

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its 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 this announcement.



澳門博彩控股有限公司
SJM HOLDINGS LIMITED

incorporated in Hong Kong with limited liability Stock Code : 880

CONNECTED TRANSACTIONS
ACQUISITION OF THE ENTIRE EQUITY INTERESTS
IN NYH EUROPEAN AND NYH ITALIAN

THE ACQUISITIONS

The Board announces that on 21 May 2024, the Purchasers, being subsidiaries of the Company, and the Vendors entered into the Transfer Agreements, pursuant to which (i) the Vendors agreed to sell and the Purchasers agreed to purchase the entire equity interests in the Target Companies (as more particularly described below), (ii) Panda agreed to assign and SJM Investment agreed to take assignment of the Shareholder's Loan, at a total consideration of MOP32,420,658 (equivalent to approximately HK\$31,476,367), and (iii) all accounts receivables and payables arising from the business operations of the Target Companies as from 31 January 2024 will be owned and borne by the Purchasers.

Pursuant to the Settlement Agreements, the consideration of the Shareholder's Loan of MOP32,370,658 (equivalent to approximately HK\$31,427,823) will be satisfied by way of set off against an equivalent amount of trade receivables (which is and will become) due from NYH to SJM Resorts. The remaining MOP50,000 (equivalent to approximately HK\$48,544) of the total consideration will be satisfied in cash. SJM Investment will also reimburse Panda in respect of business operation expenses of the two Target Companies advanced by Panda after 31 January 2024, subject to a cap of MOP1,000,000 (equivalent to approximately HK\$970,874) for each of the Target Companies, by way of the same set off mechanism mentioned above.

LISTING RULES IMPLICATIONS

STDM is a connected person of the Company under the Listing Rules by virtue of it being a controlling Shareholder, interested in approximately 54.81% of the issued Shares as at the date of this announcement. Each of Panda and NYH is indirectly wholly owned by STDM as at the date of this announcement and is a connected person of the Company under the Listing Rules by virtue of it being an associate of STDM. Accordingly, the Acquisitions constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

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

THE ACQUISITIONS

The Board announces that on 21 May 2024, the Purchasers, being subsidiaries of the Company, and the Vendors entered into the Transfer Agreements, pursuant to which (i) the Vendors agreed to sell and the Purchasers agreed to purchase the entire equity interests in the Target Companies (as more particularly described below), (ii) Panda agreed to assign and SJM Investment agreed to take assignment of the Shareholder's Loan, at a total consideration of MOP32,420,658 (equivalent to approximately HK\$31,476,367) and (iii) all accounts receivables and payables arising from the business operations of the Target Companies as from 31 January 2024 will be owned and borne by the Purchasers.

The principal terms of the Transfer Agreements are set out below.

The Transfer Agreements

Date

21 May 2024

Parties

- (1) Panda and STDM as the Vendors; and
- (2) SJM Investment and SJM F&B as the Purchasers.

Panda is an indirect wholly owned subsidiary of STDM incorporated for the principal business of operating the New Yaohan Department Store in Macau.

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

The Group's core business is the development and operation of casinos and related facilities in Macau. SJM Investment is an investment holding company and an indirect subsidiary of the Company. SJM F&B is a wholly owned subsidiary of SJM Investment and is principally engaged in the provision of food and beverage services.

Assets to be acquired

Pursuant to the Transfer Agreements, (i) the Vendors, being Panda and STDM, agreed to sell and the Purchasers, being SJM Investment and SJM F&B, agreed to purchase, 96% and 4% respectively of the equity interests in (a) NYH European at a consideration of MOP24,000 (equivalent to approximately HK\$23,301) and MOP1,000 (equivalent to approximately HK\$971) respectively; and (b) NYH Italian at a consideration of MOP24,000 (equivalent to approximately HK\$23,301) and MOP1,000 (equivalent to approximately HK\$971) respectively; (ii) Panda agreed to assign, and SJM Investment agreed to take assignment of the Shareholder's Loan in the carrying amount of MOP32,370,658 at a consideration of MOP32,370,658 (equivalent to approximately HK\$31,427,823); and (iii) all accounts receivables and payables arising from the business operations of the Target Companies as from 31 January 2024 will be owned and borne by the Purchasers.

Each of NYH European and NYH Italian, which was established in 2021, is principally engaged in the management and operation of food and beverage services including the operation of a restaurant currently under development in the New Yaohan Department Store in Grand Lisboa Palace.

The unaudited financial information of each of the Target Companies is as follows:

NYH European	For the year ended 31 December	
	2022	2023
	<i>Approximate amount</i>	<i>Approximate amount</i>
Net profit/(loss) before taxation and extraordinary items	MOP(20,000) (equivalent to HK\$(19,417))	MOP30,050 (equivalent to HK\$29,175)
Net profit/(loss) after taxation and extraordinary items	MOP(20,000) (equivalent to HK\$(19,417))	MOP30,050 (equivalent to HK\$29,175)
Net asset value/(capital deficiency)	MOP(5,050) (equivalent to HK\$(4,903))	MOP25,000 (equivalent to HK\$24,272)

NYH Italian**For the year ended 31 December**

	2022	2023
	<i>Approximate amount</i>	<i>Approximate amount</i>
Net profit/(loss) before taxation and extraordinary items	MOP(20,000) (equivalent to HK\$(19,417))	MOP30,050 (equivalent to HK\$29,175)
Net profit/(loss) after taxation and extraordinary items	MOP(20,000) (equivalent to HK\$(19,417))	MOP30,050 (equivalent to HK\$29,175)
Net asset value/(capital deficiency)	MOP(5,050) (equivalent to HK\$(4,903))	MOP25,000 (equivalent to HK\$24,272)

The original acquisition cost of Panda and STDM in their respective equity interest in each of the Target Companies are MOP24,000 (equivalent to approximately HK\$23,301) and MOP1,000 (equivalent to approximately HK\$971) respectively, representing their respective capital contributions to each of the Target Companies.

Consideration

The total consideration for the Acquisitions is MOP32,420,658 (equivalent to approximately HK\$31,476,367) which was determined after arm's length negotiations between the Parties based on (i) the unaudited net asset of NYH European and NYH Italian as at 31 January 2024 of MOP25,000 (equivalent to approximately HK\$24,272) and MOP25,000 (equivalent to approximately HK\$24,272) respectively, and (ii) the carrying value of the Shareholder's Loan of MOP32,370,658 (equivalent to approximately HK\$31,427,823).

Payment Terms

Pursuant to the Settlement Agreements, the consideration for the assignment of the Shareholder's Loan of MOP32,370,658 (equivalent to approximately HK\$31,427,823) has been and will be satisfied by way of set off against an equivalent amount of trade receivables (which is and will become) due from NYH to SJM Resorts. The remaining MOP50,000 (equivalent to approximately HK\$48,544) of the total consideration was satisfied by cash upon completion. SJM Investment will also reimburse Panda in respect of the business operation expenses of the two Target Companies advanced by Panda after 31 January 2024, subject to a cap of MOP1,000,000 (equivalent to approximately HK\$970,874) for each of the Target Companies, by way of the same set off mechanism mentioned above. It is expected that the total consideration for the Acquisitions and the reimbursement amount of up to MOP2,000,000 (equivalent to approximately HK\$1,941,748) will be fully settled by the Purchasers by December 2024.

Completion

Completion of the transfer of the equity interests of the Target Companies from the Vendors to the Purchasers and the assignment of Shareholder's Loan by Panda to SJM Investment took place immediately upon the signing of Transfer Agreements and the Settlement Agreements.

Following completion of the Acquisitions, the Target Companies became subsidiaries of the Company and the financial position as well as the results of the Target Companies will be consolidated into the financial statements of the Group.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS

In line with SJM Resorts' commitment to non-gaming investment, the Directors believe that the entering into of the Transfer Agreements and the Settlement Agreements is beneficial to the Company and the Shareholders as a whole as this could bring the following benefits to the Company:

- (a) as part of our mass market and overseas promotion strategy leveraging the Group's culinary expertise, the Acquisitions are conducive to optimising the mix of the Group's food and beverage offerings in Grand Lisboa Palace within our control that could appeal to the Group's target customers so that the dining and beverage options in Grand Lisboa Palace could be further geared toward the mass market crowd and include a broader range of international restaurants and cafes; and
- (b) the Acquisitions would facilitate the Group to have much greater flexibility and control in terms of opening, pricing, cost allocation, marketing strategies, positioning and branding of its food and beverage business, better targeting of its customers, and consolidation of control over the operation and development of the restaurants under development owned by the Target Companies which are expected to draw higher traffic to both gaming and other non-gaming facilities at Grand Lisboa Palace.

As disclosed above, the consideration of the Acquisitions will be satisfied (i) partly through a set-off against an equivalent amount of trade receivables (which is and will become) due from time to time from NYH to SJM Resorts and (ii) partly by way of cash. This set-off settlement method was chosen in order to simplify administration and reduce the need for cash exchange. The Acquisitions presented a good opportunity for SJM Investment to offset the outstanding balance due from NYH as well as future receivables which will become due from NYH as deferred payment of part of the consideration for the Acquisitions, and at the same time to purchase the equity interests of the Target Companies which own two restaurants already under development in the New Yaohan Department Store in Grand Lisboa Palace.

The Board (excluding the Abstained Directors but including all independent non-executive Directors) considers the transactions contemplated under the Transfer Agreements and the Settlement Agreements are in the ordinary and usual course of business, in the interests of the Company and the Shareholders as a whole and the terms of the Transfer Agreements and the Settlement Agreements are on normal commercial terms and fair and reasonable.

LISTING RULES IMPLICATIONS

STDM is a connected person of the Company under the Listing Rules by virtue of it being a controlling Shareholder, interested in approximately 54.81% of the issued Shares as at the date of this announcement. Each of Panda and NYH is indirectly wholly owned by STDM as at the date of this announcement and is a connected person of the Company under the Listing Rules by virtue of it being an associate of STDM. Accordingly, the Acquisitions constitute connected transactions for the Company under Chapter 14A of the Listing Rules.

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

The Directors confirmed that, save for the Abstained Directors, none of them have a material interest in the Transfer Agreements, the Settlement Agreements and the transactions contemplated thereunder. The Abstained Directors were absent from the Board meeting of the Company while the relevant resolution was being discussed and have abstained from voting on the Board resolution on approving the Transfer Agreements, the Settlement Agreements and the transactions contemplated thereunder.

DEFINITIONS

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

“Abstained Directors”	Ms. Ho Chiu Fung, Daisy, Deputada Leong On Kei, Angela, Dr. Chan Un Chan, Mr. Shum Hong Kuen, David and Mr. Tsang On Yip, Patrick, who are regarded as having a material interest in the transactions contemplated under the Transfer Agreements and the Settlement Agreements in view of their interests in the STDM Group, were absent from the relevant Board meeting of the Company while the relevant resolution was being discussed and have abstained from voting on the Board resolution on such transactions contemplated under the Transfer Agreements and the Settlement Agreements
“Acquisitions”	the acquisition of the entire equity interests in NYH European and NYH Italian by the Purchasers from the Vendors and the assignment of Shareholder's Loan from Panda to SJM Investment in accordance with the terms and conditions under the Transfer Agreements and the Settlement Agreements
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company

“Company”	SJM Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Main Board of Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Grand Lisboa Palace”	the entire areas of the buildings located in the Cotai area of Macau, adjacent to Avenida do Aeroporto and Rua de Ténis (including a casino, a shopping mall, hotel and other ancillaries erected thereon)
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“MOP”	Macanese Pataca, the lawful currency of Macau
“NYH”	NYH Gestão de Vendas a Retalho Limitada, an indirect wholly owned subsidiary of STD M and the ultimate beneficial owner of which is STD M
“NYH European”	NYH Cozinha Fina Europeia Companhia Limitada (in Portuguese) NYH European Fine Cuisine Company Limited (in English), one of the Target Companies
“NYH Italian”	NYH Cozinha Fina Italiana Companhia Limitada (in Portuguese) NYH Italian Fine Cuisine Company Limited (in English), one of the Target Companies
“Panda”	Panda, Sociedade de Gestão de Investimentos, Limitada (in Portuguese), an indirect wholly owned subsidiary of STD M, the ultimate beneficial owner of which is STD M, and one of the Vendors
“Party(ies)”	the party(ies) to the Transfer Agreements
“Purchasers”	SJM Investment and SJM F&B

“Settlement Agreements”	the settlement agreements dated 21 May 2024 entered into between Panda, NYH, SJM Resorts and SJM Investment on the set-off arrangement in respect of the consideration for the assignment of the Shareholder’s Loan and the reimbursement of the operation expenses of the Target Companies advanced by Panda after 31 January 2024 provided by the Transfer Agreements against an equivalent amount of trade receivables due from NYH to SJM Resorts
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder’s Loan”	the loan of MOP19,425,828 (equivalent to approximately HK\$18,860,027) and MOP12,944,830 (equivalent to approximately HK\$12,567,796) due and owing from NYH European and NYH Italian respectively to Panda
“SJM F&B”	SJM – Serviços de Alimentos e Bebidas, Limitada (in Portuguese) SJM – F&B Services Limited (in English), a limited liability company by quotas incorporated under the laws of Macau and a wholly owned subsidiary of SJM Investment
“SJM Investment”	SJM – Investimentos Limitada (in Portuguese) SJM – Investment Limited (in English), a limited liability company by quotas incorporated under the laws of Macau and an indirect subsidiary of the Company
“SJM Resorts”	SJM Resorts, S.A. (in Portuguese) SJM Resorts, Limited (in English) (name changed from Sociedade de Jogos de Macau, S.A. on 9 June 2021), a joint stock company “ <i>sociedade anónima</i> ” incorporated under the laws of Macau and a subsidiary of the Company
“STDM”	Sociedade de Turismo e Diversões de Macau, S.A. (in Portuguese) Macau Tourism and Amusement Company Limited (in English), a joint stock company “ <i>sociedade anónima</i> ” incorporated under the laws of Macau, the controlling Shareholder and one of the Vendors
“STDM Group”	STDM and its subsidiaries (other than the Group) from time to time

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	NYH European and NYH Italian
“Transfer Agreements”	the equity and loan transfer agreements dated 21 May 2024 entered into between the Purchasers and the Vendors in respect of the Acquisitions
“Vendors”	Panda and STDM
“%”	per cent.

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

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

Hong Kong, 21 May 2024

As at the date of this announcement, the executive directors of the Company are Ms. Ho Chiu Fung, Daisy, Mr. Fok Tsun Ting, Timothy, Deputada Leong On Kei, Angela, Dr. Chan Un Chan and Mr. Shum Hong Kuen, David, the non-executive director of the Company is Mr. Tsang On Yip, Patrick and the independent non-executive directors of the Company are Mr. Tse Hau Yin, Ms. Wong Yu Pok, Marina, Mr. Yeung Ping Leung, Howard and Mr. Ho Hau Chong, Norman.