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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 THIRD QUARTER AND YEAR-TO-DATE 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 30 September 2018 (“**Q3 2018**”) and the nine months ended 30 September 2018 to enable its shareholders, investors and the public to better appraise the position and business performance of the Group.

2018 THIRD QUARTER AND YEAR-TO-DATE HIGHLIGHTS (UNAUDITED)

- Net Gaming Revenue¹ of the Group in Q3 2018 was HK\$8,328 million, an increase of 9.5% from Q3 2017, and for the nine months ended 30 September 2018, Net Gaming Revenue was HK\$25,171 million, an increase of 9.6% from the first nine months of 2017.
- Adjusted EBITDA² of the Group in Q3 2018 was HK\$919 million, an increase of 26.7% over Q3 2017, and for the nine months ended 30 September 2018, Adjusted EBITDA was HK\$2,878 million, an increase of 28.9% from the first nine months of 2017.
- Adjusted EBITDA Margin³ of the Group in Q3 2018 increased to 10.8% from 9.4% in Q3 2017, and for the nine months ended 30 September 2018 increased to 11.2% from 9.5% in the first nine months of 2017.
- Profit attributable to owners of the Company in Q3 2018 was HK\$707 million, an increase of 65.1% over Q3 2017, and for the nine months ended 30 September 2018, profit attributable to owners of the Company was HK\$2,205 million, an increase of 59.4% from the first nine months of 2017.

- Gross gaming revenue of Casino Grand Lisboa was HK\$4,174 million, an increase of 11.8% from Q3 2017, whilst its Adjusted EBITDA was HK\$496 million, an increase of 18.6%. For the nine months ended 30 September 2018, Casino Grand Lisboa's gross gaming revenue was HK\$12,123 million, an increase of 9.3% from the first nine months of 2017, whilst its Adjusted EBITDA was HK\$1,588 million, an increase of 25.6%.
 - The Group maintained a strong and liquid financial position, with HK\$20,204 million of cash, bank balances and pledged bank deposits and HK\$15,437 million of debt as at 30 September 2018.
 - Construction of the Grand Lisboa Palace, the Group's integrated resort on Cotai, is proceeding apace and the Group is looking forward to its opening in 2019.
- 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, share-based payments, and write-back of/provision for impairment losses on property and equipment.
 - 3 Adjusted EBITDA divided by total net revenue (net gaming revenue plus hotel, catering, retail and related services revenue)

	Third Quarter			Nine months ended 30 September		
	2018 <i>HK\$</i> <i>million</i>	2017 <i>HK\$</i> <i>million</i>	Increase	2018 <i>HK\$</i> <i>million</i>	2017 <i>HK\$</i> <i>million</i>	Increase
Total Net Revenue	8,510	7,759	9.7%	25,706	23,432	9.7%
Net Gaming Revenue	8,328	7,606	9.5%	25,171	22,968	9.6%
Profit Attributable to Owners of the Company	707	428	65.1%	2,205	1,383	59.4%
Adjusted EBITDA	919	726	26.7%	2,878	2,233	28.9%
Adjusted EBITDA Margin	10.8%	9.4%		11.2%	9.5%	

Gaming revenue, net of commissions and incentives of HK\$2,619 million (Q3 2017: HK\$2,457 million), earned by Sociedade de Jogos de Macau, S.A., a subsidiary of the Company, was HK\$8,328 million in Q3 2018, an increase of 9.5% from Q3 2017.

During Q3 2018, the Group's VIP gross gaming revenue was HK\$5,039 million, an increase of 6.6% from HK\$4,728 million in Q3 2017, mass market gross gaming revenue was HK\$5,623 million, an increase of 10.6% from HK\$5,084 million, and slot machine gross gaming revenue was HK\$285 million, an increase of 13.7% from HK\$251 million. The Group's total net revenue during Q3 2018 of HK\$8,510 million included hotel, catering, retail and related services revenue of HK\$182 million (Q3 2017: HK\$153 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.

	Third Quarter			Nine months ended 30 September		
	2018 <i>HK\$</i> <i>million</i>	2017 <i>HK\$</i> <i>million</i>	Increase	2018 <i>HK\$</i> <i>million</i>	2017 <i>HK\$</i> <i>million</i>	Increase
VIP Gross Gaming Revenue	5,039	4,728	6.6%	14,996	14,546	3.1%
Mass Market Gross Gaming Revenue	5,623	5,084	10.6%	17,111	15,219	12.4%
Slot Machine Gross Gaming Revenue	<u>285</u>	<u>251</u>	13.7%	<u>867</u>	<u>770</u>	12.5%
Gross Gaming Revenue	10,947	10,063	8.8%	32,974	30,535	8.0%
Commissions and incentives	<u>(2,619)</u>	<u>(2,457)</u>	6.6%	<u>(7,803)</u>	<u>(7,567)</u>	3.1%
Net Gaming Revenue	<u><u>8,328</u></u>	<u><u>7,606</u></u>	9.5%	<u><u>25,171</u></u>	<u><u>22,968</u></u>	9.6%

During Q3 2018 the Group operated an average of 291 VIP gaming tables (Q3 2017: 290), 1,408 mass market gaming tables (Q3 2017: 1,368) and 2,637 slot machines (Q3 2017: 2,632) (average of three month-end counts).

Total VIP chips sales for the Group during Q3 2018 were HK\$166 billion (Q3 2017: HK\$148 billion), and the VIP gaming hold percentage (before commissions and discounts) was 3.04% (Q3 2017: 3.20%).

Key Results for the Group's Casinos				
	Q3 2018		Nine months ended 30 September 2018	
	Gross Gaming Revenue <i>HK\$ million</i>	Adjusted EBITDA <i>HK\$ million</i>	Gross Gaming Revenue <i>HK\$ million</i>	Adjusted EBITDA <i>HK\$ million</i>
Casino Grand Lisboa	4,174	496	12,123	1,588
Other Self-promoted Casinos ¹	1,604	248	4,638	650
Satellite Casinos ²	5,169	158	16,213	553

1 Casino Lisboa, Casino Oceanus at Jai Alai (including the casino area in the Jai Alai building) and Casino Taipa

2 Sixteen third party-promoted casinos

Unrealised fair value gain in investment in equity securities designated at fair value through other comprehensive income amounting to HK\$18 million in Q3 2018 has been recognised in other comprehensive income and accumulated under investment revaluation reserve.

During Q3 2018, the Grand Lisboa Hotel achieved an average occupancy rate of 94.0% and average room rate of HK\$1,458 per night, as compared with average occupancy rate of 90.8% and average room rate of HK\$1,576 per night in Q3 2017.

Capital expenditure of the Group during Q3 2018 was HK\$1,861 million, which was primarily for construction in progress and furniture, fixtures and equipment. As at 30 September 2018, the Group had total cash, bank balances and pledged bank deposits of HK\$20,204 million and total debt of HK\$15,437 million.

IMPORTANT NOTE

Shareholders and potential investors should be advised that the above financial data relates only to certain parts of the Group's operations and is based on the Group's internal records and management accounts. The above financial data has not been reviewed or audited by independent auditors and is not a forecast of the performance of the Group as a whole. The Board cautions shareholders and potential investors not to rely unduly on such data and to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 30 October 2018

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. So Shu Fai, Mr. Ng Chi Sing, Dr. Chan Un Chan 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.