment of the Rights Shares” below and in the paragraph headed “Procedure for Acceptance and Payment” in the PAL.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). **If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.**

Rights of PRC Southbound Trading Investors

According to the “Stock Connect Southbound Shareholding Search” available on the Stock Exchange’s website, as at the Latest Practicable Date, China Clear held 309,592,721 Shares, representing approximately 5.44% of the total number of the issued Shares.

The PRC Southbound Trading Investors may participate in the Rights Issue through China Clear. They can subscribe for their pro rata entitlements but cannot participate in the excess application of the Rights Issue. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations.

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However, China Clear will not support applications by such PRC Southbound Trading Investors for Excess Rights Shares under the Rights Issue through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect. In addition, the PRC Southbound Trading Investors (or the relevant China Clear participants, as the case may be) whose stock accounts in China Clear are credited with nil-paid Rights Shares can only sell those nil-paid Rights Shares through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect if such nil-paid Rights Shares are listed on the Stock Exchange but cannot purchase any nil-paid Rights Shares nor transfer such nil-paid Rights Shares to other PRC Southbound Trading Investors until after the Company completes its filing with the CSRC in accordance with the CSRC Notice. For the avoidance of doubt, the Company will comply with the relevant filing requirements stipulated in the CSRC Notice.

The PRC Southbound Trading Investors should consult their intermediary (including brokers, custodians, nominees or China Clear participants) and/or other professional advisers for details of the logistical arrangements as required by China Clear, and provide instructions to such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the relevant dates stated in the section headed “Expected Timetable” of this Prospectus and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or China Clear in order to allow sufficient time to ensure that such instructions are given effect.

The Board was advised by its PRC legal adviser that, as the Prospectus Documents will not be and are not intended to be filed with or approved by the CSRC other than in accordance with the CSRC Notice, the Rights Shares in nil-paid or fully-paid forms issued to the PRC Southbound Trading Investors shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless through Shenzhen-Hong Kong Stock Connect and/or Shanghai-Hong Kong Stock Connect, or such person or entity has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

Rights of the Overseas Shareholders

As at the Latest Practicable Date, based on the register of members of the Company, the Overseas Shareholders were as follows:

Jurisdiction of the registered address of the Overseas Shareholders	<i>Number of Overseas Shareholders</i>	<i>Number of Shares held</i>	<i>Approximate % of issued Shares</i>
The PRC	1	2,000	0.00004%
United Kingdom	1	1,000	0.00002%
Macau	26	28,521,267	0.50201%
Singapore	2	50,001	0.00088%

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The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders on the Record Date, if any, may not be eligible to take part in the Rights Issue as explained below.

The Company has, in compliance with Rule 13.36(2)(a) of the Listing Rules, made reasonable enquiries of the legal requirements regarding the feasibility of extending the Rights Issue to the Overseas Shareholders.

The Company has obtained advice from legal advisers in the PRC, the United Kingdom, Macau and Singapore, and has been advised that under the applicable legislations of these jurisdictions, either (i) there is no regulatory restriction or requirement of any regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in the relevant jurisdictions; or (ii) the Rights Issue meets the relevant exemption requirements under the relevant jurisdictions so that it would be exempt from obtaining approval or recognition from and/or registration of the Prospectus Documents with the relevant regulatory authorities under the applicable laws and regulations of the relevant jurisdictions.

However, it should be noted that in respect of the offer to Overseas Shareholders with registered addresses located in Singapore, the offer of the Rights Shares by the Company is made only to and directed at, and the Rights Shares are only available to, persons in Singapore who are existing holders of the Shares as at the Record Date. The Prospectus Documents have not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Prospectus Documents and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Rights Shares may not be circulated or distributed, nor may the Rights Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) existing holders of the Shares under Section 273(1)(cd) of the SFA or (ii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Accordingly, the Rights Issue will be extended to the Overseas Shareholders having registered addresses in the PRC, the United Kingdom, Macau and Singapore and such Overseas Shareholders are Qualifying Shareholders.

Notwithstanding any other provision in this Prospectus or any other Prospectus Documents, the Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who otherwise resides in, a jurisdiction other than Hong Kong to take up Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction and treat as invalid any acceptances of or applications for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

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Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. Any net proceeds of sale thereof, after deduction of expenses, will be paid in Hong Kong dollars to the Non-Qualifying Shareholders pro rata to their respective entitlements as at the close of business on the Record Date, provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any such unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be made available for excess application by the Qualifying Shareholders under the EAF(s).

Status of the Rights Shares

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid, the record dates of which are on or after the date of allotment and issue of the fully-paid Rights Shares.

Fractional entitlements to the Rights Shares

The Company will not provisionally allot and issue and will not accept application for any fraction of the Rights Shares and the entitlements of the Qualifying Shareholders will be rounded down to the nearest whole number. All fractions of Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) and sold in the market for the benefit of the Company if a premium (net of expenses) can be obtained, and the Company will retain the proceeds from such sale. Any unsold fractions of Rights Shares will be made available for excess application by the Qualifying Shareholders under the EAFs. Should there be no excess application by the Qualifying Shareholders, those Rights Shares created from the aggregation of fraction of the Rights Shares may or may not be taken up by the Underwriter.

Odd lot arrangement

In order to facilitate the trading of odd lots of the Shares arising from the Rights Issue, a designated broker, Halcyon Securities Limited, has been appointed by the Company to match the purchase and sale of odd lots of the Shares at the relevant market price per Share for the period from Friday, September 23, 2022 to Thursday, October 13, 2022 (both dates inclusive). Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot, may directly or through their broker, contact Mr. Hin Ng at (852) 3970 0966 or Mr. Terence Chung at (852) 3970 9963 of Halcyon Securities Limited during such period. Holders of odd lots of Shares should note that successful matching of the sale and purchase of odd lots of Shares is on a best effort basis and not guaranteed. Any Shareholder who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

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Procedure for acceptance, payment, transfer and/or splitting of provisional allotment of the Rights Shares

For each Qualifying Shareholder, a PAL is enclosed with this Prospectus which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, 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, by no later than 4:00 p.m. on Wednesday, September 14, 2022 (or, under bad weather conditions, such later date as mentioned in the section headed "Expected Timetable – Effect of Bad Weather or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares and for Application and Payment for Excess Rights Shares" in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker's cashier orders which must be issued by, licensed banks in Hong Kong and made payable to "SJM Holdings Ltd – PAL" account and crossed "Account Payee Only". It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been 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, by no later than 4:00 p.m. on Wednesday, September 14, 2022, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled after the Latest Time for Acceptance. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

If the Qualifying Shareholders wish to accept only part of their provision allotment or transfer part of their rights to subscribe for the Rights Share provisionally allotted to them under the PALs or to transfer part of their rights to more than one person, the original PALs must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Monday, September 5, 2022 to 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, who will cancel the original PALs and issue new PALs in the denomination required which will be available for collection from 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, after 9:00 a.m. on the second Business Day after the surrender of the original PALs. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or banker's cashier orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a banker's cashier order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the

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Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or banker's cashier order is dishonoured on first presentation, and in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

Application for Excess Rights Shares

Qualifying Shareholders (other than the PRC Southbound Trading Investors) shall be entitled to apply for, by way of excess application:

- (i) any unsold Rights Shares which would have been allotted to the Non-Qualifying Shareholders had they been Qualifying Shareholders;
- (ii) any Rights Shares provisionally allotted to but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renounees or transferees of Rights Shares in nil-paid form; and
- (iii) any unsold Rights Shares created by aggregating fractions of Rights Shares in nil-paid form.

(i) to (iii) are collectively referred to as "**Untaken Rights**".

Subject to the requirements of Rule 7.21(3)(b) of the Listing Rules, the Company will, upon consultation with the Underwriter, allocate the Excess Rights Shares (if any) at their discretion on a fair and equitable basis on the following principles:

- (i) any Excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the Excess Rights Shares applied for;
- (ii) reference will only be made to the number of Excess Rights Shares being applied for but no reference will be made to the Rights Shares comprised in applications by the PALs or the existing number of Shares held by Qualifying Shareholders; and
- (iii) if the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under the PALs is greater than the aggregate number of Excess Rights Shares applied for through the EAFs, the Company will allocate to each Qualifying Shareholder who applies for Excess Rights Shares in full application.

In applying the above principles, reference will only be made to the number of Excess Rights Shares being applied for. No preference will be given to topping up odd lots to whole board lots.

Application for Excess Rights Shares can be made only by Qualifying Shareholders (other than the PRC Southbound Trading Investors) and only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a

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separate remittance for the Excess Rights Shares being applied for 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 by not later than 4:00 p.m. on Wednesday, September 14, 2022 or such later date as may be agreed by the Company and the Underwriter in writing (or, under bad weather conditions, such later date as mentioned in the section headed "Expected Timetable – Effect of Bad Weather or Extreme Conditions on the Latest Time for Acceptance of and Payment for the Rights Shares and for Application and Payment for Excess Rights Shares" in this Prospectus). All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and banker's cashier orders must be issued by, licensed banks in Hong Kong and made payable to "SJM Holdings Ltd – EAF" account and crossed "Account Payee Only".

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the Excess Rights Shares will not be extended to beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders should consult their professional advisors if they are in any doubt as to their status. Shareholders who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Company's share registrar, Computershare Hong Kong Investor Services Limited, for registration by not later than 4:30 p.m. on Monday, August 22, 2022.

Any Rights Shares (excluding the Undertaken Shares) not taken up by the Qualifying Shareholders and not taken up by excess applications will be taken up by the Underwriter and/or subscribers procured by it pursuant to the terms and conditions of the Underwriting Agreement.

Taxation

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Application for listing

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. The nil-paid Rights Shares and fully-paid Rights Shares are expected to have the same board lot size as the Shares, i.e. 1,000 Rights Shares in one board lot. No part of the securities of the Company

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in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in on any stock exchange other than the Stock Exchange. No new class of securities is to be issued.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, and any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for the Rights Shares

Subject to the fulfilment or waiver (as applicable) of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Underwriting Agreement” below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered addresses, at their own risks, on or before Thursday, September 22, 2022. Refund cheques in respect of wholly or partially unsuccessful applications for Excess Rights Shares (if any) are expected to be despatched on or before Thursday, September 22, 2022 to the applicants without interest at their registered addresses by ordinary post at their own risks.

If the Rights Issue does not become unconditional or does not proceed, the monies received in respect of the relevant provisional allotments and/or applications for Excess Rights Shares (if any) will be refunded to the Qualifying Shareholders or such other person to whom the Rights Shares in nil-paid form have been validly renounced or transferred or, in the case of joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risks of such Qualifying Shareholders or such other person to their registered addresses by the Company’s share registrar, Computershare Hong Kong Investor Services Limited, on or before Thursday, September 22, 2022.

IRREVOCABLE UNDERTAKING BY STDM

As at the Latest Practicable Date, STDM (directly and indirectly) held (through CCASS), 3,105,060,500 Shares, representing approximately 54.7% of the total number of issued Shares.

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Pursuant to the Irrevocable Undertaking, STDM has irrevocably undertaken and warranted to the Company and the Underwriter, among other things:

- (i) to take up or procure its wholly-owned subsidiary to take up 776,265,125 Rights Shares to be provisionally allotted to STDM in full at the Subscription Price;
- (ii) to apply, by way of excess application, for the subscription of an additional 322,047,974 Rights Shares, being 50% of the total number of the maximum Excess Rights Shares (assuming no change in the issued Shares on or before the Record Date);
- (iii) not to exercise any of the conversion rights attaching to the Convertible Bonds from the date of the Irrevocable Undertaking to the date of completion of the Rights Issue; and
- (iv) not to sell, dispose of, transfer, create any encumbrance over or agree to sell, dispose of, transfer or create any encumbrance over any of the Shares held by STDM and its wholly-owned subsidiary from the date of the Irrevocable Undertaking to the date of completion of the Rights Issue.

In addition, STDM has undertaken that from the date of the Irrevocable Undertaking and ending on the date which is 90 days from the first day of dealing in fully-paid Rights Shares on the Stock Exchange, except with the prior written consent of the Underwriter, STDM will not and STDM shall procure its wholly-owned subsidiary that holds Shares not to:

- (a) offer, sell, lend, contract to sell, pledge, grant any option over or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by any of STDM and its wholly-owned subsidiary), directly or indirectly, any equity securities of the Company or any securities convertible into, or exercisable, or exchangeable for, equity securities of the Company (and for such purpose including (but not limited to) any cash settled equity-linked instruments (whether such cash settlement is at the option of the issuer of the instrument, on a mandatory basis, a mixture of both, or otherwise) where the redemption, exercise or exchange price (howsoever described) is (or is potentially or partially) linked to or references (or potentially or partially references) the price of the Shares);
- (b) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of any of such securities, whether any such transaction described in (a) above or this sub-paragraph is to be settled by delivery of Shares or such other securities, in cash or otherwise; and
- (c) publicly announce an intention to effect any such transaction.

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Save for the Irrevocable Undertaking, the Company has not received any information or irrevocable undertakings from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the Latest Practicable Date.

UNDERWRITING AGREEMENT

On August 3, 2022 (after trading hours), the Company and the Underwriter entered into the Underwriting Agreement, pursuant to which the Underwriter has conditionally agreed to underwrite, on a fully-underwritten basis, up to 322,047,974 Rights Shares, being the minimum total number of Rights Shares issuable (assuming no change in the issued Shares on or before the Record Date), or up to 358,981,224 Rights Shares, being the maximum total number of Rights Shares issuable (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of the Outstanding Share Options, but otherwise no other change in the issued Shares on or before the Record Date), excluding the Undertaken Shares to be taken up (or procured to be taken up) or applied for by STDM pursuant to the Irrevocable Undertaking.

Principal terms of the Underwriting Agreement are as follows:

Date: August 3, 2022 (after trading hours)

Issuer: the Company

Underwriter: BNP Paribas Securities (Asia) Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Underwriter and its ultimate beneficial owners are Independent Third Parties. The Underwriter confirmed that it has complied with Rule 7.19(1)(a) of the Listing Rules.

Number of Rights Shares to be underwritten: up to 322,047,974 Rights Shares, being the minimum total number of Rights Shares issuable (assuming no change in the issued Shares on or before the Record Date), or up to 358,981,224 Rights Shares, being the maximum total number of Rights Shares issuable (assuming new Shares are issued on or before the Record Date pursuant to the full exercise of the Outstanding Share Options, but otherwise no other change in the issued Shares on or before the Record Date), excluding the Undertaken Shares to be taken up (or procured to be taken up) or to be applied for by STDM pursuant to the Irrevocable Undertaking

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Commission: 2.0% of the aggregate Subscription Price in respect of the Underwritten Shares, which was determined with reference to the prevailing market rate of similar transactions

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Company, the size of the Rights Issue, and the current and expected market condition. The Directors have considered that since BNP Paribas Securities (Asia) Limited was one of the Joint Global Coordinators appointed by the Company in relation to the issue of (a) the HK\$1,250,000,000 3.90% senior notes due 2026 and (b) the MOP300,000,000 3.90% senior notes due 2026 by the Company in May 2021, it is commercially sensible to appoint BNP Paribas Securities (Asia) Limited as the Underwriter if terms could be mutually agreed. In addition, having considered (i) the relevant experience and financial resources of the Underwriter for underwriting such securities; and (ii) the terms of the rights issue conducted by the comparable listed companies on the Stock Exchange (being (a) the companies listed on the Main Board of the Stock Exchange which had conducted rights issues since August 2021; and (b) excluding A-share and H-share listed companies), of which, based on the information available on the website of the Stock Exchange, the respective underwriting commissions are (a) in the range of 1.0% and 7.0%; and (b) with an average and median of 2.7% and 2.5%, respectively, and therefore the commission rate of 2.0% under the Underwriting Agreement is below the average and median of the rights issues conducted by these comparable listed companies since August 2021, the Directors consider that the terms of the Underwriting Agreement including the commission rate, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transaction contemplated under the Underwriting Agreement.

Subject to the fulfilment or waiver (as applicable) of all the conditions contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated or rescinded prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter shall subscribe for or procure the subscription for the Untaken Shares.

Conditions of the Underwriting Agreement

The obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (i) requisite resolutions having been passed in accordance with applicable laws and regulations in Hong Kong and Macau by (a) the shareholders of SJM Resorts at an extraordinary general assembly of SJM Resorts approving the amendments to the articles of association, the increase in registered capital and variation of the Type B shares; and (b) by the Shareholders at an extraordinary general meeting of the Company passing the requisite resolution required by Articles 77-79 of the Company's articles of association and all of such resolutions not being withdrawn or revoked prior to the Latest Time for Termination;

LETTER FROM THE BOARD

- (ii) each condition to enable the nil-paid Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied not later than the business day prior to the first day of dealings in the nil-paid Rights Shares as set out in the Prospectus and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused;
- (iii) the Stock Exchange issuing a certificate authorising registration of the Prospectus with the Registrar of Companies under section 38D of the Companies (WUMP) Ordinance not later than a business day before the Prospectus Date (or such later time and/or date as the Company and the Underwriter may agree in writing);
- (iv) a duly certified copy of each of the Prospectus Documents (and other required documents) having been lodged with the Registrar of Companies not later than a business day before the Prospectus Date, and the Registrar of Companies issuing a letter of confirmation of the registration of the Prospectus Documents not later than a business day before the Prospectus Date;
- (v) permission to deal in and listing of all the Rights Shares (in their nil-paid and fully-paid forms) being granted (subject only to allotment and despatch of the appropriate documents of title) by the Stock Exchange by no later than the business day prior to the commencement of trading of the Rights Shares (in their nil-paid and fully-paid forms, respectively) and such permission not being withdrawn or revoked prior to the Latest Time for Termination;
- (vi) compliance by the Company with its obligations under the Underwriting Agreement in relation to the making of the Rights Issue and the allotment and offer of Rights Shares by the times specified (or such later time and/or date as the Company and the Underwriter may agree in writing);
- (vii) posting of the Prospectus Documents to the Qualifying Shareholders not later than the Prospectus Date (or such later time and/or date as the Company and the Underwriter may agree in writing);
- (viii) delivery of the duly executed Irrevocable Undertaking on the date of the Underwriting Agreement to be procured by STDM to the Company and the Underwriter;
- (ix) compliance by STDM with its obligations under the Irrevocable Undertaking by the times specified, and the Irrevocable Undertaking remaining to be legal, valid, binding and enforceable and not having been terminated;
- (x) receipt by the Underwriter (in such form and substance as reasonably satisfactory to the Underwriter) of all relevant documents on or before such time as specified in the Underwriting Agreement;

LETTER FROM THE BOARD

- (xi) by the Latest Time for Termination, the warranties given by the Company under the Underwriting Agreement remaining true, accurate, complete and not misleading, none of the undertakings of the Company having been breached, and no matter having been arisen which would reasonably be expected to give rise to any breach of any of the warranties or breach of any undertakings or a claim in respect of any of the warranties or a breach of any undertakings;
- (xii) compliance by the Company and STDM with all of their respective obligations under the Underwriting Agreement and (in respect of STDM) the Irrevocable Undertaking, and the Underwriting Agreement and the Irrevocable Undertaking remaining to be legal, valid, binding and enforceable and not having been terminated;
- (xiii) all relevant consents, approvals, permits, authorisations or clearances (as the case may be) required to be obtained by any member of the Group (if any) under applicable laws, regulations or rules for the Rights Issue and the transactions contemplated hereunder having been obtained, and all such consents, approvals, permits, authorisations and clearances not having been revoked or withdrawn at any time up to the Latest Time for Termination; and
- (xiv) (a) the Shares remaining listed on the Stock Exchange at all times prior to the Latest Time for Termination and the current listing of the Shares not having been withdrawn or, other than pending publication of the Announcement, the trading of the Shares not having been suspended or put on halt for a consecutive period of more than three trading days (or such longer period as the Company and the Underwriter may agree); and (b) no indication having been received before 4:00 p.m. on the date of the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason.

Save for the conditions set out in (i), (ii), (iii) and (iv) above which cannot be waived, the conditions set out above may be waived in whole or in part by the Underwriter by notice in writing to the Company prior to the Latest Time for Termination. As at the Latest Practicable Date, save for condition (viii), none of the conditions precedent has been satisfied. If any of the conditions precedent (save and except conditions precedent which have been waived by the Underwriter in accordance with the Underwriting Agreement) are not satisfied in whole by the Latest Time for Termination or such other date as the Underwriter and the Company may agree in writing, the Underwriting Agreement shall terminate (save and except certain specified provisions under the Underwriting Agreement) and no party shall have any claim against the other party for costs, damages, compensation or otherwise save for any antecedent breaches of the Underwriting Agreement.

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Lock-up Undertaking

The Company undertakes to the Underwriter that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the first day of trading of the Rights Shares in fully-paid form on the Stock Exchange, except with the prior written consent of the Underwriter, the Company shall not:

- (i) except for (a) the nil-paid Rights Shares and the Rights Shares, and (b) any Shares which may be issued pursuant to the conversion of the Convertible Bonds or pursuant to the Outstanding Share Options granted prior to the date of the Underwriting Agreement), allot, issue, sell, accept subscription for, offer to allot, issue or sell, contract or agree to allot, issue or sell, grant or sell any option, warrant or right to subscribe for or purchase, either directly or indirectly, conditionally or unconditionally, any Shares or any interests in Shares or any securities which are convertible into or exercisable or exchangeable for any Shares or any interests in Shares;
- (ii) buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any Shares;
- (iii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) or (ii) above; or
- (iv) announce any intention to enter into or effect any such transaction described in (i), (ii) or (iii) above.

CLOSURE OF REGISTER OF MEMBERS OF THE COMPANY

The register of members of the Company has been closed from Tuesday, August 23, 2022 to Monday, August 29, 2022 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares has been registered.

CONDITIONS OF THE RIGHTS ISSUE

The Rights Issue is conditional upon the obligations of the Underwriter under the Underwriting Agreement becoming unconditional and the Underwriter not terminating the Underwriting Agreement.

The Underwriting Agreement contains detailed conditions and events which may cause the Underwriting Agreement to be terminated by the Underwriter. Please refer to the section headed “Rescission and Termination of the Underwriting Agreement” and the paragraph headed “Underwriting Agreement” in this Prospectus for details of the conditions and grounds of termination of the Underwriting Agreement. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.

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EFFECT OF THE RIGHTS ISSUE ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the changes in the shareholding structure of the Company arising from the Rights Issue: (i) assuming no change in the issued Shares on or before the Record Date; and (ii) assuming new Shares are issued on or before the Record Date pursuant to the full exercise of the Outstanding Share Options, but otherwise no other change in the issued Shares on or before the Record Date.

(i) Assuming no change in the issued Shares on or before the Record Date:

Shareholder	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming all Qualifying Shareholders take up their respective allotment of the Rights Shares in full		Immediately after completion of the Rights Issue (assuming no Qualifying Shareholders take up any of the Rights Shares (other than STDM who shall take up the Rights Shares in respect of the Undertaken Shares pursuant to the Irrevocable Undertaking and the Underwriter and/or subscriber(s) procured by it who shall take up all the Untaken Shares))	
	No. of Shares	Approximate%	No. of Shares	Approximate%	No. of Shares	Approximate%
STDM Group	3,105,060,500	54.7%	3,881,325,625	54.7%	4,203,373,599	59.2%
Directors ^(Note 1)	608,491,922	10.7%	760,614,902	10.7%	608,491,922	8.6%
Directors of subsidiaries of the Company	21,357,500	0.4%	26,696,875	0.4%	21,357,500	0.3%
The Underwriter and/or subscriber(s) procured by it	–	–	–	–	322,047,974	4.5%
Other Shareholders	1,946,534,371	34.2%	2,433,167,964	34.2%	1,946,534,371	27.4%
Total	5,681,444,293	100.0%	7,101,805,366	100.0%	7,101,805,366	100.0%

Notes:

- 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 and Mr. Tse Hau Yin. No shares were held by Mr. Tsang On Yip, Patrick, Ms. Wong Yu Pok Marina, Mr. Yeung Ping Leung, Howard and Mr. Ho Hau Chong, Norman.*
- The above percentage figures are subject to rounding adjustments.*

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- (ii) Assuming new Shares are issued on or before the Record Date pursuant to the full exercise of the Outstanding Share Options, but otherwise no other change in the issued Shares on or before the Record Date:

Shareholder	As at the Latest Practicable Date		Immediately after full exercise of the Outstanding Share Options but otherwise no other change in the issued share capital of the Company from the Latest Practicable Date up to the Record Date		Immediately after completion of the Rights Issue assuming all Qualifying Shareholders take up their respective allotment of the Rights Shares in full		Immediately after completion of the Rights Issue (assuming no Qualifying Shareholders take up any of the Rights Shares (other than STDM who shall take up the Rights Shares in respect of the Undertaken Shares pursuant to the Irrevocable Undertaking and the Underwriter and/or subscriber(s) procured by it who shall take up all the Untaken Shares))	
	No. of Shares	Approximate%	No. of Shares	Approximate%	No. of Shares	Approximate%	No. of Shares	Approximate%
STDM Group	3,105,060,500	54.7%	3,105,060,500	53.3%	3,881,325,625	53.3%	4,203,373,599	57.7%
Directors ^(Note 1)	608,491,922	10.7%	608,491,922	10.4%	760,614,902	10.4%	608,491,922	8.4%
Directors of subsidiaries of the Company	21,357,500	0.4%	21,357,500	0.4%	26,696,875	0.4%	21,357,500	0.3%
Holders of the Outstanding Share Options	-	-	147,733,000	2.5%	184,666,250	2.5%	147,733,000	2.0%
The Underwriter and/or subscriber(s) procured by it	-	-	-	-	-	-	358,981,224	4.9%
Other Shareholders	1,946,534,371	34.2%	1,946,534,371	33.4%	2,433,167,964	33.4%	1,946,534,371	26.7%
Total	5,681,444,293	100.0%	5,829,177,293	100.0%	7,286,471,616	100.0%	7,286,471,616	100.0%

Notes:

- 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 and Mr. Tse Hau Yin. No shares were held by Mr. Tsang On Yip, Patrick, Ms. Wong Yu Pok Marina, Mr. Yeung Ping Leung, Howard and Mr. Ho Hau Chong, Norman.*
- The above percentage figures are subject to rounding adjustments.*

LETTER FROM THE BOARD

Shareholders and public investors should note that the above shareholding changes are for illustration purposes only and the actual changes in the shareholding structure of the Company upon completion of the Rights Issue are subject to various factors, including the results of acceptance of the Rights Shares. Further announcements will be made by the Company in accordance with the Listing Rules following the completion of the Rights Issue upon which the Rights Shares are allotted and issued.

REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS OF THE RIGHTS ISSUE

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

The Company, through its principal subsidiary SJM Resorts, is a leading owner, operator and developer of casinos and integrated entertainment resorts in Macau. SJM Resorts, is one of the three original Concessionaires in Macau, authorised by the Macau Government to operate casinos and gaming areas. SJM Resorts' 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 estimated net proceeds from the Rights Issue will be not less than approximately HK\$2,936.1 million but not more than approximately HK\$3,011.4 million after deduction of all estimated expenses.

With regards to the net proceeds from the Rights Issue, the Company intends to apply approximately HK\$2,700 million for investment in SJM Resorts as part of the increase in share capital which SJM Resorts is required to have to pre-qualify for the tender process by which the Macau Government may grant SJM Resorts a 10-year gaming concession commencing on January 1, 2023; and the balance for the general working capital of the Group. On August 3, 2022, the Company executed a term loan agreement with STDM by which STDM agreed to extend to the Company an unsecured term loan in the amount of HK\$2 billion, which will be applied to fund the increase in SJM Resorts' share capital. Please refer to the announcement of the Company dated August 3, 2022 in relation to the term loan provided by STDM for further details.

The Board considers that the Rights Issue provides a good opportunity for the Group to strengthen its capital base without increasing debt or incurring financing cost and to enhance its financial position, while at the same time the Rights Issue will enable all Shareholders to participate in the future development of the Company on equal terms. The Board considers that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

The Board has considered various means of fund raising, such as debt financing/bank borrowings and placing of new Shares, before resolving to conduct the Rights Issue. The Company has considered the pros and cons of different fundraising options. In respect of debt financing, the Board has recently completed a term loan transaction with STDM on August 3, 2022, pursuant to which STDM has agreed to extend to the Company an

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unsecured term loan in the amount of HK\$2 billion. The Board considers that further debt financing from third parties in light of the current financial climate would result in additional interest burden and higher gearing ratio of the Group which is not beneficial to the Group. Placing of new Shares was not adopted as it does not grant the Qualifying Shareholders the right to participate in the fund-raising exercise and their respective shareholdings in the Company would be diluted. In comparison, the Rights Issue is pre-emptive in nature, allowing the Qualifying Shareholders to maintain their respective pro-rata shareholding through their participation in the Rights Issue. The Rights Issue allows the Qualifying Shareholders to either (i) increase their respective interests in the shareholdings of the Company by acquiring additional rights entitlement in the open market (subject to the availability); or (ii) reduce their respective interests in the shareholding of the Company by disposing of their rights entitlements in the open market (subject to the market demand). In addition, the Board believes that the Rights Issue will enable the Group to strengthen its capital base and enhance its financial position for business development. As an open offer does not allow the trading of rights entitlement, a rights issue is preferred. Furthermore, the Rights Issue will be on a fully underwritten basis and STDM has also given the Irrevocable Undertaking, and the net proceeds will be sufficient to ensure the Company is able to complete the capital increase for SJM Resorts in order to pre-qualify for the tender process by which the Macau Government may grant SJM Resorts a 10-year gaming concession commencing on January 1, 2023. The Company expects that the Rights Issue will be well received by Shareholders who are offered the opportunity to participate in the potential future growth of the Group. Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

RETENDER PROCESS

On June 23, 2022, SJM Resorts and the Macau Government entered into the Concession Extension Agreement, pursuant to which the expiration date of SJM Resorts' gaming concession was extended from June 26, 2022 to December 31, 2022. In July 2022, the Macau Government published the administrative regulations and related documents in relation to a public tender for the awarding of new gaming concessions. The Group is earnestly preparing for SJM Resorts' participation in the succeeding concession period and the directors of the Company believe that SJM Resorts will be in a good position for the renewal, extension or application process bearing in mind that SJM Resorts' presence in the Macau gaming and tourism market, together with the Company's parent company STDM, has now extended for 60 years.

In the event the new gaming concession is not granted upon the stated expiration date of the Concession Extension Agreement, the Group will cease to generate any gaming revenue, which is currently the Group's principal source of revenue. The Senior Notes contain a special put option, that will be exercisable after 20 days of triggering events relating to the loss of the gaming concession in Macau, whereby such event will cause a material adverse effect on the financial condition, business, properties, or results of operations of the Group. The special put option would require the Group to make an offer to purchase all outstanding unsecured notes at a purchase price equal to 100% of the principal amount thereof (i.e. approximately US\$1,196 million) plus accrued and unpaid interest within 50 days after the date of the offer. Thus, if SJM Resorts is unable to obtain a new

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gaming concession agreement, it would have a material adverse effect on the Group's business, financial condition, results of operations, and cash flows, especially if the holders of the Senior Notes elect to exercise the aforementioned special put option.

OUTLOOK

The Directors consider that gross gaming revenues in Macau, as well as hotel, restaurant and other non-gaming activities that depend on tourism, will continue to be negatively impacted by COVID-19 for an indefinite period in the future. As certain travel restrictions are likely to be gradually lifted, given the increasing level of vaccination throughout the region, the Directors are cautiously optimistic that visitation and spending will respond positively. However, the Directors do not expect a return to the Group's pre-pandemic level of revenue during 2022. Even after travel restrictions are lifted, moreover, it is not possible to predict whether there will be lingering economic effects and health concerns caused by COVID-19 that will affect the Group's business for a longer period.

ADJUSTMENT TO THE OUTSTANDING SHARE OPTIONS UNDER THE SHARE OPTION SCHEME

The Rights Issue will lead to adjustments to be made to the exercise price and/or the number of Shares to be issued upon exercise of the Outstanding Share Options under the Share Option Scheme.

The Company will notify the holders of such Outstanding Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made pursuant to the terms of the Share Option Scheme and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

ADJUSTMENT TO THE CONVERTIBLE BONDS

The Rights Issue will lead to adjustments to be made to the conversion price and/or the number of Shares to be issued upon exercise of the conversion rights under the Convertible Bonds.

The Company will notify the holder(s) of such Convertible Bonds and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made pursuant to the terms of the Convertible Bonds.

LETTER FROM THE BOARD

EQUITY FUND RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

Date of announcement/ circular	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
May 26, 2022 (announcement) June 6, 2022 (circular)	Issue of the Convertible Bonds	HK\$1,906 million	Settle the consideration for the Transfer (as defined in the announcement of the Company dated May 26, 2022 and circular of the Company dated June 6, 2022)	Settle the consideration for the Transfer (as defined in the announcement of the Company dated May 26, 2022 and circular of the Company dated June 6, 2022)

Save as the abovementioned, the Company has not conducted any other equity fund raising activities in the past 12 months immediately preceding the Latest Practicable Date.

LISTING RULES IMPLICATIONS FOR THE COMPANY

As, within the 12-month period prior to the Latest Practicable Date, (a) the Company has not conducted any rights issue or open offer and (b) the Rights Issue will not increase the issued shares or market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the Shareholders' approval under the Listing Rules. The Rights Issue will be carried out in compliance with Rule 7.19A of the Listing Rules.

WARNING OF THE RISKS OF DEALING IN SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with its terms. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events including force majeure. Please refer to the section headed "Rescission and Termination of the Underwriting Agreement" in this Prospectus for further details. Accordingly, the Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Friday, August 19, 2022. Dealings in the Rights Shares in nil-paid form are expected to take place from Thursday, September 1, 2022 to Thursday, September 8, 2022 (both dates inclusive). Any dealings in the Shares from the date of this Prospectus up to the date on all the conditions of the Rights Issue are fulfilled, and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

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ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,
For and on behalf of the Board of
SJM Holdings Limited
Ho Chiu Fung, Daisy
Chairman and Executive Director

1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

Consolidated financial information of the Group (being the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows and consolidated statement of changes in equity) for each of the three financial years ended December 31, 2019, 2020 and 2021 and the six months ended 30 June 2022, together with the relevant notes thereto, are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and/or the Company (<http://www.sjmholdings.com>):

- (i) annual report of the Company for the year ended December 31, 2019 published on April 23, 2020 (pages 118 to 226) which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0423/2020042301621.pdf>;
- (ii) annual report of the Company for the year ended December 31, 2020 published on April 22, 2021 (pages 93 to 198) which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0422/2021042200519.pdf>;
- (iii) annual report of the Company for the year ended December 31, 2021 published on April 21, 2022 (pages 89 to 198) which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0421/2022042100495.pdf>; and
- (iv) interim report of the Company for the six months ended June 30, 2022 published on August 23, 2022 (pages 13 to 51) which can be accessed via the link at <https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0823/2022082300336.pdf>.

2. STATEMENT OF INDEBTEDNESS

At the close of business on June 30, 2022, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this Prospectus, the Group had the following indebtedness:

Borrowings and debts

As at the close of business on June 30, 2022, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this Prospectus, the Group had outstanding borrowings and debts, details of which are set out below:

	<i>HK\$'000</i>
Carrying amount of bank loans	
– secured and unguaranteed	15,300,644
Carrying amount of amounts due to non-controlling interests of a subsidiary	
– unsecured and unguaranteed	309,316
Carrying amount of unsecured notes	
– unsecured and guaranteed	9,392,663
Principal amount of convertible bonds	
– unsecured and guaranteed	1,906,000

The Group's bank loans comprises secured bank loans for GLP Project (“**GLP Bank Loans**”) and secured bank loans for Ponte 16 (“**P16 Bank Loans**”).

GLP Bank Loans were secured by 1) the Group's property and equipment and right-of-use assets of non-gaming areas of properties held by the Group; 2) an assignment of all receivables of certain subsidiaries, if default; 3) floating charges over all assets (except immovable property and gaming equipment), legal charges over certain bank accounts and charges of all intellectual properties and rights of certain subsidiaries; 4) assignments of all the rights and benefits of certain subsidiaries under all insurance policies relating to certain properties held by the Group, if default; and 5) share pledges over the shares of the Company and certain subsidiaries.

P16 Bank Loans were secured by 1) the Group's property and equipment and right-of-use assets of certain properties held by certain subsidiaries; 2) an assignment of all receivables and income from gaming and hotel operation of certain subsidiaries, if default; 3) floating charges over all assets (except immovable property) and legal charges over certain bank accounts of certain subsidiaries; 4) assignments of all the rights and benefits of insurance policies relating to certain properties held by the Group, if default; and 5) share pledges over the shares of certain subsidiaries.

The Group's unsecured notes and convertible bonds were guaranteed by corporate guarantee of the Company.

Lease liabilities

As at the close of business on June 30, 2022, the lease liabilities of approximately HK\$766 million is secured by rental deposits and unguaranteed.

Financial guarantees

The Group has provided guarantees to banks in respect of credit facilities granted to an associate and an investee company. As at June 30, 2022, the maximum amount that the Group has guaranteed under the respective contracts was HK\$87.2 million.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities, none of the companies in the Group had any debt securities, issued and outstanding, and authorised or otherwise created but unissued, any other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or other similar indebtedness, debentures, mortgages, charges, hire purchase commitments, guarantees or other contingent liabilities at the close of business on June 30, 2022.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, in the absence of unforeseeable circumstances, after taking into account the Group's business prospects, internal resources, available facilities and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its requirements for at least twelve months from the date of this Prospectus.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse changes in the financial or trading position of the Group since December 31, 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECT OF THE GROUP

Impact of the COVID-19 Pandemic

The COVID-19 outbreak that spread around the world since January 2020 continued to have a materially adverse effect on our operating results in the first half of 2022. The rapidly evolving measures promulgated in response to the COVID-19 pandemic may result in further restrictions and conditions on travel and business operations being imposed on the gaming industry. For example, in response to an outbreak in Macau which initially commenced in mid-June 2022, the Macau government extended its COVID-19 containment measures, including the full closures of casino operations and all non-essential businesses as of July 11, 2022, and the closure or limiting of the opening hours and/or operational capacity of various areas and facilities in Macau. On July 23, 2022, casino operations at SJM Resorts resumed on a limited basis, and remain limited at the present time due to severely reduced visitation to Macau as a result of enhanced border controls. On August 2, 2022, the Macau government lifted most of the remaining enhanced COVID-19 restrictions which went into effect in June and July and limited non-gaming operations at SJM Resorts began to resume. Certain enhanced COVID-19 specific protective measures remain in effect at the present time with respect to gaming and non-gaming operations, which have significantly reduced the number of visitors to Macau, directly affecting the Group's gaming operations.

According to the Macau Government Statistics and Census Service, the number of visitors to Macau decreased by 11.8% in the first half of 2022 compared with the first half of 2021. The number of visitors from mainland China decreased by 12.2% since 2021, and was only 21.9% of the pre-pandemic level of 2019.

Similarly, according to the DICJ, gross gaming revenue in Macau decreased by 46.4% as compared with the first half of 2021, and was 17.6% of the level of 2019.

At the present time, given the evolving conditions of and in response to the COVID-19 pandemic, including the more recent appearance of COVID-19 variants, it is not possible to determine when travel restrictions will be further liberalised or whether they could be reintroduced if there are adverse developments in the pandemic situation.

Once travel advisories and restrictions are lifted, demand for casino resorts may remain weak for a significant length of time and we cannot predict if and when our properties will return to pre-outbreak demand or pricing. In particular, consumer behavior related to discretionary spending and traveling, including demand for casino resorts, may be negatively impacted by the adverse changes in the perceived or actual economic climate, including higher unemployment rates, declines in income levels and loss of personal wealth resulting from the impact of the COVID-19 pandemic. In addition, the Group cannot predict the impact that the COVID-19 pandemic will have on its partners, such as tenants, travel agencies, suppliers and other vendors. The Group may be adversely impacted as a result of the adverse impact that its partners suffer.

In addition, the COVID-19 pandemic has significantly increased economic and demand uncertainty. The current outbreak and continued spread of COVID-19 could cause a global recession, which would have a further adverse impact on our financial condition and operations. Current economic forecasts for significant increases in unemployment due to the adoption of social distancing and other policies to slow the spread of the virus is likely to have a negative impact on demand for casino resorts, and these impacts could exist for an extended period of time.

Grand Lisboa Palace Resort

The Grand Lisboa Palace, the Group's integrated resort on Cotai, opened its doors to the public on July 30, 2021. In the initial phase opening, the resort offers luxury hotel rooms and suites, fine and casual dining, gaming, wellness and spa facilities and event spaces.

The Grand Lisboa Palace comprises a total gross floor area of 521,435 square metres plus 77,158 square metres of parking area. More than 90% of the total area is devoted to a full range of non-gaming facilities, including three hotel towers – “Grand Lisboa Palace Macau”, “Palazzo Versace Macau” and “THE KARL LAGERFELD” – totaling 1,892 rooms and suites, plus facilities for events, meetings and conferences, shopping, gaming, dining and entertainment, at a total project cost of approximately HK\$39 billion.

As at June 30, 2022, capital commitments in connection with the Grand Lisboa Palace project had a total value of approximately HK\$417 million.

Convertible Bond Issuance

On June 22, 2022, Champion Power issued 2% Convertible Bonds with principal amount of HK\$1,906 million and a final maturity date of June 22, 2027.

The Convertible Bonds were issued to STDM for acquisition of a portion of the property – Casino Oceanus (“**Oceanus Building**”) by Harbour Tide Limited (the “**Purchaser**”) (a wholly-owned subsidiary of the Company) from Jai-Alai Shopping Centre Company Limited (the “**Seller**”) (an indirect wholly-owned subsidiary of STDM) and the disposal by the Seller of the remaining portion of Oceanus Building and the transactions contemplated thereunder in accordance with the transfer agreement dated May 26, 2022 entered into among the Purchaser, the Company, Champion Power, the Seller and STDM.

The Convertible Bonds entitle STDM to exercise the conversion rights attaching to the Convertible Bonds and request for conversion into Shares at any time between the issue date of the Convertible Bonds and the date falling seven days prior to the fifth anniversary of the issue date at initial conversion price of HK\$4.07 per conversion share (subject to adjustment).

A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at June 30, 2022 (the “**Unaudited Pro Forma Financial Information**”) which has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effects of the Rights Issue on the consolidated net tangible assets of the Group attributable to equity owners of the Company as if the Rights Issue had taken place at June 30, 2022.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to equity owners of the Company as at June 30, 2022, as extracted from the Group’s published interim report for the six months ended June 30, 2022, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, based on the judgments and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group attributable to equity owners of the Company had the Rights Issue been completed as at June 30, 2022 or at any future date.

Unaudited consolidated net tangible assets of the Group attributable to equity owners of the Company as at June 30, 2022 <i>(Note 1)</i> <i>HK\$ million</i>	Estimated net proceeds from the Rights Issue <i>(Note 2)</i> <i>HK\$ million</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at June 30, 2022 as adjusted for the Rights Issue <i>HK\$ million</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at June 30, 2022 as adjusted for the Rights Issue per share <i>(Note 3)</i> <i>HK\$</i>
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Based on 1,420,361,073

Rights Shares to be issued at the Subscription Price of HK\$2.08 per Rights Share

18,105	2,936	21,041	2.96
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Notes:

- 1 *The amount of consolidated net tangible assets of the Group attributable to equity owners of the Company as at June 30, 2022 of approximately HK\$18,105,400,000 is based on the unaudited consolidated net assets of the Group attributable to equity owners of the Company, after deducting intangible assets of approximately HK\$45,700,000 as at June 30, 2022, as extracted from the Group's published interim report for the six months ended June 30, 2022.*
- 2 *The estimated net proceeds from the Rights Issue of approximately HK\$2,936,000,000 is calculated based on 1,420,361,073 Rights Shares assuming to be issued on the completion of the Rights Issue (based on 5,681,444,293 Shares in issue as at the Latest Practicable Date) at the Subscription Price of HK\$2.08 per Rights Share and after deduction of estimated related expenses of approximately HK\$18,200,000.*
- 3 *The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at June 30, 2022 as adjusted for the Rights Issue per share is calculated based on 7,101,805,366 shares which represents 5,681,444,293 shares in issue as at June 30, 2022 before the Rights Issue and number of Rights Shares of 1,420,361,073 to be issued but does not take into account of any shares which may be issued upon the exercise of share option and convertible bonds or issue or repurchase of shares under general mandate.*
- 4 *No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to June 30, 2022.*

**B. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL
INFORMATION**

The following is the text of the assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this Prospectus.

Deloitte.**德勤****INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION****To the Directors of SJM Holdings Limited**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of SJM Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at June 30, 2022 and related notes as set out on pages II-1 to II-2 of the prospectus issued by the Company dated August 30, 2022 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the rights issue on the basis of one (1) rights share for every four (4) existing shares held on the Record Date (as defined in the Prospectus) (the “**Rights Issue**”) on the Group’s financial position as at June 30, 2022 as if the Rights Issue had taken place at June 30, 2022. As part of this process, information about the Group’s financial position has been extracted by the Directors from the Group’s financial statements for the period ended June 30, 2022, on which a review report has been published.

Directors’ Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” (“**AG 7**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants’ Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Circular” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at June 30, 2022 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the

Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
30 August 2022

1. RESPONSIBILITY STATEMENT

This Prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this Prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this Prospectus misleading.

2. SHARE CAPITAL

The Company does not have any authorised share capital nor any nominal value in its Shares. The number of issued Shares (i) as at the Latest Practicable Date; and (ii) immediately following the completion of the Rights Issue (assuming no changes in the number of Shares in issue before completion of the Rights Issue and all Qualifying Shareholders take up their respective allotment of Rights Shares in full) are set out as follows:

(i) As at the Latest Practicable Date

Type	Number	Status
Existing Shares	5,681,444,293	Issued and fully paid-up

(ii) Immediately following the completion of the Rights Issue (assuming no changes in the number of Shares in issue before completion of the Rights Issue and all Qualifying Shareholders take up their respective allotment of Rights Shares in full)

Type	Number	Status
Existing Shares	5,681,444,293	Issued and fully paid-up
Rights Shares	<u>1,420,361,073</u>	Issued and fully paid-up
Total	<u><u>7,101,805,366</u></u>	

All the issued Shares in the capital of the Company rank pari passu with each other in all respects including the rights as to voting, dividends and return of capital. The Rights Shares (when allotted, fully paid or credited as fully paid) will rank pari passu in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares in their fully paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares.

The issued Shares are listed on the Stock Exchange. None of the securities of the Company is listed or dealt in, and no listing or permission to deal in the securities of the Company is being or is proposed to be sought, on any other stock exchange. Accordingly, there are no dealing and settlement arrangements securities of the Company between the Stock Exchange and any other stock exchange.

As at the Latest Practicable Date, there was no arrangement under which future dividends are or will be waived or agreed to be waived.

As at the Latest Practicable Date, (i) there are 147,733,000 Outstanding Share Options. Assuming exercise of all Outstanding Share Options, the maximum number of new Shares that would fall to be allotted and issued under the Share Option Scheme on or before the Record Date would be 147,733,000 Shares, which would result in the issue and allotment of 36,933,250 additional Rights Shares; and (ii) Champion Power had issued the Convertible Bonds, pursuant to which (a) the Company is the guarantor; and (b) 468,304,668 new Shares will be allotted and issued upon full exercise of the conversion rights attaching to the Convertible Bonds. However, as the holder of the Convertible Bonds (i.e. STDM) has irrevocably undertaken and warranted to the Company and the Underwriter not to exercise any of the conversion rights attaching to the Convertible Bonds from the date of the Irrevocable Undertaking to the date of completion of the Rights Issue pursuant to the Irrevocable Undertaking, no additional Rights Shares will be issued and allotted in relation to the full exercise of conversion rights attaching to the Convertible Bonds. For further details of the Convertible Bonds, please refer to the circular of the Company dated June 6, 2022.

Save as disclosed above, the Company had no outstanding warrants, options or convertible securities in issue or similar rights which confer any right to convert into or subscribe for Shares and there was no share or loan capital of any member of the Group which was under option, or agreed conditionally or unconditionally to be put under option as at the Latest Practicable Date.

Particulars of Outstanding Share Options

Details of the Outstanding Share Options held by certain Directors of the Group, other employees/former employees and other participants under the Share Option Scheme as at the Latest Practicable Date are set out below:

Name of grantees	Number of Outstanding Share Options	Consideration (HK\$)	Exercise Price (HK\$ per Share)	Exercise Period		
<u>Directors:</u>						
Ho Chiu Fung, Daisy	500,000	}	8.33	December 22, 2018 – December 21, 2026		
	1,000,000		1		8.33	December 22, 2019 – December 21, 2026
Fok Tsun Ting, Timothy	1,000,000	}	9.826	December 15, 2015 – December 14, 2024		
	1,000,000		1		9.826	December 15, 2016 – December 14, 2024
	1,000,000		9.826		December 15, 2017 – December 14, 2024	
Leong On Kei, Angela	10,000,000	}	9.826	December 15, 2015 – December 14, 2024		
	10,000,000		1		9.826	December 15, 2016 – December 14, 2024
	10,000,000		9.826		December 15, 2017 – December 14, 2024	
So Shu Fai	16,667,000	}	9.826	December 15, 2015 – December 14, 2024		
	16,667,000		1		9.826	December 15, 2016 – December 14, 2024
	16,666,000		9.826		December 15, 2017 – December 14, 2024	
Tse Hau Yin	167,000	}	9.826	December 15, 2015 – December 14, 2024		
	167,000		1		9.826	December 15, 2016 – December 14, 2024
	166,000		9.826		December 15, 2017 – December 14, 2024	
Chan Un Chan	1,000,000	}	10.26	December 21, 2018 – December 20, 2027		
	1,000,000		1		10.26	December 21, 2019 – December 20, 2027
	1,000,000		10.26		December 21, 2020 – December 20, 2027	
Shum Hong Kuen, David	1,000,000	}	9.826	December 15, 2015 – December 14, 2024		
	1,000,000		1		9.826	December 15, 2016 – December 14, 2024
	1,000,000		9.826		December 15, 2017 – December 14, 2024	

Name of grantees	Number of Outstanding Share Options	Consideration (HK\$)	Exercise Price (HK\$ per Share)	Exercise Period	
<u>Associates (as defined in the Listing Rules) of Directors who are also employee/former employee</u>					
The late Ho Hung Sun, Stanley	1,667,000	}	1	9.826	December 15, 2015 – December 14, 2024
	1,667,000			9.826	December 15, 2016 – December 14, 2024
	1,666,000			9.826	December 15, 2017 – December 14, 2024
Huen Wai Kei	67,000	}	1	22	April 8, 2014 – April 7 2023
	67,000			22	April 8, 2015 – April 7 2023
	66,000			22	April 8, 2016 – April 7 2023
	20,000	}	1	9.826	December 15, 2015 – December 14, 2024
	20,000			9.826	December 15, 2016 – December 14, 2024
	20,000			9.826	December 15, 2017 – December 14, 2024
Employees	11,349,000	}	1 (for each employee)	22	April 8, 2014 – April 7 2023
Employees	11,310,000			22	April 8, 2015 – April 7 2023
Employees	11,299,000			22	April 8, 2016 – April 7 2023
Employees	3,195,000	}	1 (for each employee)	9.826	December 15, 2015 – December 14, 2024
Employees	3,199,000			9.826	December 15, 2016 – December 14, 2024
Employees	3,121,000			9.826	December 15, 2017 – December 14, 2024
Other participants	1,001,000	}	1 (for each other participant)	9.826	December 15, 2015 – December 14, 2024
Other participants	11,001,000			9.826	December 15, 2016 – December 14, 2024
Other participants	10,998,000			9.826	December 15, 2017 – December 14, 2024

3. DISCLOSURE OF INTERESTS

(a) Directors' and chief executives' interests and short positions in the Shares, underlying shares or debentures of the Company or its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV to the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of SFO), or are required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or which are required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (“**Model Code**”) contained in the Listing Rules are listed as follows:

Interests in Shares, underlying Shares and debentures of the Company

Name of Directors	Capacity	Long/short position	No. of Shares held	No. of underlying Shares held	Approximate percentage of issued Shares (Note 2)
Ho Chiu Fung, Daisy	Beneficial owner	Long position	15,280,000	–	0.27%
	Beneficial owner	Long position	–	1,500,000 (Note 1)	0.03%
			<u>15,280,000</u>	<u>1,500,000</u>	<u>0.30%</u>
Fok Tsun Ting, Timothy	Beneficial owner	Long position	3,000,000	–	0.05%
	Beneficial owner	Long position	–	3,000,000 (Note 1)	0.05%
			<u>3,000,000</u>	<u>3,000,000</u>	<u>0.10%</u>
Leong On Kei, Angela	Beneficial owner	Long position	458,350,000	–	8.07%
	Beneficial owner	Long position	–	30,000,000 (Note 1)	0.53%
			<u>458,350,000</u>	<u>30,000,000</u>	<u>8.60%</u>
So Shu Fai	Beneficial owner	Long position	123,327,922	–	2.17%
	Beneficial owner	Long position	–	35,000,000 (Note 1)	0.62%
			<u>123,327,922</u>	<u>35,000,000</u>	<u>2.79%</u>

Name of Directors	Capacity	Long/short position	No. of Shares held	No. of underlying Shares held		Approximate percentage of issued Shares (Note 2)
Tse Hau Yin	Beneficial owner	Long position	500,000	–		0.01%
	Beneficial owner	Long position	–	500,000	(Note 1)	0.01%
			<u>500,000</u>	<u>500,000</u>		<u>0.02%</u>
Chan Un Chan	Beneficial owner	Long position	2,034,000	–		0.04%
	Beneficial owner	Long position	–	3,000,000	(Note 1)	0.05%
			<u>2,034,000</u>	<u>3,000,000</u>		<u>0.09%</u>
Shum Hong Kuen, David	Beneficial owner	Long position	6,000,000	–		0.11%
	Beneficial owner	Long position	–	3,000,000	(Note 1)	0.05%
			<u>6,000,000</u>	<u>3,000,000</u>		<u>0.16%</u>

Notes:

1. These represent the interests in underlying Shares in respect of Outstanding Share Options granted by the Company.
2. Each percentage has been calculated based on 5,681,444,293 Shares in issue as at the Latest Practicable Date

Interests in shares, underlying shares and debentures of associated corporations*Sociedade de Turismo e Diversões de Macau, S.A.*

Name of Directors	Capacity	Long/short position	No. of shares held			Approximate percentage of issued share capital
			Ordinary	Privileged	Total	
Leong On Kei, Angela	Beneficial owner	Long position	637	5,215	5,852	6.86%
Chan Un Chan	Beneficial owner	Long position	5,204	8,271	13,475	15.81%
Shum Hong Kuen, David	Beneficial owner	Long position	1,004	–	1,004	1.18%

SJM Resorts, S.A.

Name of Director	Capacity	Long/short position	No. of shares held (Type B shares)	Approximate percentage of issued share capital
Leong On Kei, Angela	Beneficial owner	Long position	300,000	10.00%

Champion Path Holdings Limited

Name of Directors	Debentures	Capacity	Amount of debentures held	Approximate percentage to the total amount of debentures in issue
Ho Chiu Fung, Daisy	2026 US\$ Senior Notes (Note 1)	Beneficial owner	US\$5,000,000	1.0%
	2028 US\$ Senior Notes (Note 2)	Beneficial owner	US\$5,000,000	1.0%
Leong On Kei, Angela	2026 US\$ Senior Notes (Note 1)	Beneficial owner	US\$10,000,000	2.0%
	2028 US\$ Senior Notes (Note 2)	Beneficial owner	US\$5,000,000	1.0%
		Founder of a discretionary trust (Note 3)	US\$21,000,000	4.2%
So Shu Fai	2026 US\$ Senior Notes (Note 1)	Beneficial owner	US\$10,000,000	2.0%
	2028 US\$ Senior Notes (Note 2)	Beneficial owner	US\$5,000,000	1.0%
Chan Un Chan	2028 US\$ Senior Notes (Note 2)	Beneficial owner	US\$12,500,000	2.5%

Notes:

1. *These debentures (US\$500,000,000 4.50% Senior Notes Due 2026) issued by Champion Path Holdings Limited (“Champion Path”) (“2026 US\$ Senior Notes”) are listed on the Stock Exchange and are freely transferable but not convertible into shares of Champion Path or any other corporation. The minimum denomination of the 2026 US\$ Senior Notes is US\$200,000 of principal amount and integral multiplies of US\$1,000 in excess thereof. The 2026 US\$ Senior Notes are senior unsecured obligations in registered form.*

2. *These debentures (US\$500,000,000 4.85% Senior Notes Due 2028) issued by Champion Path (“2028 US\$ Senior Notes”) are listed on the Stock Exchange and are freely transferable but not convertible into shares of Champion Path or any other corporation. The minimum denomination of the 2028 US\$ Senior Notes is US\$200,000 of principal amount and integral multiples of US\$1,000 in excess thereof. The 2028 US\$ Senior Notes are senior unsecured obligations in registered form.*
3. *These 2028 US\$ Senior Notes are beneficially owned by Dr. Stanley Ho Foundation, a founder of which is Deputada Leong On Kei, Angela.*

Save as disclosed above, so far as was known to any Director, as at the Latest Practicable Date, none of the Directors or the chief executives of the Company had, pursuant to Divisions 7 and 8 of Part XV of the SFO, nor were they taken or deemed to have under such provisions of the SFO, any interest or short position in any shares or underlying shares or interests in debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange, or any interest which were required, pursuant to Section 352 of the SFO, to be entered into the register referred to therein, or any interests which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders who have an interest and/or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO

So far as it is known to the Directors and chief executive officer of the Company, as at the Latest Practicable Date, the following persons (other than a Director or chief executive officer of the Company) had, or were deemed or taken to have, an interest or short position in the Shares and underlying shares of the Company, which are required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial Shareholders	Capacity	Long/short position	No. of Shares held	No. of underlying Shares held	Approximate percentage of issued Shares (Note 5)
Sociedade de Turismo e Diversões Macau, S.A.	Beneficial owner and its controlled corporation (Note 1)	Long position	3,105,060,500	-	54.7%
	Beneficial owner (Note 2)	Long position	-	468,304,668	8.2%
	Others (Note 3)	Long position	-	1,098,313,099	19.3%
			3,105,060,500	1,566,617,767	82.2%
BNP Paribas SA	Interest of controlled corporation	Long position	4,508,209	358,981,224 (Note 4)	6.40%
		Short position	7,125,933	-	0.13%

Notes:

1. *55,073,000 Shares are directly held by Konrad Investments Limited, an indirect wholly-owned subsidiary of STDM through Bounty Rich Holdings Limited.*
2. *These represent the interest in underlying shares in respect of the Convertible Bond(s) based on the initial conversion price.*
3. *Pursuant to the Irrevocable Undertaking, STDM has irrevocably undertaken and warranted to the Company and the Underwriter, among other things, (i) to take up or procure its wholly-owned subsidiary to take up 776,265,125 Rights Shares to be provisionally allotted to STDM Group in full at the Subscription Price; and (ii) to apply, by way of excess application, for the subscription of an additional 322,047,974 Rights Shares, being 50% of the total number of the maximum Excess Rights Shares (assuming no change in the issued Shares on or before the Record Date). As such, a maximum of 1,098,313,099 Rights Shares may be issued to STDM pursuant to the Irrevocable Undertaking upon completion of the Rights Issue.*
4. *BNP Paribas Securities (Asia) Limited is deemed to be interested in maximum of 358,981,224 Underwritten Shares pursuant to the Underwriting Agreement for the purpose of the Rights Issue.*
5. *Each percentage has been calculated based on 5,681,444,293 Shares in issue as at the Latest Practicable Date.*

Save as disclosed above, the Directors and the chief executive officer of the Company were not aware of any party who, as at the Latest Practicable Date, had interests or short positions in the Shares and underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Save as disclosed above and in the section headed “4.(c) Interests in competing business” in this Appendix, as at the Latest Practicable Date, none of the Directors or the proposed Directors of the Company was a director or employee of a company (or its subsidiary) which has an interest or a short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' INTERESTS

(a) Interests in contract or arrangement

Save as disclosed below, no contract of significance to which the Company, its holding company or any of their subsidiaries was a party, and in which a Director was materially interested, whether directly or indirectly, subsisted as at the Latest Practicable Date.

*Agreements with STDM and/or its subsidiaries/associates**Nature and extent of the connected person's interest in the transaction:*

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 he is the representative of Many Town Company Limited to act as a director of STDM.

Connected relationship:

STDM is the controlling Shareholder and therefore STDM and/or its subsidiaries/associates (as defined in the Listing Rules) are connected persons of the Company under the Listing Rules.

*Premises Leasing Master Agreement**Parties to the agreement:*

STDM and the Company

Details of the transaction:

Date of agreement	Term	Description of the transactions and its purpose	Annual caps and aggregate amount of transactions in 2021
December 23, 2019	April 1, 2020 to December 31, 2022 (the Company may terminate the agreement by giving at least three months' prior written notice)	<ul style="list-style-type: none"> • For the leasing of premises by STDM Group to the Group for use as casinos, offices, or for other business purposes. • Payments for the premises comprised rental, utility charges, air conditioning service charges and building management fees where the relevant rental must be fair and reasonable, and may 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 utility charges payable are based on actual utility consumption; and the air conditioning expenses and building management fees are determined in accordance with and not exceeding the relevant market prices. • The terms and conditions on which such premises are to be provided should be no less favourable to the Company than those offered by independent third parties. 	See "Annual Caps and Aggregate Amount Table" on page III-14 of this Prospectus.

Further details of the above transactions were set out in the announcement of the Company dated December 23, 2019.

*Products and Services Master Agreement**Parties to the agreements:*

STDM and the Company

Details of the transaction:

Date of agreement	Term	Description of the transactions and its purpose	Annual caps and aggregate amount of transactions in 2021
December 23, 2019	January 1, 2020 to December 31, 2022	<ul style="list-style-type: none"> • For the provision of the following categories of products and services by the STDM Group to the Group: <ul style="list-style-type: none"> (i) hotel accommodation (ii) entertainment (iii) transportation (including jetfoil tickets supplied by Far East Hydrofoil Company, Limited through STDM) (iv) hotel management and operation (v) maintenance services • The provision of each relevant product or service by the STDM Group shall be on normal commercial terms and made with reference to the prevailing market price after arm's length negotiation between the relevant parties or, where there is no relevant market price, on terms negotiated between the relevant parties at arm's length. • The price of the products and services to be provided by the STDM Group including the basis of the calculation of the payments to be made shall be set out in the relevant implementation agreements and must be fair and reasonable 	See "Annual Caps and Aggregate Amount Table" on page III-14 of this Prospectus.

Further details of the above transactions were set out in the announcement of the Company dated December 23, 2019.

*Chips Agreement**Parties to the agreement:*

STDM and SJM Resorts

Details of the transaction:

Date of agreement	Term	Description of the transaction and its purpose	Annual caps and aggregate amount of transactions in 2021
June 18, 2008	No fixed term (may be terminated by mutual agreement or upon termination of SJM Resorts gaming concession contract, whichever is earlier)	<ul style="list-style-type: none"> • For regulating the honouring, borrowing and use of the casino chips of STDM for the purposes of its gaming operations. • Since April 1, 2002, SJM Resorts had been borrowing casino chips from STDM for the purpose of its business operation. STDM agreed to reimburse SJM Resorts for the aggregate face value of the chips honoured by SJM Resorts which were not sold by SJM Resorts. The arrangements are now being phased out as explained below. 	See “Annual Caps and Aggregate Amount Table” on page III-14 of this Prospectus.

Further details of the above transactions were set out in the section “Connected Transactions” in the prospectus of the Company dated June 26, 2008 and the announcements of the Company dated December 30, 2010, January 6, 2014, January 26, 2017 and December 23, 2019.

Since SJM Resorts has secured its own supply of chips and is no longer borrowing any STDM chips starting from 2011, the overall value of STDM chips redeemed in 2021 has declined substantially from the historical levels seen in earlier years. Furthermore, all casino chips of STDM have been withdrawn from circulation and procedures were put in place for those holding such chips to redeem them for cash or for casino chips of SJM Resorts.

Annual Caps and Aggregate Amount Table:

	Aggregate amount for the year ended December 31, 2021 <i>HK\$ million (audited)</i>	Annual cap for the year ended December 31, 2021 <i>HK\$ million</i>	Annual cap for the year ending December 31, 2022 <i>HK\$ million</i>
Premises Leasing Master Agreement <i>(Note 1)</i>	28.4	119.5	29.3
Products and Services Master Agreement <i>(Note 2)</i>			
Hotel accommodation	N/A	N/A	N/A
Entertainment	N/A	N/A	N/A
Transportation	2.2	198	238
Maintenance services	N/A	N/A	N/A
Hotel management and operation	N/A	N/A	N/A
Chips Agreement <i>(Note 3)</i>	0.1	77	77

Notes:

- In December 2019, STDM and the Company renewed the Premises Leasing Master Agreement and the Board approved the annual caps for this category of continuing connected transactions for the three financial years of December 31, 2020, 2021 and 2022 at HK\$790.2 million, HK\$119.5 million and HK\$29.3 million respectively. These annual caps have been determined by reference to (i) the existing leases entered into between the Group and the STDM Group under the Premises Leasing Master Agreement dated June 18, 2008; (ii) the expected renewals of certain existing leases during the period from April 1, 2020 to December 31, 2022; (iii) the estimated rental adjustments to be made to the renewed leases; (iv) the adoption of HKFRS 16 "Lease" for renewed leases; and (v) a buffer for additional and unexpected demand of the Group for the premises owned by the STDM Group for the Group's business operations up to December 31, 2022.*
- In December 2019, STDM and the Company renewed the Products and Services Master Agreement and the Board approved the annual caps for a category of continuing connected transactions (i.e., transportation) for the three financial years of December 31, 2020, 2021 and 2022. These annual caps were determined by reference to a number of factors including (i) the historical consumption of the transportation service by the Group; (ii) the projected number of gaming patrons in casinos operated by the Group and, in particular, the expected opening of the Grand Lisboa Palace in 2020; (iii) the business, marketing and promotion plans of the Group; and (iv) the inflation rate in Macau. The other four categories of continuing connected*

transactions (i.e., hotel accommodation, entertainment, maintenance services, and hotel management and operation) under the Products and Services Master Agreement are de minimis transactions under the Listing Rules and no annual cap has been set.

3. In December 2019, the Board set the annual caps for this category of continuing connected transactions for the three financial years of December 31, 2020, 2021 and 2022 at HK\$77 million each year. These annual caps for the STDM chips to be redeemed were determined by reference to the outstanding amount of STDM chips in circulation.

Right to use a Shop Agreement for the Operation of New Yaohan Department Store at the Grand Lisboa Palace

Parties to the agreement:

Owner: SJM Resorts
 User: NYH Gestão de Vendas a Retalho Limitada (“NYH”), an indirect wholly-owned subsidiary of STDM

Details of the transaction:

Date of agreement	Description of the transaction and its purpose	Annual caps HK\$ million
January 21, 2020	<ul style="list-style-type: none"> • SJM Resorts granted the rights to use the shop to NYH for the purpose of operating a department store under the brand name or style of “New Yaohan” or any other name as approved by SJM Resorts at a shop located on the second floor of the shopping mall, amounting to approximately 166,490 sq.ft, in the Grand Lisboa Palace (the “Premises”) • The Right to Use a Shop Agreement (“NYH Agreement”) has a term of 12 years and 6 months (the “Term”), which shall begin on the commencement date, which is July 27, 2021 (the “Commencement Date”). • Neither SJM Resorts nor NYH is entitled to terminate the NYH Agreement within the first 6 years (after the initial 6-month fee-free period) of the Term. Within the remaining 6-year period of the Term, unilateral termination will be applied upon fulfillment of certain terms. • The NYH Agreement will be automatically renewed for a period of 18 months upon the expiry of the Term, if neither SJM Resorts nor NYH serves a termination notice to the other party 18 months prior to the end of the Term. 	2021: 86.6 2022: 91.2 2023: 99.2 2024: 105.5 2025: 109.8 2026: 118.3 2027: 130.2 2028: 134.9 2029: 144.7 2030: 157.4 2031: 161.6 2032: 125.4

Date of agreement	Description of the transaction and its purpose	Annual caps <i>HK\$ million</i>
	<ul style="list-style-type: none"> • Grand opening date would be the later date on which: <ul style="list-style-type: none"> (i) the overall fit-out works related to the shopping mall having been finished, ready for business and open to the public completed to NYH's satisfaction; (ii) no less than 60% of the total gross area of the shopping mall (excluding the area of the Premises) has been opened to the public for business; (iii) the casino on the ground floor in the Grand Lisboa Palace is in operation; (iv) the majority of the hotels and/or rooms in the Grand Lisboa Palace has been opened to the public for business; and (v) all the entrances and escalators in the shopping mall connecting to the Premises are open to public. SJM Resorts would confirm the grand opening date of the shopping mall, which shall be at least 6 months after the Commencement Date, with NYH at least 1 month in advance by writing. 	
	<ul style="list-style-type: none"> • Starting from the Commencement Date, the monthly base fee for the rights of use of the Premises (the “Base Fee”) payable by NYH shall be as set out below: 	
	<p>Fee-free period Commencing from the Commencement Date, SJM Resorts shall give NYH a fee-free period of 6 months.</p>	
	<p>Years 1 – 3 The Base Fee for each month will be the turnover fee which will be an amount equivalent to 4% of the monthly sales turnover.</p>	
	<p>Years 4 – 6 The Base Fee for each month will be an amount equivalent to 4% of the monthly sales turnover, subject to the minimum Base Fee of the average turnover fee of years 2 - 3 plus 10% increment.</p>	
	<p>Years 7 – 9 The Base Fee for each month will be an amount equivalent to 4.5% of the monthly sales turnover, subject to minimum Base Fee of the average turnover fee of years 4 - 6 plus 10% increment.</p>	

Date of agreement	Description of the transaction and its purpose	Annual caps <i>HK\$ million</i>
	<p>Years 10 – 12 (or until the end of the Term, if the NYH Agreement is automatically renewed)</p> <p>The Base Fee for each month will be an amount equivalent to 5% of the monthly sales turnover, subject to minimum Base Fee of the average turnover fee of years 7 - 9 plus 10% increment.</p> <p><i>Note: Years 1 – 12 above commence after the end of the 6-month fee-free period.</i></p> <ul style="list-style-type: none"> • A fixed monthly management fee of approximately HK\$2.1 million (equivalent to HK\$12.66 per sq.ft.) per month for the first 3 years of the Term shall be payable by NYH and it shall be increased by an amount equivalent to 7.5% at the end of each 3-year period. • A fixed monthly promotion levy of approximately HK\$333,000 (equivalent to HK\$2.00 per sq.ft.) per month for the first 3 years of the Term shall be payable by NYH and it shall be increased by an amount equivalent to 7.5% at the end of every 3-year period. 	

Further details of the above transaction were set out in the announcement of the Company dated January 21, 2020.

Since the department store of NYH has commenced business starting from November 22, 2021, the aggregate amount of transactions under NYH Agreement in 2021 is HK\$21.0 million.

Premises Leasing Master Agreement with Deputada Leong On Kei, Angela and/or her associates

Nature and extent of the connected person's interest in the transaction:

Deputada Leong On Kei, Angela and/or her associates lease certain premises to members of the Group at rental fixed between the parties.

Connected relationship:

Deputada Leong On Kei, Angela, a Director, and/or her associates which leases certain premises to the members of the Group are connected persons of the Company under the Listing Rules.

Parties to the agreement:

Deputada Leong On Kei, Angela and the Company

Details of the transaction:

Date of agreement	Term	Description of the transaction and its purpose	Annual caps and aggregate amount of transactions in 2021
December 23, 2019	January 1, 2020 to December 31, 2022 (the “ Relevant Period ”) (the Company shall have the right in its sole discretion to renew the agreement for further three years)	<ul style="list-style-type: none"> • Deputada Leong On Kei, Angela agrees to lease and procure her associates to lease certain premises to members of the Group subject to the terms and conditions of the Premises Leasing Master Agreement and the relevant lease implementation agreements. • 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 should be no less favourable to the Group than those offered by independent third parties. • 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 Deputada Leong On Kei, Angela and/or her relevant associate as landlord/lessor in the case of structural repair required to maintain the integrity of the premises. 	See “Annual Caps and Aggregate Amount Table” on page III-19 of this Prospectus.

Further details of the said transaction were set out in the announcement of the Company dated December 23, 2019.

Annual Caps and Aggregate Amount Table:

	Aggregate amount for the year ended December 31, 2021	Annual cap for the year ended December 31, 2021	Annual cap for the year ending December 31, 2022
	<i>HK\$ million (audited)</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Annual rentals (Note)	7.8	9	9

Notes:

The annual caps for 2020 to 2022 were determined by reference to:

- (i) the leases entered into between the Group and Deputada Leong On Kei, Angela and/or her associates under the Premises Leasing Master Agreement dated December 14, 2016;*
- (ii) the expected renewals of certain existing leases under the Premises Leasing Master Agreement dated December 14, 2016 during the Relevant Period;*
- (iii) the estimated rental adjustments to be made to the renewed leases;*
- (iv) the adoption of HKFRS 16 “Lease” for renewed leases;*
- (v) the estimated premises related fees and charges payable to Deputada Leong On Kei, Angela and/or her associates; and*
- (vi) a buffer for any unanticipated fluctuations of market rental (including property management fee, if applicable) and any unexpected fees and charges incidental to the transactions contemplated under the Premises Leasing Master Agreement as well as any additional leases to be entered pursuant to the Premises Leasing Master Agreement during the Relevant Period.*

L’Arc Services Agreement for the Provision of Services and Licensing for Occupation and Use of Spaces in L’Arc Hotel for the Operation of a Casino

Nature and extent of the connected person’s interest in the transaction:

Deputada Leong On Kei, Angela indirectly wholly owned L’Arc Entertainment Group Company Limited (“**L’Arc Entertainment**”) which is one of the Group’s service providers for its casino operations in Macau. L’Arc Entertainment provides support services in relation to marketing, promotion, customer development and introduction, etc. to SJM Resorts as well as to authorise SJM Resorts to occupy and use the designated area of the L’Arc Hotel for the operation of a casino in return of a monthly fee pursuant to a prescribed formula agreed between the parties.

Connected relationship:

After completion of acquisition of the remaining shareholding in holding companies of L'Arc Entertainment by Deputada Leong On Kei, Angela, a Director, on May 17, 2021, L'Arc Entertainment becomes indirectly wholly owned by Deputada Leong and is a connected person of the Company under the Listing Rules.

Parties to the agreement:

SJM Resorts and L'Arc Entertainment

Details of the transaction:

Date of agreement	Term	Description of the transaction and its purpose	Aggregate amount of transactions from May 17, 2021 to December 31, 2021 <i>HK\$ million</i>
September 21, 2009 (as supplemented by addendums dated January 27, 2010, October 22, 2010, February 4, 2016, January 4, 2017, December 18, 2017, May 6, 2020 and June 17, 2022)	Until December 31, 2022	<ul style="list-style-type: none"> • L'Arc Entertainment agreed to provide support services to SJM Resorts in relation to marketing, promotion, customer development and introduction, etc. (the "Services"), as well as to authorize SJM Resorts to occupy and use the designated area of the L'Arc Hotel for the operation of a casino, including mass market, VIP room and slot machines. • L'Arc Entertainment is entitled to a monthly fee pursuant to a prescribed formula set forth in the L'Arc Services Agreement, which is determined based on a fixed percentage of the gross gaming revenue of the relevant gaming sectors in the casino and after deducting all relevant costs and expenses for provision of the Services. 	(114.7)

Date of agreement	Term	Description of the transaction and its purpose	Aggregate amount of transactions from May 17, 2021 to December 31, 2021 <i>HK\$ million</i>
		<ul style="list-style-type: none"> Given the extra costs incurred by SJM Resorts to maintain its concession contract until June 2022, L'Arc Entertainment agreed to pay to SJM Resorts a fee of approximately MOP17.5 million (equivalent to approximately HK\$17.0 million) upon the execution of the addendum to the L'Arc Services Agreement dated May 6, 2020. 	

Further details of the above transaction were set out in the announcement of the Company dated May 17, 2021.

(b) Interests in assets

Save as disclosed above in section headed “4.(a) Interest in contract or arrangement”, and the interests of 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 in STDM under the Transfer Agreement mentioned in paragraph (c) in section headed “8. Material Contracts” in this Appendix, as at the Latest Practicable Date, none of the Directors had any direct or indirect interests in any assets which had been, since December 31, 2021, the date of which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

(c) Interests in competing business

The Group recognises revenue from customers by conducting the following principal businesses:

- gaming operations
- hotel, catering and retail operations

As at the Latest Practicable Date, the following Directors of the Company had interests in the following businesses (apart from the businesses of the Group) conducted through the companies named below, their subsidiaries, associated companies or other investment forms which are considered to compete or be likely to compete, either directly or indirectly, with the principal businesses of the Group conducted during the year required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules:

Name of Directors	Name of Company / Partnership / Sole Proprietorship	Interest in the Competing Business	Nature of Competing Business
Ho Chiu Fung, Daisy	Sociedade de Turismo e Diversões de Macau, S.A.	<ul style="list-style-type: none"> Appointed representative of Lanceford Company Limited, a corporate director of STDM 	Hospitality, catering and retail business in Macau
	Shun Tak Holdings Limited	<ul style="list-style-type: none"> Executive director and deputy managing director 	Hospitality, catering and retail business in Macau
Leong On Kei, Angela	Sociedade de Turismo e Diversões de Macau, S.A.	<ul style="list-style-type: none"> Director 	Hospitality, catering and retail business in Macau
	Macau Horse Racing Company Limited	<ul style="list-style-type: none"> Director Substantial shareholder 	Catering business in Macau
	Arc of Triumph Development Company Limited	<ul style="list-style-type: none"> Director Substantial shareholder 	Hospitality and catering business in Macau
	L'Arc Entertainment Group Company Limited	<ul style="list-style-type: none"> Director Substantial shareholder 	Provision of gaming services
	Macau Hotel Company Limited (Trade name "Regency Art Hotel")	<ul style="list-style-type: none"> Director Substantial shareholder 	Hospitality and catering business in Macau
	Macau Theme Park and Resort Limited	<ul style="list-style-type: none"> Director Substantial shareholder 	Hospitality, catering and retail business in Macau
	Sociedade Hoteleira e de Turismo S.Tiago, Limitada	<ul style="list-style-type: none"> Director Substantial shareholder 	Hospitality and catering business in Macau
	Wise Bro. Dessert (Macau) Limited	<ul style="list-style-type: none"> Director 	Catering business in Macau
	Angela (Macau) Star Dessert Limited	<ul style="list-style-type: none"> Director Substantial shareholder 	Catering business in Macau
	New Mario Bakery Limited	<ul style="list-style-type: none"> Director 	Catering business in Macau
So Shu Fai	Macau Horse Racing Company Limited	<ul style="list-style-type: none"> Director 	Catering business in Macau

Name of Directors	Name of Company / Partnership / Sole Proprietorship	Interest in the Competing Business	Nature of Competing Business
Chan Un Chan	Sociedade de Turismo e Diversões de Macau, S.A.	<ul style="list-style-type: none"> • Director • Substantial shareholder 	Hospitality, catering and retail business in Macau
	Macau Legend Development Limited	<ul style="list-style-type: none"> • Substantial shareholder 	<ul style="list-style-type: none"> • Provision of gaming services • Hospitality, catering and retail business in Macau
Shum Hong Kuen, David	Sociedade de Turismo e Diversões de Macau, S.A.	<ul style="list-style-type: none"> • Director 	Hospitality, catering and retail business in Macau
	Shun Tak Holdings Limited	<ul style="list-style-type: none"> • Executive director 	Hospitality, catering and retail business in Macau
Tsang On Yip, Patrick	Sociedade de Turismo e Diversões de Macau, S.A.	<ul style="list-style-type: none"> • Appointed representative of Many Town Company Limited, a corporate director of STDM 	Hospitality, catering and retail business in Macau
	Chow Tai Fook Enterprises Limited	<ul style="list-style-type: none"> • Director and chief executive officer 	Hospitality and catering business in Macau

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is interested in any businesses apart from the businesses of the Company or its subsidiaries, which competes or is likely to compete, either directly or indirectly, with the principal businesses of the Company or its subsidiaries during the year which is required to be disclosed pursuant to the Listing Rules.

5. LITIGATION

As at the Latest Practicable Date, no member of the Group was or is engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was or is known to the Directors to be pending or threatened by or against any members of the Group save for the following arbitration proceedings.

Together Decoration (Macao), Limited was one of the contractors involved in the construction of Grand Lisboa Palace and was contracted to perform fitting out works for two of the hotel towers, the wedding pavilion and certain back-of-house areas. The relevant contracts were terminated by Cotai Magnific View - Property Company Limited (“CMV”, an indirect wholly-owned subsidiary of SJM Resorts) in March 2020. The two parties to the contracts commenced arbitration proceedings on July 5, 2021 under which Together Decoration (Macao), Limited is claiming from CMV the amount of approximately

MOP316.2 million and CMV has submitted a counter-claim of approximately MOP250 million. It is anticipated that a conclusion to the arbitration proceedings will be reached in the first quarter of 2023. Assuming the claim against CMV were to succeed in its entirety and the counter-claim against Together Decoration (Macao), Limited was completely rejected, the maximum exposure of the Company in the arbitration proceedings would be approximately MOP316.2 million. The Board is of the view that such potential claim under these arbitration proceedings will not have any material impact on the Group's business operation and financial position.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which will not expire or is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

7. EXPERT AND CONSENT

The following is the qualification of the expert who has given opinions or advice contained in this Prospectus:

Deloitte Touche Tohmatsu	Registered Public Interest Entity Auditors Certified Public Accountants
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The above expert has given and has not withdrawn its written consent to the issue of this Prospectus with the inclusion herein of its report and/or opinion (as the case may be) and references to its name in the form and context in which it appears.

As at the Latest Practicable Date, the above expert did not have any shareholding, directly or indirectly, in any member of the Group or any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group.

As at the Latest Practicable Date, the above expert did not have any direct or indirect interest in any assets which had been, since December 31, 2021, the date to which the latest published audited consolidated financial statements of the Group were made up, acquired or disposed of by, or leased to, or are proposed to be acquired or disposed of by, or leased to, any members of the Group.

The accountants' report of Deloitte Touche Tohmatsu on the unaudited pro forma financial information of the Group is given as of the date of this Prospectus for incorporation herein.

8. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business of the Group) were entered into by the members of the Group within the two years immediately preceding the Latest Practicable Date:

- (a) a purchase agreement dated January 20, 2021 entered into between, among others, (i) Champion Path (as the issuer); (ii) the Company (as the guarantor); and (iii) BNP Paribas, Industrial and Commercial Bank of China (Macau) Limited, Bank of China Limited, Macau Branch, Industrial and Commercial Bank of China (Asia) Limited, BOCI Asia Limited, Banco Nacional Ultramarino, S.A., Bank of Communications Co., Ltd. Macau Branch, China Construction Bank Corporation Macau Branch, China International Capital Corporation Hong Kong Securities Limited, Oversea-Chinese Banking Corporation Limited, Tai Fung Bank Limited, The Bank of East Asia, Limited and Yue Xiu Securities Company Limited (each as an initial purchaser) in relation to the issuance of the 2026 US\$ Senior Notes and the 2028 US\$ Senior Notes;
- (b) a purchase agreement dated May 5, 2021 entered into between, among others, (i) Champion Moments Limited (as the issuer), a wholly-owned subsidiary of the Company; (ii) the Company (as the guarantor); and (iii) Industrial and Commercial Bank of China (Macau) Limited, Bank of China Limited, Macau Branch, BNP Paribas, Banco Nacional Ultramarino, S.A., Bank of Communications Co., Ltd. Macau Branch, China Construction Bank Corporation Macau Branch and The Bank of East Asia, Limited (each as an initial purchaser) in relation to the issuance of the HK\$1,250,000,000 3.90% senior notes due 2026 and the MOP300,000,000 3.90% senior notes due 2026;
- (c) a transfer agreement dated May 26, 2022 (the “**Transfer Agreement**”) entered into among (i) Harbour Tide Limited 港汐有限公司 (as the purchaser), a wholly-owned subsidiary of the Company; (ii) the Company (as the guarantor of the purchaser and the issuer for the issue of the Convertible Bonds); (iii) Centro Comercial Jai-Alai, Limitada (in Portuguese) or Jai-Alai Shopping Centre Company Limited (in English) (as the seller), an indirect wholly-owned subsidiary of STDM; and (iv) STDM (as guarantor of the seller) in relation to the provision of the letter of commitment by the seller to the Macau Government for reversion of the Oceanus Gaming Area (i.e. an area of approximately 13,576 sq. m. inside Casino Oceanus at Jai-Alai for the uses of casino gaming business and relevant logistics) to the Macau Government and the acquisition of the Oceanus Non-gaming Area (i.e. an area of approximately 25,666 sq.m. inside Casino Oceanus at Jai-Alai for operation of commercial purpose other than casino gaming business and relevant logistics) by the purchaser from the seller pursuant to the terms and conditions of the Transfer Agreement (the “**Transfer**”);
- (d) the addendum to MGM Sub-concession Contract between SJM Resorts and MGM Grand Paradise Limited executed on June 23, 2022 for extension of the MGM Sub-concession Contract from June 26, 2022 to December 31, 2022;

- (e) a loan agreement dated August 3, 2022 entered into between the Company and STDM, pursuant to which STDM has agreed to extend to the Company an unsecured term loan in the amount of HK\$2 billion (the “**Loan**”). The Loan is for a fixed period of 6 years from the date of drawdown. The interest rate of the Loan is four (4) per cent. per annum payable semi-annually or such other rate (to take into account any prevailing market conditions and other applicable factors) as agreed between the Company and STDM from time to time; and
- (f) the Underwriting Agreement.

9. CORPORATE INFORMATION AND PARTIES TO THE RIGHTS ISSUE

Registered Office	18th Floor, China Merchants Tower Shun Tak Centre Nos. 168 – 200 Connaught Road Central Hong Kong
Share registrar	Computershare Hong Kong Investor Services Limited Shops 1712 – 1716, 17th Floor Hopewell Centre 183 Queen’s Road East, Wanchai Hong Kong
Company Secretary	Ms. Kwok Shuk Chong <i>(a Chartered Secretary and a Chartered Governance Professional and a fellow member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute in the United Kingdom)</i>
Authorised representatives	Ho Chiu Fung, Daisy 8 Shouson Hill Road West Hong Kong So Shu Fai 7th Floor, Tower B Mount Nicholson 8 Mount Nicholson Road The Peak Hong Kong
Principal Bankers	Industrial and Commercial Bank of China (Macau) Limited Avenida da Amizada, no. 555, Macau Landmark, Torre ICBC, 18º andar, Macau Bank of China Limited Macau Branch Avenida Dr. Mário Soares, Edif. Banco da China, r/c, Macau BNP Paribas 63/F, Two International Finance Centre, 8 Finance Street, Central, Hong Kong Industrial and Commercial Bank of China (Asia) Limited 33/F., ICBC Tower 3 Garden Road Central, Hong Kong Chong Hing Bank Limited Macau Branch Avenida da Praia Grande, no. 693 Edif. Tai Wah, r/c, Macau

Auditor and Reporting Accountant	Deloitte Touche Tohmatsu <i>Registered Public Interest Entity Auditor</i> <i>Certified Public Accountants</i> 35/F One Pacific Place 88 Queensway, Hong Kong
Legal advisers to the Company in relation to the Rights Issue	Latham & Watkins LLP 18th Floor, One Exchange Square 8 Connaught Place Central Hong Kong
The Underwriter	BNP Paribas Securities (Asia) Limited 60/F-63/F, Two International Finance Centre 8 Finance Street Central, Hong Kong
Legal advisers to the Underwriter in relation to the Rights Issue	Allen & Overy 9/F Three Exchange Square Central Hong Kong

10. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

Chairman and Executive Director

Ms. Ho Chiu Fung, Daisy, aged 57, was elected an Executive Director of the Company in June 2017. She was appointed to succeed as Chairman of the Company in June 2018, and was appointed as the Chairman of the Executive Committee of the Board in July 2018, and a member of the Nomination Committee and the Remuneration Committee of the Board in February 2019. Ms. Ho was re-designated from a member to the Chairman of the Nomination Committee of the Board in June 2019. She was appointed as a member of the Cotai Project Committee of the Board in May 2021. Ms. Ho was elected as a director of SJM Resorts and was appointed as the Chairman of the board of directors of SJM Resorts in March 2019. She is also a director of a number of principal subsidiaries of the Company.

Ms. Ho was an appointed representative of Shun Tak Holdings Limited (“**Shun Tak**”), which is a corporate director of STDM (the controlling shareholder of the Company), up till March 31, 2010, and has thereafter become an appointed representative of Lanceford Company Limited, which is also a corporate director of STDM, since April, 1 2010. She was appointed an executive director of Shun Tak, a company listed on the Main Board of the Stock Exchange (“**HKSE Main Board**”), in 1994, and has been the deputy managing director and chief financial officer of Shun Tak since 1999. She is also a member of the executive committee, remuneration committee and nomination committee of Shun Tak and a director of a number of its subsidiaries.

Ms. Ho has been appointed as a member of the Standing Committee on Judicial Salaries and Conditions of Service by the Hong Kong Government in January 2022.

Ms. Ho is Vice President and Executive Committee Member of The Real Estate Developers Association of Hong Kong, Member of the Hong Kong Institute of Real Estate Administrators, Vice President of Macao Association of Building Contractors and Developers, Member of The Chinese General Chamber of Commerce and of its Ladies Committee, Director of Macao Chamber of Commerce, Fellow of The Hong Kong Institute of Directors, Governor of The Canadian Chamber of Commerce in Hong Kong, Chairman (2020-2021) and Advisor (2021-2022) of Po Leung Kuk, Chairman of Hong Kong Ballet, Chairman cum Director of University of Toronto (Hong Kong) Foundation Limited and Chairman of its Scholarship Selection Committee, Chair of International Dean's Advisory Board of Joseph L. Rotman School of Management – University of Toronto, World Fellow of The Duke of Edinburgh's Award World Fellowship, Honorary Vice President of the Hong Kong Girl Guides Association and Honorary President of Hong Kong Federation of Women.

Ms. Ho was awarded the Bronze Bauhinia Star by the Hong Kong Government in July 2021.

Ms. Ho holds a Master of business administration degree in finance from the University of Toronto, Canada and a Bachelor's degree in marketing from the University of Southern California, U.S.A.

Co-Chairmen and Executive Directors

Mr. Fok Tsun Ting, Timothy, aged 76, was appointed as an Executive Director of the Company in 2010, and was appointed as a member of the Cotai Project Committee of the Board in 2015. He was appointed as a Co-Chairman of the Company in June 2018, and was appointed as a member of the Executive Committee of the Board in July 2018 and a member of the Nomination Committee of the Board in June 2022. Mr. Fok has been a director of SJM Resorts since 2014.

Mr. Fok is the chairman of Fok Ying Tung Group, the chairman of Fok Ying Tung Foundation and a member of the Trust Committee of Henry Fok Foundation, a charitable foundation established in Macau which is a shareholder of STDN. He is an honorary member of the International Olympic Committee, a vice-president – East Asia of the Olympic Council of Asia, the president of the Sports Federation and Olympic Committee of Hong Kong, China and the president of the Hong Kong Football Association. Mr. Fok was a member of the 8th, 9th, 10th, 11th and 12th National Committee of Chinese People's Political Consultative Conference (“CPPCC”) and a vice-chairman of the Committee of Education, Science, Culture, Health and Sports of CPPCC. He was elected as a member of the Legislative Council of Hong Kong, representing the Sports, Performing Arts, Culture and Publication functional constituency from 1998 to 2012.

Mr. Fok was appointed as a Justice of the Peace by the Hong Kong Government in 1998, and was awarded the Gold Bauhinia Star Medal and the Silver Bauhinia Star Medal by the Hong Kong Government in 2004 and 1999 respectively. He was awarded the Olympic Order in Silver by International Olympic Committee in October 2018.

Mr. Fok was educated at the University of Southern California, U.S.A. He is a fellow member of The Hong Kong Institute of Directors.

Deputada Leong On Kei, Angela, aged 61, has been an Executive Director of the Company since 2007. She was appointed as a Co-Chairman of the Company in June 2018. Deputada Leong has been a member of the Remuneration Committee of the Board since 2008, a member of the Executive Committee of the Board since 2009, and a member of Cotai Project Committee of the Board since 2015. She was a member of the Nomination Committee of the Board from 2008 to June 2022. Deputada Leong has been the Chairman of the Staff Welfare Consultative Committee of SJM Resorts since 2005, a director of SJM Resorts since 2007 and the Managing Director of SJM Resorts since 2010. She is also a director of a number of principal subsidiaries of the Company. She has been a director of STDM since 2005 and a shareholder of STDM.

Deputada Leong is actively involved in public and community services in China, Hong Kong and Macau. She is a Standing Committee member of the Jiangxi Provincial Committee of CPPCC, a vice-chairman of Jiangxi Federation of Returned Overseas Chinese, Honorary Citizen of Jinggangshan, Jiangxi Province and of Guangzhou, Guangdong Province, Honorary President of Jinggangshan Cadre Training Academy, Jiangxi Province and Honorary Principal of Jinggangshan Experimental Primary School, Jiangxi Province. In 2005, 2009, 2013, 2017 and 2021, respectively, Deputada Leong was elected a member of the 3rd, 4th, 5th, 6th and 7th Legislative Assemblies of Macau and the chairman of the 6th and 7th Administrative Council of the Legislative Assemblies of Macau. She is a member of the 2nd, 3rd, 4th and 5th Elective Committee of Chief Executive of Macau. Deputada Leong is an elective committee member of the 10th, 11th, 12th and 13th National People's Congress of Macau, China. She is a member of Tourism Development Committee of Macau since 2018.

Deputada Leong is currently a consultant of Macao Basic Law Promotion Association, a member of the Board of Trustees of Macao Foundation, a vice-president of the board of Supervisors of The Macao Chamber of Commerce, a honorary consultant of The Women's General Association of Macau, the president of Macau Social Services Centre, a vice-president of Federation of Macau China Sport General Associations, the president of Macau Dance Sport Federation, a director of Stanley Ho Astronautics Training Foundation, Honorary President of Macau Chinese Painting Graduate Research Institute, Honorary President of Macau General Association of Real Estate, a director of Guangdong Women Overseas Friendship Association and the president of the Hong Kong Island Social Services Charitable Foundation. She was a Standing Committee member of Zhuhai Municipal Committee of CPPCC until December 2016 and a member of the Cultural Industries Committee of Macau from 2010 to 2016. Deputada Leong was a director of Po Leung Kuk from 2005 to 2015, a

vice-chairman of Po Leung Kuk from 2011 to 2014, the chairman of Po Leung Kuk from 2014 to 2015, a member of Advisory Board of Po Leung Kuk from 2015 to 2016 and from 2022 to 2024.

Deputada Leong was awarded the Medal of Merit – Industry and Commerce by the Macau Government in 2009. She was awarded the Business Awards of Macau – Award of Female Entrepreneur in 2013 and the Bronze Bauhinia Star by Hong Kong Government in 2015.

Deputada Leong is a fellow member of The Hong Kong Institute of Directors.

Vice-chairman, Executive Director and Chief Executive Officer

Dr. So Shu Fai, aged 71, was appointed a director of the Company in 2006. He is currently the Chief Executive Officer and an Executive Director of the Company, and was appointed as the Vice-Chairman of the Company in June 2018. Dr. So is responsible for execution of the Company's strategy and the overall management of the Company's business. He was the Chairman of the Executive Committee of the Board from 2009 to July 2018 and thereafter a member of the said committee. Dr. So was the Chairman of the Remuneration Committee and the Nomination Committee of the Board from 2008 to 2012 and thereafter a member of the said committees. He was appointed as a member of the Cotai Project Committee of the Board in 2015. Dr. So has been a director of SJM Resorts and a member of the senior management of SJM Resorts since 2002. He was the chairman of the board of directors of SJM Resorts from 2013 to March 2019. Dr. So is a director of a number of principal subsidiaries, an associate and a joint venture of the Company. He joined STDM in 1976 and has over 40 years of experience in the casino business.

Dr. So is an executive director of China Merchants Land Limited, a company listed on HKSE Main Board. He was appointed as the chairman of the board of directors cum executive director of Hifood Group Holdings Co., Limited, a company listed on HKSE Main Board, in December 2021. Dr. So is the chairman of the board of directors of MACAUPORT – Sociedade de Administração de Portos, S.A. (“**MACAUPORT**”) and was appointed as a member of the Executive Committee of MACAUPORT in March 2019. He was a director of Estoril-Sol, SGPS, S.A., which is listed on Euronext Lisbon, until June 30, 2021.

Dr. So is presently the Honorary Consul of the Republic of Portugal in Hong Kong and a consultant of the Economic Development Council of the Macau Government. He is the president of Clube Militar de Macau and a member of the board of directors of The University of Hong Kong Foundation for Educational Development and Research. Dr. So was a member of the 9th, 10th, 11th and 12th National Committee of CPPCC and a member of the Committee of Foreign Affairs of the National Committee of the CPPCC and a committee member of the 8th, 9th and 10th National Committee of the China Federation of Literary and Art Circles.

Dr. So was awarded the Honorary University Fellowship by The University of Hong Kong in 2005, the Medal of Merit – Culture by the Macau Government in 2009 and the Doctor of Social Sciences *honoris causa* by the University of Macau in 2012. He was conferred as Comendador da Ordem do Mérito by the Portuguese Government in 2014. Dr. So was awarded the Honorary Fellowship by HKU SPACE in 2019.

Dr. So graduated with a Bachelor of Science degree from The University of Hong Kong in 1973, and received a doctoral degree in Management Studies from IMC/ Southern Cross University, Australia in 2001. Dr. So is a Chartered Secretary and a Chartered Governance Professional and a fellow member of The Hong Kong Chartered Governance Institute (formerly known as “The Hong Kong Institute of Chartered Secretaries”) and The Chartered Governance Institute in the United Kingdom. He is a fellow member of The Hong Kong Institute of Directors.

Executive Directors

Dr. Chan Un Chan, aged 68, was elected as Executive Director of the Company in June 2018. She has been a director of SJM Resorts since 2009. Dr. Chan is a director and a shareholder of STDM. She is the chairman of UNIR (HK) Management Limited, the executive director of Tagus Properties Limited, a director of UNIR HOTELS PTY LTD and Wei Hang Shipyard (Zhong Shan) Co., Limited.

Dr. Chan actively involves in the charitable and community services in China, Hong Kong and Macau. She is the Vice-Chairman of Beijing Chinese Overseas Friendship Association, Honorary Director of Beijing Xiaoxing Ballet Art Development Foundation, Honorary Director of Guangdong Women and Children’s Foundation, Hon. Vice-President of Hong Kong Anti-Cancer Society, Permanent Director of Hong Kong Art Craft Merchants Association Limited, Life Patron of Hong Kong Ballet Group and Vice-Presidente da Assembleia Geral of Obra Das Mães, Macau. Dr. Chan was a director of Tung Wah Group of Hospitals from 2006 to 2008, a vice-chairman of Tung Wah Group of Hospitals from 2008 to 2013 and the chairman of Tung Wah Group of Hospitals from 2013 to 2014, a member of Fundraising Committee 2003 of End Child Sexual Abuse Foundation, and a sponsor of Mobile Classroom of End Child Sexual Abuse Foundation. She was a member of the 11th Guangdong Provincial Committee of CPPCC.

Dr. Chan was awarded the China Children Philanthropists by China Children and Teenagers’ Fund in 2008, the World Outstanding Chinese Award by United World Chinese Association in 2008, the Star of Charity by Guangdong Women and Children’s Foundation in 2012 and the Bronze Bauhinia Star by the Hong Kong Government in 2014.

Dr. Chan was conferred with Honorary Doctor of Commerce from The University of West Alabama, U.S.A. in 2008, Honorary Doctorate in Management from Lincoln University, U.S.A. in 2009 and Honorary Fellowship Award from Canadian Chartered Institute of Business Administration in 2009.

Mr. Shum Hong Kuen, David, aged 68, has been an Executive Director of the Company since 2007. He has been a member of the Executive Committee and the Cotai Project Committee of the Board since 2009 and 2015 respectively. Mr. Shum was a member of the Nomination Committee of the Board from 2008 to February 2019. He is also a director of a number of principal subsidiaries of the Company. Mr. Shum has been a director of SJM Resorts since 2007 and of Sociedade de Turismo e Desenvolvimento Insular S.A.R.L. since 1998. He is an executive director and a member of the executive committee of the board of directors of Shun Tak (listed on the HKSE Main Board). Mr. Shum is also a director of a number of subsidiaries in the Shun Tak Group. He is a director and a shareholder of STDM.

Mr. Shum holds a Bachelor's degree from the University of Illinois, Urbana-Champaign, U.S.A. and a Master's degree in Business Administration from the University of California, Berkeley, U.S.A. He is a fellow member of the Hong Kong Institute of Directors.

Non-executive Director

Mr. Tsang On Yip, Patrick, aged 50, was elected as a Non-executive Director of the Company in June 2019. He has been a supervisory committee member of SJM Resorts and certain of its subsidiaries since March 2019. He is the chief executive officer and a director of Chow Tai Fook Enterprises Limited. Mr. Tsang currently holds directorships in five companies listed on the HKSE Main Board, namely, executive director of i-CABLE Communications Limited, UMP Healthcare Holdings Limited and Melbourne Enterprises Limited and non-executive director of Greenheart Group Limited and Integrated Waste Solutions Group Holdings Limited. He was a managing director and Head of Asia Fixed Income Capital Markets at Deutsche Bank AG, Hong Kong Branch before joining Chow Tai Fook Enterprises Limited. Mr. Tsang has extensive finance and investment expertise acquired over a 20-year career in investment banking.

Mr. Tsang is an appointed representative of Many Town Company Limited, a corporate director of STDM, a director of Chow Tai Fook (Holding) Limited, a governor of Chow Tai Fook Charity Foundation Limited, a founder and a director of CTFE Social Solutions Limited, a member of the Election Committee, a General Committee member of the Employers' Federation of Hong Kong and a member of the 12th Henan Provincial Committee of CPPCC.

Mr. Tsang holds a Bachelor of Arts degree in Economics from Columbia College of Columbia University.

Independent Non-executive Directors

Mr. Tse Hau Yin, aged 74, has been an Independent Non-executive Director of the Company since 2007, the Chairman of the Audit Committee and a member of each of the Remuneration Committee and the Nomination Committee of the Board since 2008. He was appointed as a member of the Cotai Project Committee of the Board in 2015. Mr. Tse is the chairman of the Supervisory Committee of SJM Resorts and a number of its subsidiary companies.

Mr. Tse is an independent non-executive director of China Huarong Asset Management Company, Limited (“**China Huarong**”), China Telecom Corporation Limited (“**China Telecom**”), CNOOC Limited and Sinofert Holdings Limited, all of which are listed on the HKSE Main Board. In March 2021, an announcement was published by China Huarong that Mr. Tse has resigned as an independent non-executive director of China Huarong and the resignation shall be effective from the commencement of the term of office of the new independent non-executive director. In August 2022, an announcement was published by China Telecom that Mr. Tse has resigned as an independent non-executive director of China Telecom and the resignation shall be effective on the date of election of its proposed independent non-executive director at an extraordinary general meeting of China Telecom to be convened.

Mr. Tse was an independent non-executive director of OCBC Wing Hang Bank Limited, which was listed on the HKSE Main Board until October 2014 and no longer served as its independent non-executive director in June 2021.

Mr. Tse joined KPMG in 1976, became a partner in 1984 and retired in 2003. Between 1997 and 2000, he served as the non-executive chairman of KPMG’s operations in China and was a member of the KPMG China Advisory Board. Mr. Tse is currently a member of the International Advisory Council of The People’s Municipal Government of Wuhan.

Mr. Tse holds a Bachelor of Social Sciences degree from The University of Hong Kong. He is a fellow of the Institute of Chartered Accountants in England and Wales, and a fellow member, past president and a former member of the Audit Committee of the Hong Kong Institute of Certified Public Accountants. Mr. Tse is also a certified public accountant in Macau. He is a fellow member of The Hong Kong Institute of Directors.

Ms. Wong Yu Pok, Marina, aged 73, was elected as Independent Non-executive Director of the Company in June 2019. She has been a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board since June 2019. Ms. Wong was re-designated from a member to the Chairman of the Remuneration Committee of the Board in June 2022.

Ms. Wong is an independent non-executive director of Hong Kong Ferry (Holdings) Company Limited, Kerry Logistics Network Limited, Kerry Properties Limited and Luk Fook Holdings (International) Limited, companies listed on the HKSE Main Board.

Ms. Wong joined PricewaterhouseCoopers in 1968 and was responsible for the development of the firm's business in Mainland China since 1980. After her retirement as a partner from PricewaterhouseCoopers in July 2004, she joined Tricor Services Limited as a director from September 2004 to February 2006.

Ms. Wong is a member of a number of Government advisory and other bodies in Hong Kong and was the Chairman of The Applied Research Council up to February 2017. She is the Chartered President of Hong Kong Women Professionals & Entrepreneurs Association and Vice-Chairman of the Hong Kong Federation of Women. Ms. Wong was appointed as a Justice of the Peace in 2004.

An accountant by training, Ms. Wong is a fellow of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. She was conferred Honorary Fellow of City University of Hong Kong in 2008.

Mr. Yeung Ping Leung, Howard, aged 65, was elected as Independent Non-executive Director of the Company in May 2021. He has been a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board since May 2021.

Mr. Yeung has extensive experience in the businesses of property development, hotel operation and jewelry. He is an independent non-executive director of New World Development Company Limited and Miramar Hotel and Investment Company, Limited, both of which are listed on the HKSE Main Board.

Mr. Yeung graduated with a Bachelor's degree in Business Administration – Travel Industry Management from the University of Hawaii, U.S.A. in 1980.

Mr. Ho Hau Chong, Norman, aged 67, was elected as Independent Non-executive Director of the Company in June 2022. He has been a member of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Board since June 2022.

Mr. Ho has extensive skills, knowledge and professional experience in accounting and finance, mergers and acquisitions, risk management, strategic planning and various business sectors, including property development and investment, hotel management and transportation services. Mr. Ho is an executive director of Honorway Investments Limited and Tak Hung (Holding) Company, Limited and has over 30 years of experience in management and property development.

Mr. Ho is currently an executive director of Miramar Hotel and Investment Company, Limited and Vision Values Holdings Limited. He is also an independent non-executive director of Shun Tak, Hong Kong Ferry (Holdings) Company Limited and Lee Hing Development Limited, which are all listed on the HKSE Main Board.

Mr. Ho graduated from the University of Exeter in the United Kingdom with a Bachelors of Arts degree in 1976. He has also obtained professional qualification in accounting. Mr. Ho is currently a member of the Institute of Chartered Accountants in England and Wales and a fellow member of the Hong Kong Institute of Chartered Public Accountants.

Senior Management

The executive directors of the Company are regarded as senior management of the Group in view of the fact that they are directly responsible for overseeing the implementation of the Company's strategic objectives and the business operations of the Group.

Business address of the Directors and senior management

The business address of the Directors and senior management is the same as the Company's registered office at 18th Floor, China Merchants Tower, Shun Tak Centre, Nos. 168 – 200 Connaught Road Central, Hong Kong.

11. EXPENSES

The expenses in connection with the Rights Issue, including the printing, registration, translation, legal, financial advisory, accounting and other professional fees and underwriting fee, are estimated to be approximately HK\$18.2 million, which are payable by the Company.

12. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed "7. Expert and Consent" in this Appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by Section 38D of the Companies (WUMP) Ordinance.

13. LANGUAGE

The English texts of the Prospectus Documents shall prevail over its Chinese text in case of inconsistency.

14. BINDING EFFECT

The Prospectus Documents, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, so far as applicable.

15. DOCUMENTS ON DISPLAY

The following documents are available on the website of the Stock Exchange (<http://www.hkex.com.hk>) and the website of the Company (<http://www.sjmholdings.com>) for a period of 14 days from the date of this Prospectus:

- (i) the report on the unaudited pro forma financial information of the Group from Deloitte Touche Tohmatsu as set out in Appendix II to this Prospectus;
- (ii) the material contracts referred to in the paragraph headed “8. Material Contracts” in this Appendix;
- (iii) the written consent referred to in the paragraph headed “7. Expert and Consent” in this Appendix; and
- (iv) the Prospectus Documents.