

HISTORY

SJM Holdings Limited was incorporated as a limited liability company in Hong Kong on 17 February 2006. Our operating subsidiary, SJM, conducts casino gaming operations and gaming-related activities in Macau. SJM and our other subsidiaries undertake a number of construction projects to develop resort-style hotel casinos and other gaming-related facilities, including retail facilities and food and beverage outlets, as well as the expansion and maintenance of our existing network of casinos.

STDM, our largest Controlling Shareholder, held the exclusive gaming concession from the Macau Government to engage in gaming operations in Macau from 1962 to 2002. STDM was incorporated in Macau and is owned by a number of corporate and individual shareholders. Dr. Ho alone is directly and indirectly interested in more than 30% of its equity share capital. In 2002, the MSAR liberalised the gaming industry by granting three gaming concessions to casino operators in Macau through an international tender process upon the expiration of the STDM concession. The Macau Government required all potential participants in the tender to meet certain qualification requirements before they could participate in the tender. Participants in the tender were required to be incorporated in Macau and engaged exclusively in the operation of casino games, with the exception that participants could also engage in gaming-related activities with prior approval from the Macau Government. SJM has received approval from the Macau Government to conduct Tombola. In addition, according to the Macau Gaming Law and the concession contracts, 10% of the new Concessionaire's issued share capital must be held by its managing director, who must be appointed by each Concessionaire and must be a permanent Macau resident.

In addition to casino gaming, STDM engaged in other businesses (including hospitality, property investments, financial services, overseas investments, real estate and infrastructure) prior to the incorporation of SJM. SJM was incorporated on 28 November 2001 to participate in the tender for the new gaming concession. As of 31 December 2006, SJM had an authorised, issued and paid up share capital of MOP200.0 million (HK\$194.2 million), which was divided into: 1,600,000 type I shares (privileged); 200,000 type II shares (privileged qualifying); and 200,000 type III shares (basic ordinary), all with a par value of MOP100.0 each. STDM, through STDM - Investments (a company controlled by STDM), held 1,600,000 type I shares and Dr. Ho held 200,000 type II shares. The holders of type I shares and type II shares each had the same rights, but type II shares were required to be held by the Managing Director. Each of the holders of type I and type II shares had additional voting rights over and above those attaching to holders of type III shares and, in particular, the holders of type I and type II shares ranked ahead of holders of type III shares in terms of their respective entitlements to distributions of dividends and, upon liquidation of SJM, distributions of assets. Holders of type I, type II and type III shares were entitled to one vote for every 40, 40 and 50 shares held, respectively. The holders of type I and type II shares received 15% of the early distributable profit, resolved to be distributed as dividends by SJM, and the balance of the amount resolved to be distributed was shared by all shareholders, including holders of type I and of type II shares, among themselves. Out of the net available assets of SJM upon its liquidation, holders of type I and type II shares were entitled to the return of the par value of the shares to them, with the balance (if any) being shared by all shareholders pro rata among themselves. United Glory and four senior management personnel between them held 200,000 type III shares in aggregate.

Upon SJM's receipt of the Concession on 1 April 2002, SJM acquired some of its gaming and gaming-related assets and equipment from STDM. As at 1 April 2002, SJM paid HK\$1,160.1 million

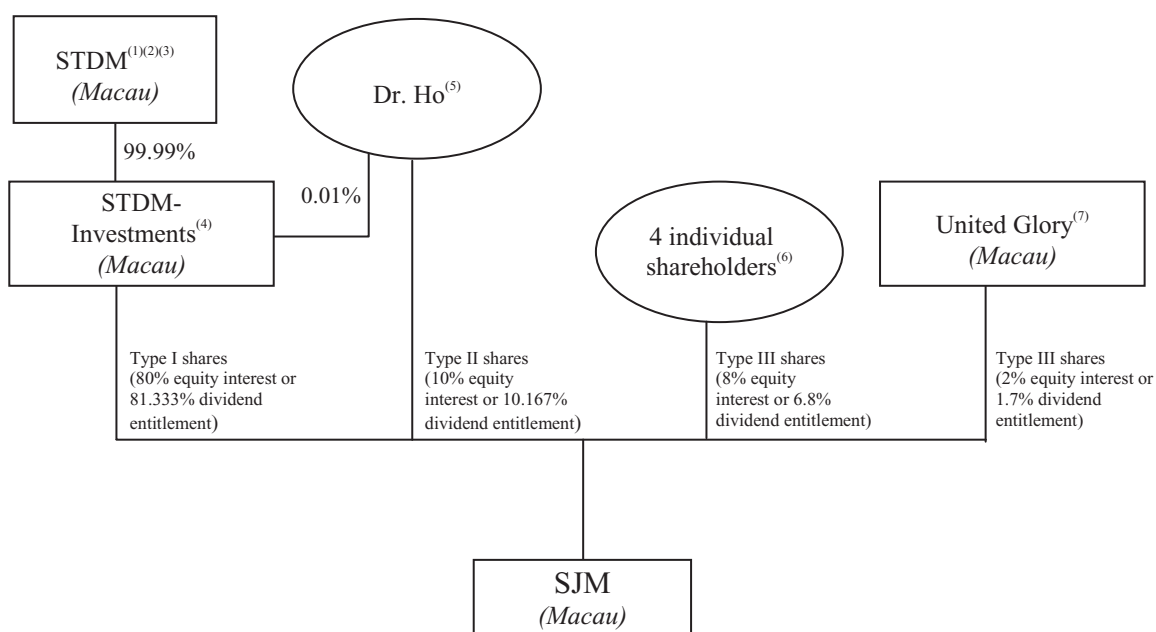
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in consideration for the acquisition of gaming and gaming-related assets of STDM; the consideration was based on the net book value of such gaming and gaming-related assets. We are not aware of any dispute over, nor any legal proceedings resulting from, the transfer of gaming assets by STDM to SJM. SJM also hired some former employees and management staff of STDM. In 2002, SJM, upon winning the tender (together with two other gaming operators), became one of the three casino gaming Concessionaires under Macau's concession regime. After the reversion of STDM's gaming assets to the Macau Government (as provided under Section 40 of the Macau Gaming Law and as stated in the Concession Contract), and the transfer of some of the gaming assets to SJM (as stated in the Concession Contract), STDM continued to engage in hospitality services, financial services, overseas investments, and real estate and infrastructure development and investment.

In May 2004, SJM and its subsidiaries purchased certain land use rights, bank balances and cash and amounts owed to fellow subsidiaries. This was achieved by the acquisition of the entire equity of Unido from its ultimate holding company for a consideration of HK\$383.4 million, which was based on the equivalent previous acquisition cost paid by the ultimate holding company for acquiring Unido. In March 2005, SJM and its subsidiaries disposed of certain of its subsidiaries, (Alfa, S.A., Breve, S.A., Terra C Sub, S.A., Dinâmica, S.A., Tempo-Desenvolvimento, S.A. and Propriedades Sub F, S.A.) for a total consideration of HK\$0.1 million. In May 2006, SJM and its subsidiaries also disposed of another subsidiary, Keentalent Investments Limited, for a consideration of HK\$8,000. In April 2007, SJM and its subsidiaries disposed of a 2% interest in Chong Fung for a consideration of MOP 5.0 million. As a result of such disposal, the Group's interest in Chong Fung reduced from 51% to 49% and Chong Fung ceased to be a subsidiary of the Company. For accounting purposes, Chong Fung has been treated as a jointly controlled entity of the Company before and after such disposal.

REORGANISATION

For the purpose of the Global Offering, our Company became the holding company of SJM as a result of the Reorganisation. Prior to the Reorganisation, the simplified shareholding structure of SJM was as follows:



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- (1) As at the Latest Practicable Date, STDM had 44 corporate and individual shareholders. Of these shareholders, Dr. Ho, together with Lanceford Co. Ltd., a company controlled by him, owns approximately 32.204% of the equity share capital of STDM. Henry Fok Foundation (being an Independent Third Party) and Interdragon, Limited own approximately 26.576% and 10.796% of the equity share capital of STDM, respectively. None of the remaining shareholders owns more than 10% of the equity share capital of STDM. Mr. Shum Hong Kuen, David and Ms. Leong On Kei, Angela, Directors of the Company, are also shareholders of STDM and are interested in approximately 0.732% and 0.235% of the equity share capital of STDM, respectively.

As at the Latest Practicable Date, the full list of shareholders based on share scripts sighted, deeds executed and decisions taken in certain court proceedings is as follows:

<u>Name of shareholder</u>	<u>Approximate percentage of equity interest in STDM</u>
Lanceford Co. Ltd.	26.816%
Henry Fok Foundation	26.576%
Interdragon, Limited	10.796%
Many Town Co. Ltd	9.606%
Ho Yuen Ki, Winnie [#]	7.347%
Ho Hung Sun, Stanley	5.388%
Shun Tak Holdings Ltd	4.985%
Hung Hin Chun	0.915%
Shum Kwok Kuen	0.915%
Shum Yue Tim	0.915%
Shum Hong Kuen, David	0.732%
Tsoi Fok Mo Kan	0.595%
Ho Yuen Wing, Louise	0.457%
Yip Yuen Yuen, Susie	0.457%
Fok Chan Yin Fong	0.457%
Leong On Kei, Angela	0.235%
Chan Un Chan	0.235%
Ho Yuen Hung, Nanette	0.223%
Lee To	0.183%
Chan Fook Shing	0.183%
Chan Fook Man	0.183%
Chan Fook Leung	0.183%
Lai Ho Shuk Chun	0.137%
Wong Luen Kong	0.137%
Wong Yiu Fai	0.137%
Ho Chiu King, Pansy	0.117%
Chui Yau	0.091%
Fung Yuen Chak	0.091%
Lei Mok Lan, Clara Lei	0.091%
Lei Pak Iu	0.091%
Yip Ping Yan	0.091%
Ung Lai Tong	0.091%
San Mimi Kit Yee	0.076%
Chan Kit Ying, Sandra	0.076%
Lui Kai Chiu	0.059%
Chung Shiu Man, Ivy	0.046%
Fung Shiu Wai	0.046%
Lee Chung To	0.046%
Tse Yuk Lin	0.046%
Chan Choi Mei	0.030%
Chan Yuen Ling, Elaine	0.030%
Chen Jianming	0.030%
Chan Kit Yuk	0.030%
To Pui King	0.023%
Total	100%

This list reflects the list of shareholders used for STDM shareholders' meetings pending the reconstitution of the share register of STDM. See "Risk Factors – Risks Relating to Our Business – We or SJM may become involved in, or be subject to, litigation from time to time, including litigation initiated by shareholders of STDM and/or its associate."

[#] Based on copy share scripts only. The purported transfer of shares from Ms. Ho Yuen Ki, Winnie to Moon Valley Foundation Limited is still pending.

- (2) Lanceford Co. Ltd is a company wholly-owned by Dr. Ho. Henry Fok Foundation is a charitable foundation established in Macau. Interdragon, Limited is directly owned as to 40% by STDM and indirectly owned as to 60% by Shun Tak Holdings. Many Town Co. Ltd is owned as to 93.30% by United Worldwide Investment S.A., 3.4% by Permanent Ltd., an Independent Third Party, and 3.3% by Braniff Assets Limited, an Independent Third Party, and United Worldwide Investment S.A. is in turn owned as to 50% by Cheng Yu Tung and 50% by Cheng Kar Shun.

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- (3) Based on information extracted from the 2007 annual report published by Shun Tak Holdings in April 2008, the shareholdings in the issued share capital of Shun Tak Holdings are as follows:

Shareholder	Approximate percentage of issued shares in Shun Tak Holdings
Dr. Ho ⁽ⁱ⁾	12.45%
STDM	11.32%
Shun Tak Shipping Company, Limited	13.23%
Ms. Pansy Ho ⁽ⁱⁱ⁾	8.89%
Ms. Daisy Ho ⁽ⁱⁱⁱ⁾	5.08%
Ms. Maisy Ho ^(iv)	1.06%
Other directors of Shun Tak Holdings	1.18%
Other public shareholders	<u>46.79%</u>
Total	<u>100.00%</u>

- (i) Including shares held by Sharikat Investments Limited, Dareset Limited and Lanceford Co. Limited, all of which are wholly-owned by Dr. Ho.
- (ii) Including shares held by Beeston Profits Limited and Classic Time Developments Limited, both of them are wholly-owned by Ms. Pansy Ho.
- (iii) Including shares held by St. Lukes Investments Limited, which is wholly-owned by Ms. Daisy Ho.
- (iv) Including shares held by LionKing Offshore Limited, which is wholly-owned by Ms. Maisy Ho.
- (4) STDM directly holds 99.99% interest in STDM - Investments. The remaining 0.01% interest is held by Dr. Ho.
- (5) Dr. Ho is also a shareholder of STDM and is directly and indirectly interested in approximately 32.204% of the entire issued share capital of STDM.
- (6) The four individuals are Dr. So Shu Fai (holding 4% equity interest or 3.4% dividend entitlement), Mr. Ng Chi Sing (holding 3% equity interest or 2.55% dividend entitlement), Ms. Leong On Kei, Angela (holding 0.5% equity interest or 0.425% dividend entitlement) and Mr. Rui José da Cunha (holding 0.5% equity interest or 0.425% dividend entitlement). Dr. So Shu Fai and Mr. Ng Chi Sing are also shareholders of United Glory and are each interested in approximately 1% of the entire issued share capital of United Glory. Ms. Leong On Kei, Angela is also a shareholder of STDM and is interested in approximately 0.235% of the entire issued share capital of STDM.
- (7) In 2002, by way of a shareholders' resolution passed by STDM, STDM granted 10% equity interest in the shares of SJM to SJM's key employees. United Glory was incorporated as a corporate entity holding the share interests of some of these key employees of SJM.

The major steps of the Reorganisation involved the following:

The type I, II and III shares of SJM were each redefined as type A shares with each type A share having the same rights. Accordingly, the shareholdings of each holder of type I, II and III shares have been re-adjusted amongst all shareholders based on the respective dividend entitlement of their shares.

On 21 August 2007, SJM shareholders resolved to increase the issued share capital of SJM from MOP200.0 million (HK\$194.2 million) to MOP300.0 million (HK\$291.3 million), by the creation of 1,000,000 new shares to be paid up by applying the reserves of SJM in favour of all SJM shareholders. Of the 1,000,000 new shares, 700,000 shares are type A shares and 300,000 shares are type B shares. The par value of each of the type A and type B shares is MOP100. The 700,000 new type A shares were issued by SJM to the existing holders of type A shares on a pro-rata basis and at par, by applying the reserves of SJM. The 300,000 new type B shares were issued to SJM's managing director at par value, by applying the reserves of SJM, in order to satisfy the Macau law requirement that at least 10% of the issued share capital of a gaming Concessionaire is held by its managing director.

The type B shares have restricted rights and will only entitle the holder of these shares an aggregate amount of up to MOP 1 of the dividends payable. Moreover, upon liquidation of SJM, the rights attaching to the type B shares are limited to a liquidation payment of a maximum amount equal to the total par value of these type B shares.

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For the characteristics of the type B shares, please see “— Ownership of and Control over SJM.”

In consideration of the then holders of type A shares of SJM transferring their shareholdings in SJM to us, we issued and allotted our Shares to them in proportion to their then shareholdings in SJM. For the purpose of satisfying the Macau law requirement that a Macau limited liability company must have a minimum of three shareholders, one type A share of SJM was subsequently transferred by the Company to SJM Holdings (Nominee) Limited, a company wholly-owned by the Company.

The Macau Government has approved the transfers of shares in SJM to us, in support of the listing of our Shares on the Stock Exchange; and its approval was given on the basis that, if the approval of the Stock Exchange of such listing of our Shares has not been given on or before 31 December 2008, the shares of SJM have to be re-transferred to the original shareholders. Therefore, the transfers of shares in SJM to us were made on terms that if listing approval of the Stock Exchange is not given on or before 31 December 2008 (or such later date as may be permitted by the Macau Government), those shares have to be re-transferred to the original shareholders for a nominal consideration of HK\$1.

The table below sets out the subsidiaries which the Group acquired or disposed of during the Track Record Period:

<u>Name of the subsidiary acquired</u>	<u>Consideration (HK\$ million)</u>	<u>Basis of consideration</u>
Sociedade de Desenvolvimento Unido de Macau S.A.R.L.	383.4	STDM’s original investment cost
<u>Name of the subsidiary disposed of</u>	<u>Consideration (HK\$)</u>	<u>Basis of consideration</u>
Chong Fung ⁽¹⁾	4,854,368	Market price
Keentalent Investments Limited ⁽²⁾	8,000	At cost
Alfa, S.A. ⁽²⁾ , Breve, S.A. ⁽²⁾ , Dinâmica, S.A. ⁽²⁾ , Propriedades Sub F, S.A. ⁽²⁾ , Tempo-Desenvolvimento, S.A. ⁽²⁾ , Terra C Sub, S.A. ⁽²⁾	— ⁽³⁾	— ⁽³⁾

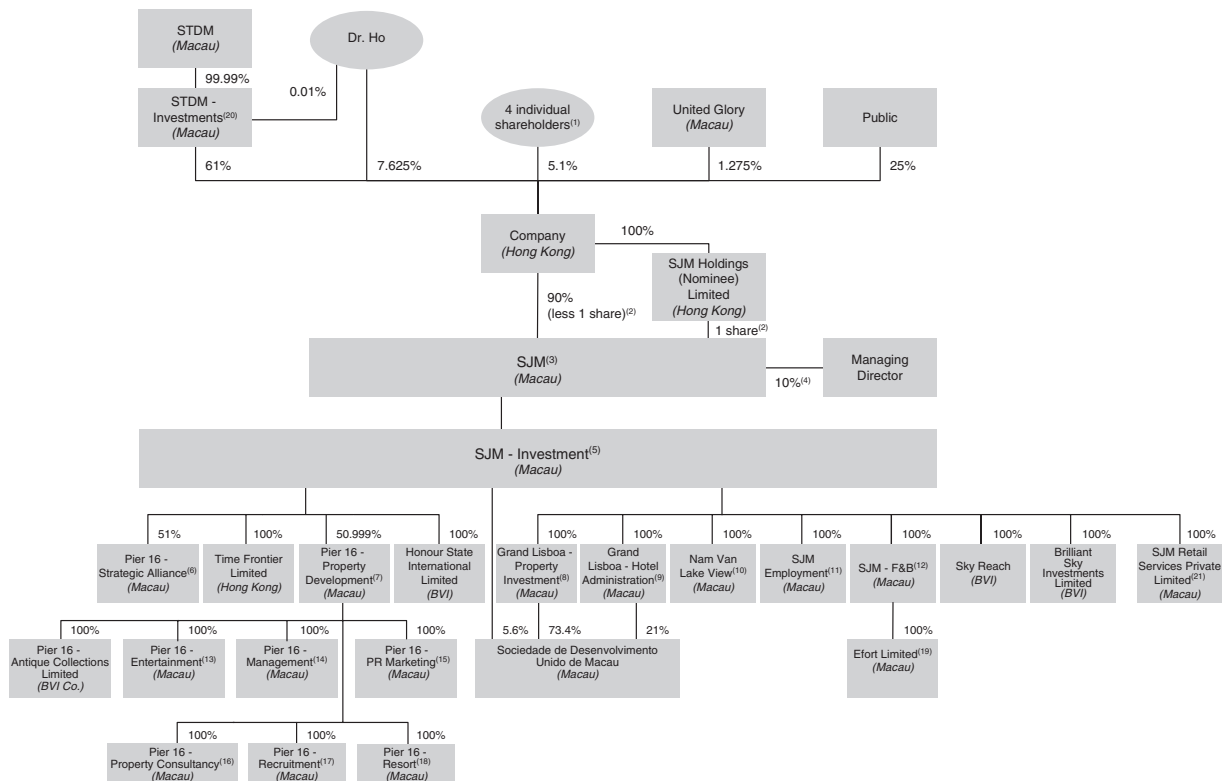
(1) Chong Fung is a property investment company.

(2) Dormant at the time of disposal.

(3) Disposal of these subsidiaries was made in connection with the MGM Sub-Concession Agreement and consideration cannot be segregated individually. The total consideration for the disposal of Alfa, S.A., Breve, S.A., Dinâmica, S.A., Propriedades Sub F, S.A., Tempo-Desenvolvimento, S.A. and Terra C Sub, S.A. was HK\$0.1 million.

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Immediately after the Reorganisation and the Global Offering (assuming that the Over-Allotment Option is not exercised), the simplified shareholding and corporate structure of our Company will be as follows:



- (1) The four individual shareholders are Dr. So Shu Fai (holding 2.550% equity interest), Mr. Ng Chi Sing (holding 1.913% equity interest), Mr. Rui José da Cunha (holding 0.319% equity interest) and Ms. Leong On Kei, Angela (holding 0.319% equity interest).
- (2) The aggregate 90% interest of the Company and SJM Holdings (Nominee) Limited in the issued share capital of SJM is equivalent to 100% interest of the type A shares in SJM, therefore corresponding to 100% minus 1 pataca of the economic interest of SJM.
- (3) The Company directly holds 2,699,999 shares in SJM and it also indirectly, through our wholly-owned subsidiary, SJM Holdings (Nominee) Limited, holds the remaining one share in SJM.
- (4) Dr. Ho is the managing director of SJM. His 10% interest in the issued share capital of SJM is equivalent to 100% interest of the type B shares in SJM.
- (5) SJM directly holds 99.9% interest in SJM - Investment and it also indirectly, through our wholly-owned subsidiary, Charm Class Limited, holds the remaining 0.1% in SJM - Investment.
- (6) The remaining interest in Pier 16 - Strategic Alliance is indirectly owned as to 49% by Macau Success Limited, a company incorporated under the laws of Bermuda whose shares are listed on the Stock Exchange and a substantial shareholder of Pier 16 - Strategic Alliance.
- (7) The remaining interest in Pier 16 - Property Development is directly owned as to 49% by World Fortune Limited incorporated in Hong Kong, a subsidiary of Macau Success Limited, and as to 0.001% by our wholly owned subsidiary Vast Base Limited.
- (8) SJM - Investment directly holds 99.8% interest in Grand Lisboa - Property Investment and it also indirectly, through its wholly-owned subsidiary Mega Profit Limited which in turn through its two wholly-owned subsidiaries, Full Extent Limited and Sharp Outlook Limited, holds the remaining 0.2% in Grand Lisboa - Property Investment.
- (9) SJM - Investment directly holds 99.8% interest in Grand Lisboa - Hotel Administration and it also indirectly, through its wholly-owned subsidiary Mega Profit Limited which in turn through its two wholly-owned subsidiaries, Sure Vision Limited and Power Boost Limited, holds the remaining 0.2% in Grand Lisboa - Hotel Administration.
- (10) SJM - Investment directly holds 99.9% interest in Nam Van Lake View and it also indirectly, through our wholly-owned subsidiary, Vast Base Limited, holds the remaining 0.1% in Nam Van Lake View.
- (11) SJM - Investment directly holds 99% interest in SJM Employment and it also indirectly, through our wholly-owned subsidiary, Winning Reward Limited, holds the remaining 1% in SJM Employment.
- (12) SJM - Investment directly holds 96% interest in SJM - F&B and it also indirectly, through its wholly-owned subsidiary Mega Profit Limited which in turn through its wholly-owned subsidiary Power Boost Limited, holds the remaining 4% in SJM - F&B.
- (13) Pier 16 - Property Development directly holds 96% interest in Pier 16 - Entertainment and it also indirectly, through our indirectly non-wholly owned subsidiary, Early Success Limited, holds the remaining 4% in Pier 16 - Entertainment.

- (14) Pier 16 - Property Development directly holds 96% interest in Pier 16 - Management and it also indirectly, through our indirectly non-wholly owned subsidiary, Early Success Limited, holds the remaining 4% in Pier 16 - Management.
- (15) Pier 16 - Property Development directly holds 96% interest in Pier 16 - PR Marketing and it also indirectly, through our indirectly non-wholly owned subsidiary, Early Success Limited, holds the remaining 4% in Pier 16 - PR Marketing.
- (16) Pier 16 - Property Development directly holds 96% interest in Pier 16 - Property Consultancy and it also indirectly, through our indirectly non-wholly owned subsidiary, Early Success Limited, holds the remaining 4% in Pier 16 - Property Consultancy.
- (17) Pier 16 - Property Development directly holds 96% interest in Pier 16 - Recruitment and it also indirectly, through our indirectly non-wholly owned subsidiary, Early Success Limited, holds the remaining 4% in Pier 16 - Recruitment.
- (18) Pier 16 - Property Development directly holds 96% interest in Pier 16 - Resort and it also indirectly, through our indirectly non-wholly owned subsidiary, Early Success Limited, holds the remaining 4% in Pier 16 - Resort.
- (19) SJM - Investment directly holds 96% interest in Efort Limited. The remaining 4% in Efort Limited, is owned by SJM - F&B which is owned as to 96% by SJM - Investment and as to 4% by a wholly-owned subsidiary Power Boost Limited.
- (20) See note (4) under the paragraph headed "Reorganisation".
- (21) SJM - Investment directly holds 96% interest in SJM Retail Services Private Limited and it also indirectly, through our wholly-owned subsidiary, Merry Year Limited, holds the remaining 4% in SJM Retail Services Private Limited.
- (22) For principal activities engaged by the subsidiaries, please refer to I-1 and I-2 of the Accountants' Report in this Prospectus.

Ownership of and Control over SJM

As a result of the Reorganisation, the Company, although only owning 90% of the issued share capital of SJM, will directly or indirectly have effectively 100% economic interest in SJM and will have 90% voting control of SJM. This is due to the special characteristics of type B shares as explained below.

Characteristics of type B shares

The characteristics of type B shares as set out in the articles of association of SJM are summarised below:

- **Voting power:** As the type B shares amount to 10% of the issued share capital of SJM, the holder of type B shares has 10% voting right at any general meeting of SJM.
- **Dividend entitlement:** The type B shares will only entitle the holder of these shares up to an aggregate amount of MOP 1 of the dividends payable.
- **Change of law:** If Macau law changes so that a mandatory holding of 10% of the issued share capital of SJM by its managing director is no longer required, the type B shares shall be compulsorily re-purchased by SJM at par and be cancelled and, as a consequence, the Company will own 100% of the then issued share capital of SJM.
- **Change of managing director:** Any termination of service or replacement of the managing director will trigger a compulsory purchase by SJM of the type B shares and a subsequent transfer of type B shares to the new managing director. The compulsory purchase and the subsequent transfer of type B shares by SJM shall always be at par.
- **Maintenance of shareholdings:** If the issued share capital of SJM is increased, SJM will also issue new type B shares on a pro rata basis to the managing director at par, so as to maintain type B shares at 10% of the total issued share capital of SJM at any time for compliance with Macau law.
- **Liquidation:** Upon liquidation of SJM, the rights attaching to the type B shares are limited to a liquidation payment of up to a maximum equal to the total par value of these type B shares.

To alter or amend the articles of association of SJM, including amendments of the characteristics of type B shares in SJM, a special resolution is required. In accordance with the articles

of association of SJM, a special resolution must be passed in a general meeting if shareholders representing more than three-fourths of the share capital of SJM are present or represented at the meeting and if the resolution is passed by more than two-thirds of the votes of the shareholders present or represented at the meeting. The holder of type B shares is not entitled to vote in a general meeting on any matters in which he has a conflict of interest. In any event, the holder of type B shares, having only 10% of the total voting power at a shareholders' meeting of SJM, will not be able to block the passing of any resolutions at any such shareholders' meeting of SJM.

Protection in Articles against Improper Alteration to the Characteristics of the Type B Shares in SJM

The Articles of Association of the Company contain provisions that guard against the improper alteration of the characteristics of the type B shares in SJM by Interested Shareholders (as defined below) of the Company. According to the Articles, any Shareholders' resolution that, if implemented, proposes or decides for or against or otherwise has the effect of changing, varying or in any way altering the characteristics of the type B shares in SJM at any time in future, such resolution must be passed by way of a special resolution in the manner as described in the paragraph below. Furthermore, in accordance with the Articles, no director will be entitled to vote on any matter relating to a B Shares Resolution (as defined below) in which he or any of his associates is/are materially interested at any meeting of our Board, to avoid any potential conflict of interest.

The Articles further provide that if any resolution or other corporate action of our Company is proposed which may in any way affect, directly or indirectly, any characteristics of the type B shares in SJM in any respect (each a "B Shares Resolution") then, a shareholders' meeting of our Company must be held to consider the B Shares Resolution. Any such B Shares Resolution must be passed by a special majority vote of the Independent Shareholders (as defined below). B Shares Resolutions include, without limitation:

- a resolution of the Company proposing or approving or disapproving a resolution to be passed by SJM to authorise the issue of further type B shares in SJM to the managing director, such that his aggregate holding of type B shares will exceed 10% of the total issued share capital of SJM or the issue of any similar shares to the managing director;
- a resolution of the Company proposing or approving or disapproving a resolution to be passed by SJM to modify the rights, restrictions, or characteristics of the type B shares in SJM as described in the paragraph headed "Ownership of and Control over SJM" above; or
- any other actions of the Company that constitute or could give rise to an alteration of any of the characteristics of the type B shares in SJM.

As provided in the Articles, for any proposed B Shares Resolution, the following Shareholders will not be entitled to vote in any such shareholders' meeting of the Company: the holder of the type B shares; his associates (as defined under the Listing Rules); and any other persons who are otherwise connected with him (who are for that reason or otherwise directly or indirectly interested in the alteration or whose interests are different from the other Shareholders of the Company) (such Shareholders together the "Interested Shareholders"). Only Shareholders who are not Interested Shareholders (the "Independent Shareholders") will be entitled to vote on any B Shares Resolutions.

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In accordance with the Articles, any such B Shares Resolution must be passed by way of a special majority vote of the Independent Shareholders, as follows:

- the B Shares Resolution is approved by at least 75% of the votes attaching to the shares held by the Independent Shareholders and such votes are cast either in person or by proxy at a duly convened meeting of the Independent Shareholders; and
- the number of votes cast against the B Shares Resolution at such meeting is not more than 10% of the votes attaching to all shares held by the Independent Shareholders.

Furthermore, the Articles also contain a provision that any amendment to the Articles which would have the effect of amending, removing or overriding any provision of the Articles relating to the characteristics of type B shares in SJM (as mentioned above) requires approval by the same special majority of Independent Shareholders as is required for approval of a B Shares Resolution. For further details, please refer to the section headed “Summary of Articles of Association—Matters Requiring Special Majority Votes” in this Prospectus.

Therefore, without the approval of the Company, the above characteristics of type B shares cannot be altered. As mentioned above, for any proposed B Shares Resolutions to be passed, independent shareholders’ approval must first be obtained.