

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



澳門博彩控股有限公司 SJM HOLDINGS LIMITED

(incorporated in Hong Kong with limited liability)

(Stock Code: 880)

ANNOUNCEMENT

The board of directors (the “**Board**”) of SJM Holdings Limited (the “**Company**”) is pleased to announce selected unaudited key performance indicators of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 September 2014 (“**Q3 2014**”) and the nine months ended 30 September 2014 to enable its shareholders, investors and the public to better appraise the position and business performance of the Group.

2014 THIRD QUARTER AND THE NINE MONTHS HIGHLIGHTS (UNAUDITED)

- Profit attributable to owners of the Company in Q3 2014 decreased by 16.4% over Q3 2013 to HK\$1,528 million and for the nine months ended 30 September 2014 decreased by 4.0% from the first nine months of 2013 to HK\$5,430 million.
- Adjusted EBITDA¹ of the Group in Q3 2014 decreased by 14.3% over Q3 2013 to HK\$1,751 million and for the nine months ended 30 September 2014 decreased by 1.8% from the first nine months of 2013 to HK\$6,196 million.
- Adjusted EBITDA Margin² of the Group in Q3 2014 was 9.6%, the same margin as in Q3 2013 and for the nine months ended 30 September 2014 was 9.9%, the same margin as for the first nine months of 2013.
- Gaming revenue of the Group in Q3 2014 decreased by 14.1% from Q3 2013 to HK\$18,091 million and for the nine months ended 30 September 2014 decreased by 1.6% from the first nine months of 2013 to HK\$62,203 million.
- Gaming revenue of the Group’s flagship Casino Grand Lisboa decreased by 11.0% from Q3 2013 to HK\$6,878 million, whilst its Adjusted EBITDA decreased by 6.4% to HK\$999 million. For the nine months ended 30 September 2014, Casino Grand Lisboa’s gaming revenue decreased by 0.3% from the first nine months of 2013 to HK\$23,086 million, whilst its Adjusted EBITDA increased by 1.9% to HK\$3,423 million.
- The Group’s gaming revenues accounted for 22.5% of Macau’s casino gaming market during Q3 2014, as compared with 24.3% in Q3 2013 and 23.2% for the nine months ended 30 September 2014, as compared with 25.0% for the first nine months of 2013.
- The Group maintained a strong and liquid financial position, with HK\$24,588 million of cash and HK\$1,089 million of debt as at 30 September 2014.

¹ Earnings after adjustment for non-controlling interests and before accounting for interest income and expense, tax, depreciation and amortisation, donations, loss on disposal of property and equipment and share-based payments

² Adjusted EBITDA divided by total revenue

Adjusted EBITDA for the nine months ended 30 September 2014 decreased by HK\$116 million from the first nine months of 2013, being affected by the receipt of non-recurrent income from Macau Legend Development Limited of HK\$149 million in 2013, and the decrease in value of trading securities of HK\$117 million in 2014. Adjusted EBITDA of gaming segments improved by HK\$135 million in the nine months ended 30 September 2014 when compared with the first nine months of 2013. Profit attributable to owners of the Company decreased by HK\$225 million in the first nine months of 2014, being further affected by share-based payments of HK\$191 million in 2014 (HK\$0 in the first nine months of 2013).

During Q3 2014, the Group's VIP gaming revenue was HK\$10,375 million, a decrease of 23.6% from HK\$13,575 million in Q3 2013, mass market gaming revenue was HK\$7,359 million, an increase of 3.1% from HK\$7,141 million, and slot machine (and Tombola) revenue was HK\$357 million, an increase of 5.4% from HK\$339 million. The Group's total revenue during Q3 2014 of HK\$18,254 million included hotel, catering and related services revenue of HK\$163 million (Q3 2013: HK\$181 million).

During Q3 2014 the Group operated an average of 564 VIP gaming tables (Q3 2013: 585), 1,190 mass market gaming tables (Q3 2013: 1,186) and 2,806 slot machines (Q3 2013: 3,348) (average of three month-end counts).

Total VIP chips sales for the Group during Q3 2014 were HK\$360 billion (Q3 2013: HK\$488.8 billion), and the VIP gaming hold percentage (before commissions and discounts) was 2.88% (Q3 2013: 2.75%).

Key Results for the Group's Casinos

	Q3 2014		Nine months ended 30 September 2014	
	Gaming Revenue <i>HK\$ million</i>	Adjusted EBITDA <i>HK\$ million</i>	Gaming Revenue <i>HK\$ million</i>	Adjusted EBITDA <i>HK\$ million</i>
Casino Grand Lisboa	6,878	999	23,086	3,423
Other Self-promoted Casinos ¹	1,960	310	7,810	1,194
Satellite Casinos ²	9,253	382	31,307	1,345

¹ Casino Lisboa, Casino Oceanus at Jai Alai and one Tombola hall

² Fifteen third party-promoted casinos

The Group's Adjusted EBITDA Margin was 9.6% in Q3 2014, the same margin as in Q3 2013.

Unrealised fair value loss in an available-for-sale investment in equity securities amounting to HK\$299 million in Q3 2014 has been recognised in other comprehensive income and accumulated under investment revaluation reserve.

To be more comparable to casino companies reporting in the United States, commissions and discounts paid to players and promoters would be deducted from revenue before calculating Adjusted EBITDA Margin. Using this method, the Group's Adjusted EBITDA Margin for Q3 2014 was 16.2%. If the Group's revenue is further adjusted to include the net revenue of self-promoted casinos plus the net revenue contribution (after reimbursed expenses) of the Group's Satellite Casinos, the Group's Adjusted EBITDA Margin would be 29.0%. These alternative margin calculations are provided for the convenience of investors and other interested parties for the purpose of comparing the Group's results with other casino operating companies.

During Q3 2014, the Grand Lisboa Hotel achieved an average occupancy rate of 90.5% and average room rate of HK\$2,261 per night, as compared with average occupancy rate of 97.5% and average room rate of HK\$2,183 in Q3 2013.

Capital expenditure of the Group during Q3 2014 was HK\$1,228 million, which was primarily for construction in progress and furniture, fixtures and equipment. As at 30 September 2014, the Group had total cash of HK\$24,588 million and debt of HK\$1,089 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
So Shu Fai
Executive Director and Chief Executive Officer

Hong Kong, 10 November 2014

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, Dr. Rui José da Cunha, Deputada Leong On Kei, Angela, Mr. Shum Hong Kuen, David and Mr. Fok Tsun Ting, Timothy, 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.