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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

2022 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 2022 (“**Q1 2022**”) to enable its shareholders, investors and the public to better appraise the position and business performance of the Group.

2022 FIRST QUARTER HIGHLIGHTS (UNAUDITED)

- Net gaming revenue¹ of the Group in Q1 2022 was HK\$2,350 million, as compared with HK\$2,412 million in Q1 2021.
- Adjusted EBITDA² of the Group in Q1 2022 was negative HK\$474 million, as compared with negative HK\$319 million in Q1 2021.
- Adjusted EBITDA Margin³ of the Group in Q1 2022 was negative 18.7%, as compared with negative 12.9% in Q1 2021.
- Loss attributable to owners of the Company was HK\$1,282 million in Q1 2022, as compared with a loss HK\$647 million in Q1 2021.
- The Grand Lisboa Palace, the Group’s integrated resort on Cotai, opened its doors to the public on 30 July 2021. Gross revenue of Grand Lisboa Palace in Q1 2022 was HK\$271 million, including gross gaming revenue of HK\$156 million and non-gaming revenue of HK\$115 million. After adjusting for pre-opening expenses of HK\$132 million, its Adjusted Property EBITDA⁴ was negative HK\$216 million.
- Grand Lisboa’s gross revenue in Q1 2022 was HK\$592 million including gross gaming revenue HK\$551 million and non-gaming revenue HK\$41 million, as compared with gross gaming revenue HK\$585 million and non-gaming revenue HK\$36 million in Q1 2021, whilst its Adjusted Property EBITDA was negative HK\$128 million, as compared with negative HK\$143 million in Q1 2021.

2022 FIRST QUARTER HIGHLIGHTS (UNAUDITED) (CONTINUED)

- The Group had HK\$1,750 million of cash, bank balances, short-term bank deposits and pledged bank deposits and HK\$22,811 million of debt as at 31 March 2022.
- On 28 February 2022 the Group extended the maturity of its syndicated banking facilities, originally consisting of a HK\$15 billion term loan and a HK\$10 billion revolving credit, of which HK\$13.3 billion was outstanding, until 28 February 2023. The Group expects to complete a refinancing of these facilities within the coming quarter.

¹ Net gaming revenue is gross gaming revenue less commissions and incentives.

² Adjusted EBITDA is earnings or losses after adjustment for non-controlling interests and before accounting for interest income and expense, tax, depreciation and amortisation, donations, loss on disposal/write-off of property and equipment, bank charges for bank loans, gain on early repayment of a bank loan, loss on modification of a bank loan, sub-concession fee income and pre-opening expenses.

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

⁴ Adjusted Property EBITDA is earnings or losses before accounting for interest income and expense, tax, depreciation and amortisation, donations, loss on disposal/write-off of property and equipment, bank charges for bank loans, gain on early repayment of a bank loan, loss on modification of a bank loan, sub-concession fee income, pre-opening expenses and corporate costs, and before elimination of inter-company consumption.

Year-to-Date Comparison (unaudited)

	Three months ended 31 March		
	2022	2021	Increase/ (Decrease)
	HK\$ million	HK\$ million	
Total net revenue	2,538	2,478	2.4%
Net gaming revenue	2,350	2,412	(2.6%)
Loss attributable to owners of the Company	(1,282)	(647)	(98.3%)
Adjusted EBITDA	(474)	(319)	(48.4%)
Adjusted EBITDA Margin	(18.7%)	(12.9%)	

Gaming revenue, net of commissions and incentives of HK\$191 million (Q1 2021: HK\$240 million), earned by SJM Resorts, S.A., a subsidiary of the Company, was HK\$2,350 million in Q1 2022, a decrease of 2.6% from Q1 2021.

During Q1 2022, the Group's VIP gross gaming revenue was HK\$344 million, a decrease of 29.1% from HK\$485 million in Q1 2021, mass market gross gaming revenue was HK\$2,058 million, an increase of 0.3% from HK\$2,051 million, and slot machine gross gaming revenue was HK\$139 million, an increase of 19.5% from HK\$116 million.

The Group's total net revenue during Q1 2022 of HK\$2,538 million included hotel, catering, retail, leasing and related services revenue of HK\$188 million (Q1 2021: HK\$66 million).

The following tables summarises the results of Self-promoted and Satellite Casinos' activity:

	Three months ended 31 March		
	2022	2021	Increase/ (Decrease)
	<i>HK\$ million</i>	<i>HK\$ million</i>	
VIP Gross Gaming Revenue	344	485	(29.1%)
Mass Market Gross Gaming Revenue	2,058	2,051	0.3%
Slot Machine Gross Gaming Revenue	<u>139</u>	<u>116</u>	19.5%
Gross Gaming Revenue	2,541	2,652	(4.2%)
Commissions and incentives	<u>(191)</u>	<u>(240)</u>	(20.5%)
Net Gaming Revenue	<u><u>2,350</u></u>	<u><u>2,412</u></u>	(2.6%)

Casino Grand Lisboa Palace Statistics				
	Three months ended 31 March			
	2022	2021	Variance	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	%
Revenues:				
Mass Market	141	—	141	—
Slot	<u>15</u>	<u>—</u>	<u>15</u>	—
Gross Gaming Revenues	156	—	156	—
Mass Table Drop	905	—	905	—
Mass Table Win	141	—	141	—
Non-Rolling Chip Win %	15.5%	—	—	15.5 pts
Slot Handle	339	—	339	—
Slot Win	15	—	15	—
Slot Win %	4.6%	—	—	4.6 pts

Casino Grand Lisboa Statistics

	Three months ended 31 March			Variance	%
	2022	2021	HK\$ million		
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>		
Revenues:					
VIP	240	215	25		11.3%
Mass Market	269	325	(56)		(17.2%)
Slot	<u>42</u>	<u>45</u>	<u>(3)</u>		(5.5%)
Gross Gaming Revenues	551	585	(34)		(5.9%)
VIP Chip Sales Volume	5,709	7,413	(1,704)		(23.0%)
Win	240	215	25		11.3%
Hold %	4.2%	2.9%	—		1.3 pts
Mass Table Drop	1,216	1,472	(256)		(17.4%)
Mass Table Win	269	325	(56)		(17.2%)
Non-Rolling Chip Win %	22.1%	22.1%	—		—
Slot Handle	802	911	(109)		(12.0%)
Slot Win	42	45	(3)		(5.5%)
Slot Win %	5.3%	4.9%	—		0.4 pts

Other Self-promoted Casino Statistics

	Three months ended 31 March			Variance	%
	2022	2021	HK\$ million		
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>		
Revenues:					
VIP	—	1	(1)		(100.0%)
Mass Market	313	342	(29)		(8.4%)
Slot	<u>39</u>	<u>32</u>	<u>7</u>		20.2%
Gross Gaming Revenues	352	375	(23)		(6.2%)
VIP Chip Sales Volume	—	51	(51)		(100.0%)
Win	—	1	(1)		(100.0%)
Hold %	—	2.3%	—		(2.3 pts)
Mass Table Drop	2,333	2,411	(78)		(3.2%)
Mass Table Win	313	342	(29)		(8.4%)
Non-Rolling Chip Win %	13.4%	14.2%	—		(0.8 pts)
Slot Handle	775	683	92		13.5%
Slot Win	39	32	7		20.2%
Slot Win %	5.0%	4.7%	—		0.3 pts

Satellite Casino Statistics

	Three months ended 31 March			
	2022	2021	Variance	%
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	
Revenues:				
VIP	104	269	(165)	(61.0%)
Mass Market	1,335	1,384	(49)	(3.6%)
Slot	43	39	4	8.0%
Gross Gaming Revenues	1,482	1,692	(210)	(12.4%)

The following table summarises the key results for the Group:

Adjusted Property EBITDA for Group				
	Three months ended 31 March			
	2022	(re-class) 2021	Variance	%
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	
Grand Lisboa Palace	(216)	—	(216)	—
Grand Lisboa	(128)	(143)	15	10.5%
Other Self-promoted ¹	(104)	(120)	16	13.8%
Satellite ²	34	20	14	71.9%
Total	(414)	(243)	(171)	(70.1%)

¹ Casino Lisboa, Casino Oceanus at Jai Alai (including gaming and non-gaming areas), Casino Eastern and Casino Taipa.

² Fourteen third party-promoted casinos.

The following table summarises the results of hotel room activity:

Hotel Statistics				
Three months ended 31 March				
	2022	2021	Variance	
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	%
Occupancy %				
Grand Lisboa Palace Resort ¹	39.9%	—	—	39.9 pts
Grand Lisboa Hotel	52.4%	52.5%	—	(0.1 pts)
Jai Alai Hotel	60.9%	43.5%	—	17.4 pts
Sofitel at Ponte 16	44.4%	48.4%	—	(4.0 pts)
Average Daily Rate (ADR)				
Grand Lisboa Palace Resort ¹	926	—	926	—
Grand Lisboa Hotel	671	699	(28)	(4.0%)
Jai Alai Hotel	170	202	(32)	(15.6%)
Sofitel at Ponte 16	470	447	23	5.2%
Revenue per Available Room (RevPAR)				
Grand Lisboa Palace Resort ¹	369	—	369	—
Grand Lisboa Hotel	352	367	(15)	(4.1%)
Jai Alai Hotel	104	88	16	18.3%
Sofitel at Ponte 16	209	217	(8)	(3.7%)

¹ Grand Lisboa Palace Resort included two hotel towers — the Grand Lisboa Palace and THE KARL LAGERFELD.

Unrealised fair value loss in investment in equity securities designated at fair value through other comprehensive income amounting to HK\$41 million in Q1 2022 has been recognised in other comprehensive expense and accumulated under investment revaluation reserve.

Capital expenditure of the Group during Q1 2022 was HK\$118 million, which was primarily for construction in progress and furniture, fixtures and equipment.

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, 3 May 2022

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, Dr. Chan Un Chan and Mr. Shum Hong Kuen, David, the non-executive directors of the Company are Mr. Ng Chi Sing and Mr. Tsang On Yip, Patrick and the independent non-executive directors of the Company are Mr. Chau Tak Hay, Mr. Tse Hau Yin, Ms. Wong Yu Pok, Marina and Mr. Yeung Ping Leung, Howard.