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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

2019 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 2019 (“**Q3 2019**”) and the nine months ended 30 September 2019 to enable its shareholders, investors and the public to better appraise the position and business performance of the Group.

2019 THIRD QUARTER AND YEAR-TO-DATE HIGHLIGHTS (UNAUDITED)

- Net Gaming Revenue¹ of the Group in Q3 2019 was HK\$8,059 million, a decrease of 3.2% from Q3 2018, and for the nine months ended 30 September 2019, Net Gaming Revenue was HK\$24,779 million, a decrease of 1.6% from the first nine months of 2018.
- Adjusted EBITDA² of the Group in Q3 2019 was HK\$950 million, an increase of 3.4% over Q3 2018, and for the nine months ended 30 September 2019, Adjusted EBITDA was HK\$3,029 million, an increase of 5.2% from the first nine months of 2018.
- Adjusted EBITDA Margin³ of the Group in Q3 2019 increased to 11.5% from 10.8% in Q3 2018, and for the nine months ended 30 September 2019 increased to 12.0% from 11.2% in the first nine months of 2018.
- Profit attributable to owners of the Company in Q3 2019 was HK\$738 million, an increase of 4.5% over Q3 2018, and for the nine months ended 30 September 2019, profit attributable to owners of the Company was HK\$2,417 million, an increase of 9.6% from the first nine months of 2018.

**2019 THIRD QUARTER AND YEAR-TO-DATE HIGHLIGHTS (UNAUDITED)
(CONTINUED)**

- Gross gaming revenue of Casino Grand Lisboa was HK\$2,799 million, a decrease of 33.0% from Q3 2018, whilst its Adjusted EBITDA was HK\$524 million, an increase of 5.7%. For the nine months ended 30 September 2019, Casino Grand Lisboa's gross gaming revenue was HK\$9,658 million, a decrease of 20.3% from the first nine months of 2018, whilst its Adjusted EBITDA was HK\$1,709 million, an increase of 7.6%.
- The Group maintained a strong and liquid financial position, with HK\$16,023 million of cash, bank balances and pledged bank deposits and HK\$15,329 million of debt as at 30 September 2019.
- Construction of the Grand Lisboa Palace, the Group's integrated resort on Cotai, is nearing completion and the Group expects pre-operating government inspections to begin shortly.

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		
	2019 <i>HK\$</i> <i>million</i>	2018 <i>HK\$</i> <i>million</i>	Increase/ (decrease)	2019 <i>HK\$</i> <i>million</i>	2018 <i>HK\$</i> <i>million</i>	Increase/ (decrease)
Total Net Revenue	8,240	8,510	(3.2%)	25,314	25,706	(1.5%)
Net Gaming Revenue	8,059	8,328	(3.2%)	24,779	25,171	(1.6%)
Profit Attributable to						
Owners of the Company	738	707	4.5%	2,417	2,205	9.6%
Adjusted EBITDA	950	919	3.4%	3,029	2,878	5.2%
Adjusted EBITDA Margin	11.5%	10.8%		12.0%	11.2%	

Gaming revenue, net of commissions and incentives of HK\$1,434 million (Q3 2018: HK\$2,619 million), earned by Sociedade de Jogos de Macau, S.A., a subsidiary of the Company, was HK\$8,059 million in Q3 2019, a decrease of 3.2% from Q3 2018.

During Q3 2019, the Group's VIP gross gaming revenue was HK\$2,890 million, a decrease of 42.6% from HK\$5,039 million in Q3 2018, mass market gross gaming revenue was HK\$6,305 million, an increase of 12.1% from HK\$5,623 million, and slot machine gross gaming revenue was HK\$298 million, an increase of 4.6% from HK\$285 million.

The Group's total net revenue during Q3 2019 of HK\$8,240 million included hotel, catering, retail and related services revenue of HK\$181 million (Q3 2018: HK\$182 million).

	Third Quarter			Nine months ended 30 September		
	2019 HK\$ million	2018 HK\$ million	Increase/ (decrease)	2019 HK\$ million	2018 HK\$ million	Increase/ (decrease)
VIP Gross Gaming Revenue	2,890	5,039	(42.6%)	10,345	14,996	(31.0%)
Mass Market Gross Gaming Revenue	6,305	5,623	12.1%	18,707	17,111	9.3%
Slot Machine Gross Gaming Revenue	298	285	4.6%	873	867	0.7%
Gross Gaming Revenue	9,493	10,947	(13.3%)	29,925	32,974	(9.2%)
Commissions and incentives	(1,434)	(2,619)	(45.2%)	(5,146)	(7,803)	(34.0%)
Net Gaming Revenue	8,059	8,328	(3.2%)	24,779	25,171	(1.6%)

During Q3 2019 the Group operated an average of 286 VIP gaming tables (Q3 2018: 291), 1,503 mass market gaming tables (Q3 2018: 1,408) and 2,563 slot machines (Q3 2018: 2,637) (average of three month-end counts).

Total VIP chips sales for the Group during Q3 2019 were HK\$93 billion (Q3 2018: HK\$166 billion), and the VIP gaming hold percentage (before commissions and discounts) was 3.10% (Q3 2018: 3.04%).

Key Results for the Group's Casinos				
	Q3 2019		Nine months ended 30 September 2019	
	Gross Gaming Revenue HK\$ million	Adjusted EBITDA HK\$ million	Gross Gaming Revenue HK\$ million	Adjusted EBITDA HK\$ million
Casino Grand Lisboa	2,799	524	9,658	1,709
Other Self-promoted Casinos ¹	1,631	323	4,655	907
Satellite Casinos ²	5,063	129	15,612	460

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 loss in investment in equity securities designated at fair value through other comprehensive expense amounting to HK\$55 million in Q3 2019 has been recognised in other comprehensive expense and accumulated under investment revaluation reserve.

During Q3 2019, the Grand Lisboa Hotel achieved an average occupancy rate of 91.3% and average room rate of HK\$1,516 per night, as compared with average occupancy rate of 94.0% and average room rate of HK\$1,458 per night in Q3 2018.

Capital expenditure of the Group during Q3 2019 was HK\$1,084 million, which was primarily for construction in progress and furniture, fixtures and equipment. As at 30 September 2019, the Group had total cash, bank balances and pledged bank deposits of HK\$16,023 million and total debt of HK\$15,329 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, 29 October 2019

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 Mr. Tsang On Yip, Patrick and the independent non-executive directors of the Company are Mr. Chau Tak Hay, Hon. Shek Lai Him, Abraham, Mr. Tse Hau Yin and Ms. Wong Yu Pok, Marina.