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澳門博彩控股有限公司 SJM HOLDINGS LIMITED

incorporated in Hong Kong with limited liability Stock Code : 880

ANNOUNCEMENT

2018 FIRST QUARTER SELECTED UNAUDITED KEY PERFORMANCE INDICATORS

The board of directors (the “**Board**”) of SJM Holdings Limited (the “**Company**”) hereby announces selected unaudited key performance indicators of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 31 March 2018 (“**Q1 2018**”) to enable its shareholders, investors and the public to better appraise the position and business performance of the Group.

2018 FIRST QUARTER HIGHLIGHTS (UNAUDITED)

- Net Gaming Revenue¹ of the Group in Q1 2018 increased by 6.7% from Q1 2017 to HK\$8,410 million.
- Adjusted EBITDA² of the Group in Q1 2018 increased by 17.0% over Q1 2017 to HK\$987 million.
- Adjusted EBITDA Margin³ of the Group in Q1 2018 increased to 11.5% from 10.5% in Q1 2017.
- Profit attributable to owners of the Company in Q1 2018 increased by 25.8% over Q1 2017 to HK\$730 million. The increase was mainly due to an increase in mass market gross gaming revenue in self-promoted casinos.
- The Group’s gross gaming revenue accounted for 14.7% of Macau’s casino gaming revenue during Q1 2018, as compared with 16.9% in Q1 2017.
- The Group maintained a strong and liquid financial position, with HK\$19,842 million of cash, bank balances and pledged bank deposits and HK\$11,835 million of debt as at 31 March 2018.
- The Grand Lisboa Palace, the Group’s integrated resort on Cotai continued to make progress on construction in Q1 2018.

1 Gross gaming revenue less commissions and incentives

2 Earnings after adjustment for non-controlling interests and before accounting for interest income and expense, tax, depreciation and amortisation, donations, gain on disposal of property and equipment and share-based payments

3 Adjusted EBITDA divided by total net revenue (net gaming revenue plus hotel, catering, retail and related services revenue)

Year-to-Date Comparison (unaudited)

	Three months ended 31 March		
	2018	2017	Increase
	<i>HK\$ million</i>	<i>HK\$ million</i>	
Total Net Revenue	8,597	8,028	7.1%
Net Gaming Revenue	8,410	7,881	6.7%
Profit Attributable to Owners of the Company	730	580	25.8%
Adjusted EBITDA	987	843	17.0%
Adjusted EBITDA Margin	11.5%	10.5%	

Gaming revenue, net of commissions and incentives of HK\$2,506 million (Q1 2017: HK\$2,553 million), earned by Sociedade de Jogos de Macau, S.A., a subsidiary of the Company, was HK\$8,410 million in Q1 2018, an increase of 6.7% from Q1 2017.

During Q1 2018, the Group's VIP gross gaming revenue was HK\$4,881 million, a decrease of 1.1% from HK\$4,936 million in Q1 2017, mass market gross gaming revenue was HK\$5,741 million, an increase of 9.5% from HK\$5,241 million, and slot machine gross gaming revenue was HK\$294 million, an increase of 14.6% from HK\$257 million. The Group's total net revenue during Q1 2018 of HK\$8,597 million included hotel, catering, retail and related services revenue of HK\$187 million (Q1 2017: HK\$147 million).

With the adoption of a new accounting standard (Hong Kong Financial Reporting Standard 15 — Revenue from Contracts with Customers) beginning on 1 January 2018, the comparative figures of gaming revenue in 2017 have been restated to conform with the current period's presentation.

Year-to-Date Comparison (unaudited)

	Three months ended 31 March		
	2018	2017	Increase/ (Decrease)
	<i>HK\$ million</i>	<i>HK\$ million</i>	
VIP Gross Gaming Revenue	4,881	4,936	(1.1%)
Mass Market Gross Gaming Revenue	5,741	5,241	9.5%
Slot Machine Gross Gaming Revenue	294	257	14.6%
Gross Gaming Revenue	10,916	10,434	4.6%
Commissions and incentives	(2,506)	(2,553)	(1.8%)
Net Gaming Revenue	8,410	7,881	6.7%

During Q1 2018, the Group operated an average of 284 VIP gaming tables (Q1 2017: 315), 1,417 mass market gaming tables (Q1 2017: 1,375) and 2,700 slot machines (Q1 2017: 2,549) (average of three month-end counts).

Total VIP chips sales for the Group during Q1 2018 were HK\$178.0 billion (Q1 2017: HK\$157.7 billion) and the VIP gaming hold percentage (before commissions and incentives) was 2.74% (Q1 2017: 3.13%).

Key Results for the Group's Casinos — Q1 2018

	Gross Gaming Revenue <i>HK\$ million</i>	Adjusted EBITDA <i>HK\$ million</i>
Casino Grand Lisboa	3,925	559
Other Self-promoted Casinos ¹	1,524	198
Satellite Casinos ²	5,467	195
1 Casino Lisboa, Casino Oceanus at Jai Alai (including casino area in the Jai Alai building) and Casino Taipa		
2 Sixteen third party-promoted casinos		

The Group's Adjusted EBITDA Margin was 11.5% in Q1 2018, as compared with 10.5% in Q1 2017.

If the Group's revenue is adjusted to include only the net revenue contribution after reimbursed expenses of the Group's satellite casinos, the Group's Adjusted EBITDA Margin would be 24.7% (Q1 2017: 22.4%).

Unrealised fair value loss in available-for-sale investment in equity securities amounting to HK\$10 million in Q1 2018 has been recognised in other comprehensive expense and accumulated under investment revaluation reserve.

During Q1 2018, the Grand Lisboa Hotel achieved an average occupancy rate of 97.2% and average room rate of HK\$1,582 per night, as compared with average occupancy rate of 93.5% and average room rate of HK\$1,585 per night in Q1 2017.

Capital expenditure of the Group during Q1 2018 was HK\$1,338 million, which was primarily for construction in progress. As at 31 March 2018, the Group had total cash, bank balances and pledged bank deposits of HK\$19,842 million and debt of HK\$11,835 million.

By order of the Board
SJM Holdings Limited
So Shu Fai

Executive Director and Chief Executive Officer

Hong Kong, 2 May 2018

As at the date of this announcement, the executive directors of the Company are Dr. Ho Hung Sun, Stanley, Dr. So Shu Fai, Mr. Ng Chi Sing, Mr. Fok Tsun Ting, Timothy, Ms. Ho Chiu Fung, Daisy, Deputada Leong On Kei, Angela and Mr. Shum Hong Kuen, David, the non-executive director of the Company is Dr. Cheng Kar Shun and the independent non-executive directors of the Company are Mr. Chau Tak Hay, Dr. Lan Hong Tsung, David, Hon. Shek Lai Him, Abraham and Mr. Tse Hau Yin.