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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

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The board of directors (the “**Board**”) of SJM Holdings Limited (the “**Company**”) hereby announces the audited consolidated annual results of the Company and its subsidiaries (collectively the “**Group**”) as follows.

FINANCIAL HIGHLIGHTS

	Year ended 31 December		Increase/ (Decrease)
	2021 HK\$ million	2020 HK\$ million	
Net gaming revenue	9,608	7,304	31.5%
Hotel, catering, retail, leasing and other income	592	359	64.7%
Adjusted EBITDA*	(1,581)	(2,089)	24.3%
Loss attributable to owners of the Company	(4,144)	(3,025)	(37.0%)
Loss per share			
— basic	HK(72.9) cents	HK(53.3) cents	(36.8%)
— diluted	HK(72.9) cents	HK(53.3) cents	(36.8%)

* 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, share-based payments, bank charges for bank loans, gain on early repayment of a bank loan, loss on derecognition of a bank loan, sub-concession fee income and pre-opening expenses.

PROPOSED FINAL DIVIDEND

The Board does not recommend any payment of final dividend for the year ended 31 December 2021 (2020: Nil).

OPERATING HIGHLIGHTS

- Net gaming revenue earned by SJM Resorts, S.A. (“SJM”), a subsidiary of the Company, was HK\$9,608 million in 2021, as compared with HK\$7,304 million for the year of 2020.
- Adjusted EBITDA of the Group was negative HK\$1,581 million, as compared with negative HK\$2,089 million for the year of 2020.
- Loss attributable to owners of the Company was HK\$4,144 million, as compared with a loss HK\$3,025 million for the year of 2020.
- SJM had a 12.3% share of Macau’s gross gaming revenue, including 16.3% of mass market table gaming revenue and 4.9% of VIP gaming revenue.
- The Grand Lisboa Palace, the Group’s integrated resort on Cotai, opened its doors to the public on 30 July 2021. In the initial phase opening, the resort offers luxury hotel rooms and suites, fine and casual dining, gaming, wellness and spa facilities and event spaces. As at 31 December 2021, the total Grand Lisboa Palace investment cost was HK\$38.2 billion. HK\$1,027 million pre-opening costs has been taken up for the year ended 31 December 2021.
- Gross revenue of Grand Lisboa Palace was HK\$370 million, including gross gaming revenue of HK\$200 million and non-gaming revenue of HK\$170 million. After adjusting the pre-opening expenses of HK\$1,027 million, its Adjusted Property EBITDA was negative HK\$423 million.
- Grand Lisboa’s gross revenue was HK\$2,322 million, including gross gaming revenue HK\$2,152 million and non-gaming revenue HK\$170 million, as compared with gross gaming revenue HK\$2,067 million and non-gaming revenue HK\$111 million for the year 2020, whilst its Adjusted Property EBITDA was negative HK\$522 million, as compared with negative HK\$1,006 million for the year 2020.
- Grand Lisboa Palace Resort’s occupancy rate was 48.7% and average room rate was HK\$914.
- Grand Lisboa Hotel’s occupancy rate increased by 40.9% to 58.8% for the full year, whilst the average room rate decreased by 56.2% to HK\$706.

FINANCING HIGHLIGHTS

- The Group had HK\$3,348 million of cash, bank balances, short-term bank deposits and pledged bank deposits and HK\$22,574 million of debt as at 31 December 2021. The Group has a revolving credit facility of HK\$10 billion, of which HK\$1.3 billion was undrawn as of 31 December 2021.
- 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.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	2021 HK\$ million	2020 HK\$ million
Gaming, hotel, catering, retail, leasing and related services revenues		<u>10,076.0</u>	<u>7,506.7</u>
Gaming revenue	4	9,607.9	7,304.2
Special gaming tax, special levy and gaming premium		<u>(4,185.8)</u>	<u>(3,368.2)</u>
		5,422.1	3,936.0
Hotel, catering, retail, leasing and related services income		468.1	202.5
Cost of sales and services on hotel, catering, retail, leasing and related services		(336.6)	(204.1)
Other income, gains and losses		124.0	156.9
Marketing and promotional expenses		(1,147.3)	(124.7)
Operating and administrative expenses		(8,376.8)	(7,103.8)
Finance costs	5	(343.3)	(31.7)
Share of profits of an associate		8.1	11.7
Share of profits of a joint venture		<u>5.0</u>	<u>4.8</u>
Loss before taxation	6	(4,176.7)	(3,152.4)
Taxation	7	<u>(21.4)</u>	<u>(22.5)</u>
Loss for the year		(4,198.1)	(3,174.9)
Other comprehensive expense:			
Item that will not be reclassified to profit or loss:			
Change in fair value of investments in equity instruments designated at fair value through other comprehensive income		<u>(73.3)</u>	<u>(313.7)</u>
Total comprehensive expense for the year		<u>(4,271.4)</u>	<u>(3,488.6)</u>
Loss for the year attributable to			
— owners of the Company		(4,143.7)	(3,024.9)
— non-controlling interests		<u>(54.4)</u>	<u>(150.0)</u>
		<u>(4,198.1)</u>	<u>(3,174.9)</u>
Total comprehensive expense for the year attributable to			
— owners of the Company		(4,217.0)	(3,338.6)
— non-controlling interests		<u>(54.4)</u>	<u>(150.0)</u>
		<u>(4,271.4)</u>	<u>(3,488.6)</u>
Loss per share			
— Basic	9	<u>HK(72.9) cents</u>	<u>HK(53.3) cents</u>
— Diluted	9	<u>HK(72.9) cents</u>	<u>HK(53.3) cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	<i>Notes</i>	2021 <i>HK\$ million</i>	2020 <i>HK\$ million</i>
Non-current assets			
Property and equipment		40,954.1	39,559.0
Right-of-use assets		2,994.9	3,353.4
Intangible asset		43.9	131.7
Art works and diamonds		281.3	281.3
Interest in an associate		353.5	347.7
Interest in a joint venture		144.8	139.8
Investments in equity instruments designated at fair value through other comprehensive income		481.1	554.4
Other assets		426.8	1,161.7
Pledged bank deposits		<u>—</u>	<u>145.6</u>
		<u>45,680.4</u>	<u>45,674.6</u>
Current assets			
Inventories		151.3	121.7
Trade and other receivables	<i>10</i>	726.1	798.0
Pledged bank deposits		147.0	1.4
Short-term bank deposits		177.2	818.2
Bank balances and cash		<u>3,024.2</u>	<u>5,307.6</u>
		<u>4,225.8</u>	<u>7,046.9</u>
Current liabilities			
Trade and other payables	<i>11</i>	5,517.8	7,730.8
Taxation payable		21.8	37.2
Bank loans — due within one year		13,185.9	5,272.2
Lease liabilities		<u>344.0</u>	<u>256.4</u>
		<u>19,069.5</u>	<u>13,296.6</u>
Net current liabilities		<u>(14,843.7)</u>	<u>(6,249.7)</u>
Total assets less current liabilities		<u>30,836.7</u>	<u>39,424.9</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*At 31 December 2021*

	2021	2020
	<i>HK\$ million</i>	<i>HK\$ million</i>
Non-current liabilities		
Other payables	87.6	66.7
Bank loans — due after one year	—	13,514.9
Unsecured notes	9,388.0	—
Lease liabilities	639.9	929.6
Amount due to non-controlling interests of a subsidiary	305.6	263.3
Deferred taxation	10.5	10.5
	<u>10,431.6</u>	<u>14,785.0</u>
Net assets	<u>20,405.1</u>	<u>24,639.9</u>
Capital and reserves		
Share capital	11,479.3	11,435.5
Reserves	8,864.2	13,092.6
Equity attributable to owners of the Company	20,343.5	24,528.1
Non-controlling interests	61.6	111.8
Total equity	<u>20,405.1</u>	<u>24,639.9</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is a public limited company incorporated in Hong Kong and acts as an investment holding company. The Company's ordinary shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Its subsidiaries are principally engaged in the development and operations of casinos and related facilities, and hotel, catering, retail, leasing and related services in Macau Special Administrative Region, the People's Republic of China ("**Macau SAR**"). Its ultimate holding company is Sociedade de Turismo e Diversões de Macau, S.A., a company established in Macau SAR. The address of registered office and principal place of business of the Company is 18th Floor, China Merchants Tower, Shun Tak Centre, Nos. 168-200 Connaught Road Central, Hong Kong.

The consolidated financial statements are presented in Hong Kong Dollars ("**HK\$**"), which is also the functional currency of the Company.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. The consolidated financial statements have also been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities ("**Listing Rules**") on the Stock Exchange and by the Hong Kong Companies Ordinance.

2.1 Application of amendments to HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform — Phase 2
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In addition, the Group has early applied the Amendment to HKFRS 16 Covid-19-Related Rent Concessions beyond 30 June 2021.

2. BASIS OF PREPARATION (Continued)

2.1 Application of amendments to HKFRSs (Continued)

Impacts on early application of Amendment to HKFRS 16 COVID-19-Related Rent Concessions beyond 30 June 2021

The Group has early applied the amendment in the current year. The amendment extends the availability of the practical expedient in paragraph 46A of HKFRS 16 Leases (“**HKFRS 16**”) by one year so that the practical expedient applies to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022, provided the other conditions for applying the practical expedient are met.

The application has had no impact to the opening retained profits at 1 January 2021. The Group has benefited from six to twelve months waiver of lease payments on several leases in casino properties, commercial properties and motor vehicles. The Group has derecognised the part of lease liability that has been extinguished by the forgiveness of lease payments using the discount rates originally applied to these leases respectively, resulting in a decrease in the lease liabilities of HK\$47.6 million, which has been recognised as variable lease payments in profit or loss for the current year.

2. BASIS OF PREPARATION (Continued)

2.2 New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments ²
Amendments to HKFRS 3	Reference to the Conceptual Framework ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies ²
Amendments to HKAS 8	Definition of Accounting Estimates ²
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ²
Amendments to HKAS 16	Property, Plant and Equipment — Proceeds before Intended Use ¹
Amendments to HKAS 37	Onerous Contracts — Cost of Fulfilling a Contract ¹
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018–2020 ¹

¹ Effective for annual periods beginning on or after 1 January 2022.

² Effective for annual periods beginning on or after 1 January 2023.

³ Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of some of these new and amendments to HKFRSs may have effect on the Group's financial positions and performance and/or on the disclosures set out in the consolidated financial statements.

3. OPERATING SEGMENTS

The Group is currently organised into two reportable segments — gaming operations, and hotel, catering, retail and leasing operations. Principal activities of these two reportable segments are as follows:

- (i) Gaming operations — operation of casinos and related facilities
- (ii) Hotel, catering, retail and leasing operations — operation of hotel, catering, retail, leasing and related services

Reportable segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the “**CODM**”). CODM, who is responsible for allocating resources and assessing performance of the reportable segments, has been identified as a group of senior management that makes strategic decisions.

The CODM regularly analyses gaming operations in terms of VIP gaming operations, mass market table gaming operations, slot machine and other gaming operations, and the relevant revenues and operating result are reviewed as a whole for resources allocation and performance assessment. For hotel, catering, retail and leasing operations, the CODM regularly reviews the performance on the basis of the individual hotel. For segment reporting under HKFRS 8, financial information of the Group’s hotels with similar economic characteristics has been aggregated into a single reportable segment named “hotel, catering, retail and leasing operations”.

3. OPERATING SEGMENTS (Continued)

Segment information about these businesses is presented below:

(a) An analysis of the Group's revenue and results by reportable segments is as follows:

	Segment revenue		Segment results	
	2021 HK\$ million	2020 HK\$ million	2021 HK\$ million	2020 HK\$ million
Gaming operations recognised at a point in time	<u>9,607.9</u>	<u>7,304.2</u>	(3,305.8)	(2,608.8)
Hotel, catering, retail and leasing operations				
— External sales				
Catering and retail operations recognised at a point in time	<u>268.0</u>	164.5		
Hotel operations recognised over time	<u>124.5</u>	38.0		
Leasing operations revenue from operating leases	<u>75.6</u>	—		
	<u>468.1</u>	<u>202.5</u>		
— Inter-segment sales				
Catering and retail operations recognised at a point in time	<u>36.4</u>	28.0		
Hotel operations recognised over time	<u>18.8</u>	32.2		
	<u>55.2</u>	<u>60.2</u>		
	<u>523.3</u>	262.7	(729.5)	(475.7)
Eliminations	<u>(55.2)</u>	<u>(60.2)</u>		
	<u>468.1</u>	<u>202.5</u>		
Total:				
Revenue from contracts with customers:				
recognised at a point in time	<u>9,875.9</u>	7,468.7		
recognised over time	<u>124.5</u>	38.0		
	<u>10,000.4</u>	7,506.7		
Revenue from operating leases:				
lease payments that are fixed	<u>75.6</u>	—		
	<u>10,076.0</u>	<u>7,506.7</u>		
			(4,035.3)	(3,084.5)
<i>Reconciliation from segment results to loss before taxation:</i>				
Unallocated corporate income			8.2	73.9
Unallocated corporate expenses			(162.7)	(158.3)
Share of profits of an associate			8.1	11.7
Share of profits of a joint venture			5.0	4.8
Loss before taxation			<u>(4,176.7)</u>	<u>(3,152.4)</u>

3. OPERATING SEGMENTS (Continued)

- (a) An analysis of the Group's revenue and results by reportable segments is as follows:
(Continued)

Segment results represent the loss before taxation from each segment without allocation of corporate income and expenses and share of profits of an associate/a joint venture. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

Inter-segment sales are charged at a price mutually agreed by both parties.

- (b) An analysis of the Group's assets and liabilities by reportable segments is as follows:

	2021 <i>HK\$ million</i>	2020 <i>HK\$ million</i>
<i>Assets</i>		
Segment assets		
— gaming operations	30,145.0	7,611.4
— hotel, catering, retail and leasing operations	<u>9,105.4</u>	<u>4,118.5</u>
	39,250.4	11,729.9
Interest in an associate	353.5	347.7
Interest in a joint venture	144.8	139.8
Unallocated bank deposits, bank balances and cash	221.5	2,051.7
Other unallocated assets	<u>9,936.0</u>	<u>38,452.4</u>
Group's total	<u><u>49,906.2</u></u>	<u><u>52,721.5</u></u>
<i>Liabilities</i>		
Bank loans		
— gaming operations	12,958.0	18,632.0
— hotel, catering, retail and leasing operations	227.9	55.0
— unallocated corporate bank loans	<u>—</u>	<u>100.1</u>
	<u>13,185.9</u>	<u>18,787.1</u>
Unsecured notes		
— gaming operations	<u>9,388.0</u>	<u>—</u>
Other segment liabilities		
— gaming operations	3,261.1	5,427.4
— hotel, catering, retail and leasing operations	<u>651.8</u>	<u>441.3</u>
	<u>3,912.9</u>	<u>5,868.7</u>
Total segment liabilities	26,486.8	24,655.8
Unallocated liabilities	<u>3,014.3</u>	<u>3,425.8</u>
Group's total	<u><u>29,501.1</u></u>	<u><u>28,081.6</u></u>

3. OPERATING SEGMENTS (Continued)

- (b) An analysis of the Group's assets and liabilities by reportable segments is as follows:
(Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- (i) other unallocated assets include mainly certain property and equipment, certain right-of-use assets, certain deposits made on acquisitions of property and equipment, art works and diamonds, amounts due from an associate/a joint venture/an investee company and investments in equity instruments designated at fair value through other comprehensive income.
- (ii) unallocated liabilities include mainly certain construction payables and amount due to non-controlling interests of a subsidiary.
- (iii) all assets are allocated to reportable segments, other than interest in an associate/a joint venture, unallocated bank deposits, bank balances and cash and those mentioned in above (i).
- (iv) all liabilities are allocated to reportable segments, other than liabilities not attributable to respective segments as mentioned in above (ii).

- (c) Other segment information of the Group

	2021 <i>HK\$ million</i>	2020 <i>HK\$ million</i>
Additions to non-current assets (other than financial instruments)		
— gaming operations	48.4	1,272.7
— hotel, catering, retail and leasing operations	4.4	12.8
— corporate level*	<u>1,478.5</u>	<u>4,933.7</u>
	<u>1,531.3</u>	<u>6,219.2</u>
Depreciation and amortisation		
— gaming operations	796.5	734.7
— hotel, catering, retail and leasing operations	395.4	224.7
— corporate level	<u>64.3</u>	<u>40.8</u>
	<u>1,256.2</u>	<u>1,000.2</u>
(Gain) loss on disposals/write-off of property and equipment		
— gaming operations	(0.1)	1.0
— hotel, catering, retail and leasing operations	0.1	0.2
— corporate level	<u>0.1</u>	<u>0.1</u>
	<u>0.1</u>	<u>1.3</u>

* Amount includes certain property and equipment, certain right-of-use assets and certain deposits made on acquisitions of property and equipment where the directors of the Company consider it impracticable to divide into individual segments.

3. OPERATING SEGMENTS (Continued)

(c) Other segment information of the Group (Continued)

	2021 <i>HK\$ million</i>	2020 <i>HK\$ million</i>
Share-based payments		
— gaming operations	<u>—</u>	<u>1.6</u>
Finance costs		
— gaming operations	321.4	16.3
— hotel, catering, retail and leasing operations	9.0	4.7
— corporate level	<u>12.9</u>	<u>10.7</u>
	<u>343.3</u>	<u>31.7</u>
Interest income		
— gaming operations	5.6	48.1
— hotel, catering, retail and leasing operations	—	1.2
— corporate level	<u>3.8</u>	<u>67.0</u>
	<u>9.4</u>	<u>116.3</u>

All revenues during each of the reporting periods are derived from customers in Macau SAR and almost all of the non-current assets, other than financial instruments, of the Group are located in Macau SAR. None of the customers of the Group contributed more than 10% of the total revenues during the reporting period.

4. GAMING REVENUE

	2021 <i>HK\$ million</i>	2020 <i>HK\$ million</i>
Gaming revenue from		
— VIP gaming operations	1,359.2	2,037.1
— mass market table gaming operations	8,472.1	5,858.8
— slot machine and other gaming operations	<u>537.1</u>	<u>379.3</u>
	10,368.4	8,275.2
Less: commissions and incentives	<u>(760.5)</u>	<u>(971.0)</u>
	<u><u>9,607.9</u></u>	<u><u>7,304.2</u></u>

5. FINANCE COSTS

	2021 <i>HK\$ million</i>	2020 <i>HK\$ million</i>
Interest on		
— unsecured notes	385.4	—
— bank loans	244.1	509.4
— lease liabilities	28.1	30.1
Imputed interest on an amount due to non-controlling interests of a subsidiary	<u>7.3</u>	<u>5.2</u>
	664.9	544.7
Less: Amount capitalised	<u>(321.6)</u>	<u>(513.0)</u>
	<u><u>343.3</u></u>	<u><u>31.7</u></u>

6. LOSS BEFORE TAXATION

	2021 <i>HK\$ million</i>	2020 <i>HK\$ million</i>
<i>Loss before taxation has been arrived at after charging:</i>		
Directors' remuneration		
— fees, salaries, bonus and other benefits	72.7	81.5
— share-based payments	<u>—</u>	<u>1.6</u>
	72.7	83.1
Less: Amount capitalised	<u>(9.7)</u>	<u>(11.1)</u>
	<u>63.0</u>	<u>72.0</u>
Retirement benefits scheme contributions for other staff	213.3	204.2
Less: Forfeited contributions	<u>(17.0)</u>	<u>(9.8)</u>
	<u>196.3</u>	<u>194.4</u>
Other staff costs	<u>5,883.1</u>	<u>5,202.3</u>
Total employee benefit expenses	<u>6,142.4</u>	<u>5,468.7</u>
Auditor's remuneration	15.2	17.0
Amortisation of intangible asset (including in operating and administrative expenses)	87.8	65.9
Depreciation of property and equipment	770.9	547.0
Depreciation of right-of-use assets	397.5	387.3
Loss on derecognition of a bank loan	0.5	—
Loss on disposals/write-off of property and equipment	0.1	1.3
<i>and after crediting:</i>		
Bank interest income	9.4	116.3
COVID-19-related rent concessions (<i>Note</i>)	47.6	148.1
Dividend income	3.0	2.0
Gain on early repayment of a bank loan	67.5	—
Gain on modification of bank loans	<u>—</u>	<u>2.0</u>

Note: The Group had to suspend its casino operations in order to prevent the spread of COVID-19. During the year ended 31 December 2021, lessors of the relevant casino properties, commercial properties and motor vehicles provided rent concessions to the Group through rent reductions ranging from 15% to 76% for six to twelve months. These were rent concessions occurred as a direct consequence of the COVID-19 pandemic, which met of all of the conditions in HKFRS 16.46B, and the Group applied the practical expedient of not assessing whether the changes constitute lease modifications. The effects on changes in lease payments due to forgiveness or waiver by the lessors for the relevant leases of HK\$47.6 million were recognised as negative variable lease payments.

7. TAXATION

	2021 <i>HK\$ million</i>	2020 <i>HK\$ million</i>
Macau SAR Complementary Tax (“CT”)		
— current tax	21.9	22.5
— (over) underprovision in prior year	<u>(0.5)</u>	<u>1.3</u>
	21.4	23.8
Deferred taxation credit	<u>—</u>	<u>(1.3)</u>
	<u>21.4</u>	<u>22.5</u>

No provision for CT on gaming related income is made for a subsidiary of the Company, SJM. Pursuant to the approval notices issued by the Macau SAR government dated 17 April 2020, SJM has been exempted from CT for income generated from gaming operations for the periods from 1 April 2020 to 26 June 2022.

In addition, pursuant to the approval letter dated 27 February 2018 issued by the Financial Services Bureau of the Macau SAR government on dividend distributed by SJM (the “**Special Complementary Tax**”) for the period from 1 January 2017 to 31 March 2020, SJM’s shareholders were obligated to pay the Special Complementary Tax of Macau Pataca (“**MOP**”) 23.2 million (equivalent to HK\$22.5 million) for each of the years ended 31 December 2017 to 2019 and MOP5.8 million (equivalent to HK\$5.6 million) for the three months ended 31 March 2020. Pursuant to the approval letter dated 30 March 2021 issued by the Financial Services Bureau of the Macau SAR government, a Special Complementary Tax was levied on the extended concession period from 1 April 2020 to 26 June 2022, and SJM’s shareholders were obligated to pay the Special Complementary Tax of MOP16.9 million (equivalent to HK\$16.4 million) for the period 1 April 2020 to 31 December 2020, MOP22.5 million (equivalent to HK\$21.9 million) for the year ended 31 December 2021 and MOP11.0 million (equivalent to HK\$10.7 million) for the period from 1 January 2022 to 26 June 2022. SJM’s shareholders are obligated to pay the Special Complementary Tax regardless of any dividend distributed by SJM during the relevant period/year.

Regarding the other Macau SAR subsidiaries, CT is calculated at the rate of 12% on the estimated assessable profit for both years.

No provision for taxation in other jurisdictions (including Hong Kong) is made as the Group’s operations outside Macau SAR have no assessable taxable profits arising from the respective jurisdictions.

8. DIVIDENDS

	2021 <i>HK\$ million</i>	2020 <i>HK\$ million</i>
Final dividend per ordinary share paid		
— HK22 cents for 2019	<u>—</u>	<u>1,246.8</u>

On 28 February 2022, the board of directors of the Company does not recommend the payment of a final dividend for the year ended 31 December 2021 (2020: Nil).

9. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2021 <i>HK\$ million</i>	2020 <i>HK\$ million</i>
<i>Loss</i>		
Loss for the purposes of basic and diluted loss per share (loss for the year attributable to owners of the Company)	<u>(4,143.7)</u>	<u>(3,024.9)</u>
	2021	2020
<i>Number of shares</i>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	<u>5,680,899,235</u>	<u>5,670,017,886</u>

Note: For the years ended 31 December 2020 and 2021, the diluted loss per share was the same as the basic loss per share as the computation of the diluted loss per share does not assume the exercise of the Company's share options because the assumed exercise would result in a decrease in loss per share.

10. TRADE AND OTHER RECEIVABLES

	2021	2020
	<i>HK\$ million</i>	<i>HK\$ million</i>
Advances to gaming promoters and patrons, net	0.2	112.5
Lease receivables	63.0	—
Other receivables from gaming promoters and service providers, net	301.6	337.5
Prepayment	173.4	172.9
Other sundry receivables	187.9	175.1
	<u>726.1</u>	<u>798.0</u>

As at 1 January 2020, the carrying amount of advances to gaming promoters and patrons was HK\$189.6 million.

Advances to gaming promoters and patrons mainly include pre-approved interest-free revolving credit lines and short-term temporary interest-free advances. All advances to gaming promoters and patrons are unsecured, repayable on demand at discretion of the Group and generally require cheques and guarantees.

Advances are only granted to gaming promoters and patrons with good credit histories and financial track records. The Group has the enforceable right and intends to offset the advances against commission payables to or deposits from relevant gaming promoters. In addition, in the event that a gaming promoter fails to repay, the Group has the right, pursuant to the relevant gaming promoter agreement, to offset or withhold the other payables to that gaming promoter, realise cheques and execute guarantees.

Other receivables from gaming promoters and service providers represent certain costs to be reimbursed from gaming promoters and service providers. With the consent of gaming promoters and service providers, the Group can offset the outstanding balances against commission and service fee payables to or deposits from relevant gaming promoters and service providers. In the event that a gaming promoter or service provider fails to repay, the Group has the right, pursuant to the relevant gaming promoter agreement or service provider agreement, to offset or withhold the payables to that gaming promoter or service provider, realise cheques and execute guarantees, if any.

10. TRADE AND OTHER RECEIVABLES (Continued)

The following is the aged analysis of advances to gaming promoters and patrons at the end of the reporting period based on the date of credit granted:

	2021 <i>HK\$ million</i>	2020 <i>HK\$ million</i>
<i>Age</i>		
0 to 30 days	0.2	7.8
61 to 90 days	<u>—</u>	<u>104.7</u>
	<u><u>0.2</u></u>	<u><u>112.5</u></u>

The lease receivables are arising from rent-free periods provided to the tenants.

Other sundry receivables mainly include deposits paid for rentals and operating supplies, interest receivables and credit card receivables.

11. TRADE AND OTHER PAYABLES

	2021 <i>HK\$ million</i>	2020 <i>HK\$ million</i>
Trade payables	263.4	307.6
Special gaming tax payable	365.4	354.5
Chips in circulation	655.6	1,504.8
Chips in custody and deposits received from gaming patrons and gaming promoters	328.1	1,399.4
Payables for acquisition of property and equipment	64.4	76.5
Construction payables	2,510.8	2,852.4
Accrued staff costs	826.4	794.9
Accrued operating expenses	32.6	21.6
Withholding tax payable	19.8	14.6
Other sundry payables and accruals	<u>538.9</u>	<u>471.2</u>
	5,605.4	7,797.5
Less: Non-current portion of other payables (<i>Note</i>)	<u>(87.6)</u>	<u>(66.7)</u>
Current portion	<u><u>5,517.8</u></u>	<u><u>7,730.8</u></u>

Note: Non-current portion of other payables comprise of construction payables of HK\$13.3 million (2020: HK\$66.7 million) and deposits received for rentals of HK\$74.3 million (2020: nil) at 31 December 2021. The management of the Group expects that these amounts will not be realised within 12 months from the end of the reporting period.

11. TRADE AND OTHER PAYABLES (Continued)

The following is the aged analysis of trade payables at the end of the reporting period based on the invoice date:

	2021	2020
	<i>HK\$ million</i>	<i>HK\$ million</i>
<i>Age</i>		
0 to 30 days	244.4	294.1
31 to 60 days	11.7	8.2
61 to 90 days	3.1	2.1
Over 90 days	<u>4.2</u>	<u>3.2</u>
	<u>263.4</u>	<u>307.6</u>

The average credit period on trade payables is 90 days. No interest is charged on trade payables. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

BUSINESS REVIEW

(All amounts expressed in Hong Kong dollars unless otherwise stated)

Business Model and Key Strategies

Our strategic objective is sustainable long-term growth in shareholder value. As a leading operator, owner and developer of casinos and related businesses in Macau, our key strategies for delivering this objective are as follows:

- We will continue to build, own and manage or invest in casinos and related businesses in Macau, as permitted by government regulation.
- We will continue to improve our existing businesses in a cost-effective and sustainable way.
- We will remain focused principally on Macau, while selectively considering opportunities for future expansion in the Asian region.
- We will maintain a strong financial position, with a view to sustainable long-term growth.

Group Operating Results

The Group's results, Adjusted EBITDA and Adjusted EBITDA Margin for the year ended 31 December 2021 and for the year earlier are shown below:

	For the year ended 31 December		Increase/ (Decrease)
	2021	2020	
Group operating results	HK\$ million	HK\$ million	
Total net revenue	10,076	7,507	34.2%
Net gaming revenue	9,608	7,304	31.5%
Loss attributable to owners of the Company	(4,144)	(3,025)	(37.0%)
Adjusted EBITDA ¹	(1,581)	(2,089)	24.3%
Adjusted EBITDA Margin ²	(15.7%)	(27.8%)	12.1pts

¹ 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, share-based payments, bank charges for bank loans, gain on early repayment of a bank loan, loss on derecognition of a bank loan, sub-concession fee income and pre-opening expenses.

² Adjusted EBITDA Margin is Adjusted EBITDA divided by total net revenue.

Total net revenue was \$10,076 million for the year ended 31 December 2021, an increase of 34.2%, compared to \$7,507 million for the year ended 31 December 2020. The increase was driven by mass market table gaming revenue and slot machine gaming revenue.

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

	For the year ended 31 December		Increase/ (Decrease)
	2021 <i>HK\$ million</i>	2020 <i>HK\$ million</i>	
VIP Gross Gaming Revenue	1,359	2,037	(33.3%)
Mass Market Gross Gaming Revenue	8,472	5,859	44.6%
Slot Machine Gross Gaming Revenue	<u>537</u>	<u>379</u>	41.6%
Gross Gaming Revenue	10,368	8,275	25.3%
Commissions and incentives	<u>(760)</u>	<u>(971)</u>	(21.7%)
Net Gaming Revenue	<u><u>9,608</u></u>	<u><u>7,304</u></u>	31.5%

Casino Grand Lisboa Palace Statistics	For the year ended 31 December			Variance	
	2021 <i>HK\$ million</i>	2020 <i>HK\$ million</i>	<i>HK\$ million</i>		
Revenues:					
Mass Market	170	—	170	—%	
Slot	<u>30</u>	<u>—</u>	<u>30</u>	—%	
Gross Gaming Revenues	200	—	200	—%	
Mass Table Drop	1,054	—	1,054	—%	
Mass Table Win	170	—	170	—%	
Non-Rolling Chip Win %	16.2%	—	—		16.2pts
Slot Handle	514	—	514	—%	
Slot Win	30	—	30	—%	
Slot Win %	5.8%	—	—		5.8pts

For the year ended 31 December

Casino Grand Lisboa Statistics	2021	2020	Variance	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>%</i>
Revenues:				
VIP	693	1,101	(408)	(37.1%)
Mass Market	1,271	857	414	48.3%
Slot	188	109	79	71.5%
Gross Gaming Revenues	2,152	2,067	85	4.1%
VIP Chip Sales Volume	22,649	31,811	(9,162)	(28.8%)
Win	693	1,101	(408)	(37.1%)
Hold %	3.1%	3.5%	—	(0.4pts)
Mass Table Drop	6,273	4,062	2,211	54.4%
Mass Table Win	1,271	857	414	48.3%
Non-Rolling Chip Win %	20.3%	21.1%	—	(0.8pts)
Slot Handle	3,676	2,367	1,309	55.3%
Slot Win	188	109	79	71.5%
Slot Win %	5.1%	4.6%	—	0.5pts

For the year ended 31 December

Other Self-promoted Casino Statistics	2021	2020	Variance	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>%</i>
Revenues:				
VIP	10	91	(81)	(88.6%)
Mass Market	1,334	1,150	184	16.0%
Slot	147	113	34	29.9%
Gross Gaming Revenues	1,491	1,354	137	10.1%
VIP Chip Sales Volume	226	2,257	(2,031)	(90.0%)
Win	10	91	(81)	(88.6%)
Hold %	4.6%	4.0%	—	0.6pts
Mass Table Drop	9,821	7,997	1,824	22.8%
Mass Table Win	1,334	1,150	184	16.0%
Non-Rolling Chip Win %	13.6%	14.4%	—	(0.8pts)
Slot Handle	2,813	2,265	548	24.2%
Slot Win	147	113	34	29.9%
Slot Win %	5.2%	5.0%	—	0.2pts

For the year ended 31 December

Satellite Casino Statistics	2021	2020	Variance	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>%</i>
Revenues:				
VIP	656	845	(189)	(22.4%)
Mass Market	5,697	3,852	1,845	47.9%
Slot	172	157	15	10.1%
Gross Gaming Revenues	6,525	4,854	1,671	34.4%

As at 31 December 2021, SJM operated 14 Satellite (third party-promoted) casinos, as follows: Casino Babylon, Casino Casa Real, Casino Landmark, Casino Diamond, Casino Emperor Palace, Casino Fortuna, Casino Golden Dragon, Casino Grandview, Casino Kam Pek Paradise, Casino Million Dragon, Casino L'Arc Macau, Casino Legend Palace, Casino Ponte 16 and Casino Royal Dragon. Casino Macau Jockey Club was temporarily closed. As at 31 December 2020, SJM operated 14 Satellite casinos.

The following table summarises the key results for the Group:

Adjusted Property EBITDA¹ for Group	For the year ended 31 December		(re-class)	
	2021	2020	Variance	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>%</i>
Grand Lisboa Palace	(423)	—	(423)	—%
Grand Lisboa	(522)	(1,006)	484	48.1%
Other Self-promoted ²	(491)	(688)	197	28.6%
Satellite ³	106	(59)	165	281.3%
Total	<u>(1,330)</u>	<u>(1,753)</u>	<u>423</u>	<u>24.1%</u>

¹ 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, share-based payments, bank charges for bank loans, gain on early repayment of a bank loan, loss on derecognition of a bank loan, sub-concession fee income, pre-opening expenses and corporate costs, and before elimination of inter-company consumption

² Casino Lisboa, Casino Oceanus at Jai Alai (including gaming and non-gaming areas), Casino Eastern and Casino Taipa

³ Fourteen third party-promoted casinos

The following table summarizes the results of hotel room activity:

Hotel Statistics	For the year ended 31 December			Variance	%
	2021	2020	HK\$		
	HK\$	HK\$	HK\$		
Occupancy %					
Grand Lisboa Palace Resort ¹	48.7%	—	—	48.7pts	
Grand Lisboa Hotel	58.8%	17.9%	—	40.9pts	
Jai Alai Hotel	62.2%	18.5%	—	43.7pts	
Sofitel at Ponte 16	52.2%	17.8%	—	34.4pts	
Average Daily Rate (ADR)					
Grand Lisboa Palace Resort ¹	914	—	—	—%	
Grand Lisboa Hotel	706	1,610	(904)	(56.2%)	
Jai Alai Hotel	212	475	(263)	(55.5%)	
Sofitel at Ponte 16	496	845	(349)	(41.3%)	
Revenue per Available Room (RevPAR)					
Grand Lisboa Palace Resort ¹	445	—	—	—%	
Grand Lisboa Hotel	415	288	127	44.3%	
Jai Alai Hotel	132	88	44	49.3%	
Sofitel at Ponte 16	259	150	109	72.2%	

¹ Grand Lisboa Palace Resort included two hotel towers — the Grand Lisboa Palace and the KARL LAGERFELD — which opened in 2021.

PROSPECTS AND RECENT DEVELOPMENTS

(All amounts expressed in Hong Kong dollars unless otherwise stated)

Impact of the COVID-19 Pandemic

The COVID-19 outbreak that spread around the world since January 2020 continued to have a materially adverse effect on our operating results in the year of 2021, though certain results showed improvement in comparison with the same period of 2020.

According to the Macau Government Statistics and Census Service, the number of visitors to Macau increased by 30.7% in 2021 compared with 2020. The number of visitors from mainland China increased by 48.2% since 2020, but was still only 25.2% of the pre-pandemic level of 2019.

Similarly, according to the DICJ, gross gaming revenue in Macau increased by 43.7% in 2021, but was just 29.7% of the level of 2019.

At the present time, given the evolving conditions of and in response to the COVID-19 pandemic, including the more recent appearance of COVID-19 variants, it is not possible to determine when travel restrictions will be further liberalised or whether they could be reintroduced if there are adverse developments in the pandemic situation.

Current and Recent Initiatives

Grand Lisboa Palace Resort

The Grand Lisboa Palace, the Group's integrated resort on Cotai, opened its doors to the public on 30 July 2021. In the initial phase opening, the resort offers luxury hotel rooms and suites, fine and casual dining, gaming, wellness and spa facilities and event spaces.

The Grand Lisboa Palace comprises a total gross floor area of 521,435 square metres plus 77,158 square metres of parking area. More than 90% of the total area is devoted to a full range of non-gaming facilities, including three hotel towers — “Grand Lisboa Palace Macau”, “Palazzo Versace Macau” and “THE KARL LAGERFELD” — totaling 1,892 rooms and suites, plus facilities for events, meetings and conferences, shopping, gaming, dining and entertainment, at a total project cost of approximately \$39 billion.

As at 31 December 2021, capital commitments in connection with the Grand Lisboa Palace project had a total value of approximately \$311 million.

Senior Notes Issuance

On 27 January 2021, a wholly-owned subsidiary of the Group, Champion Path Holdings Limited, issued 4.5% Senior Notes with an aggregate principal amount of US\$500 million (equivalent to HK\$3,875.05 million) and a final maturity date of 27 January 2026, and 4.85% Senior Notes with an aggregate principal amount of US\$500 million (equivalent to HK\$3,875.05 million) and a final maturity date of 27 January 2028. The issue was rated Ba2 by Moody's and BB+ by Fitch.

On 12 May 2021, a wholly-owned subsidiary of the Group, Champion Moments Limited, issued 3.9% Senior Notes with an aggregate principal amount of HK\$1,250 million and a final maturity date of 12 May 2026, and 3.9% Senior Notes with an aggregate principal amount of MOP300 million (equivalent to HK\$291 million) and a final maturity date of 12 May 2026.

Approximately 90% of the net proceeds of the Senior Notes issues were used to repay a portion of outstanding bank debt with the balance used for general corporate purposes.

FINANCIAL REVIEW

(All amounts expressed in Hong Kong dollars unless otherwise stated)

Liquidity, Financial Resources and Capital Structure

The Group maintained a strong financial position, with bank balances and cash amounting to \$3,201 million (not including \$147 million pledged bank deposits) as at 31 December 2021. This represented a decrease of 47.7% as compared with the position as at 31 December 2020 of \$6,126 million. The Group also has undrawn unconditional facility from the bank loans facility agreement amounting to HK\$1,320 million as at 31 December 2021 and the Group is in the process of negotiation with banks for refinancing its existing bank borrowings as long term financing. The directors of the Company are of the opinion that there are good track records and relationships with banks which enhance the Group's ability to refinance its borrowing facilities.

Total outstanding balances of bank loans drawn by the Group as at 31 December 2021 amounted to \$13,186 million (as at 31 December 2020: \$18,787 million). Total senior notes issued by the Group as at 31 December 2021 amounted to \$9,388 million (as at 31 December 2020: nil). The maturity of the Group's borrowings as at 31 December 2021 is as follows:

Maturity Profile				
Within 1 year	1–2 years	2–5 years	Over 5 years	Total
58%	—%	24%	18%	100%

Gearing Ratio

The Group's gearing ratio (defined as the ratio of total outstanding bank loans less pledged bank deposits, short-term bank deposits, bank balances and cash to total assets (excluding pledged bank deposits, short-term bank deposits, bank balances and cash)) was 41.3% at the end of 2021 (as at 31 December 2020: 26.9%).

Capital Expenditure Commitments

Capital expenditure commitments by the Group amounted to \$479 million as at 31 December 2021 (as at 31 December 2020: \$2.8 billion), of which \$311 million were for the Grand Lisboa Palace project. As at 31 December 2021, the Group was in construction of the Grand Lisboa Palace, with an estimated total project cost of approximately \$39 billion, including capital expenditure commitments to date.

The Grand Lisboa Palace project and future projects will be funded by a combination of internal resources and debt financing. The exact investment plans for the Group's projects are subject to change based upon execution of the business plans, progress of the projects, market conditions and management's view of future business conditions.

Pledge of Assets

As at 31 December 2021, certain of the Group's property and equipment and right-of-use assets with carrying values of \$37,989 million and \$1,801 million, respectively (as at 31 December 2020: \$36,477 million and \$1,847 million, respectively), were pledged to banks for loan facilities. In addition, the Group had pledged bank deposits of \$147 million as at 31 December 2021 (2020: \$147 million).

Financial Guarantee Obligations

As at 31 December 2021, the total amount of guarantees of the Group given to banks of \$87 million (2020: \$87 million), which were guarantees in respect of credit facilities granted to an associate and an investee company. The Group had no significant contingent liabilities as at 31 December 2021.

Financial Risk

The Group follows a conservative policy in financial management with minimal exposure to the risks of currency and interest rate. The Group does not currently hedge its interest rate exposure, which relates principally to the Facilities which bear interest based on the prevailing rates of HIBOR, LIBOR and MAIBOR, although it may consider doing so in the future. The Group's principal operations are primarily conducted and recorded in Hong Kong dollars resulting in minimal exposure to foreign exchange fluctuations. All of the Group's bank deposits are denominated in Hong Kong dollars, United States dollars or Macau patacas. It is the Group's policy to avoid speculative trading activity.

Material Acquisitions and Disposals

The Group made no material acquisitions or material disposals of subsidiaries and associated companies during the year ended 31 December 2021.

Human Resources

As at 31 December 2021, the Group had approximately 20,300 full-time employees. The Group's employee turnover rate was minimal in 2021.

Staff remuneration of the Group is determined by reference to their working performance, professional qualification, relevant working experience and market trends, and includes salary, allowances, medical insurance and provident fund.

The management of the Group regularly reviews the remuneration policy and evaluates staff performance. Staff are encouraged to attend training classes that are related to the Group's business. The Group provides training for career enhancement in the form of internal courses and workshops for staff, subsidies for education of staff at Macau Millennium College, and awards scholarships to children of staff to study at institutions of their choice.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES

Neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of its listed securities during the year ended 31 December 2021.

CORPORATE GOVERNANCE CODE

The Company is committed to the establishment of good corporate governance practices and its management team has strived to uphold the highest standards of corporate governance and transparency.

The Company has adopted its own code of corporate governance based on the principles and code provisions as set out in the Corporate Governance Code (“**CG Code**”) as stated in Appendix 14 to the Listing Rules on the Stock Exchange.

During the year ended 31 December 2021, the Company has complied with the code provisions of the CG Code.

CLOSURE OF REGISTER OF MEMBERS FOR 2022 ANNUAL GENERAL MEETING

Book close dates for 2022 Annual General Meeting (both days inclusive)	:	9 June 2022 to 15 June 2022
Latest share registration date for 2022 Annual General Meeting	:	8 June 2022
Latest time to lodge transfer documents with the Company’s share registrar	:	4:30 p.m. on Wednesday, 8 June 2022
Name and address of the Company’s share registrar	:	Computershare Hong Kong Investor Services Limited Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong

2022 ANNUAL GENERAL MEETING

The 2022 Annual General Meeting of the Company is currently scheduled on Wednesday, 15 June 2022. Notice of Annual General Meeting will be published on the Stock Exchange's website and the Company's website and despatched to shareholders of the Company in due course.

PRELIMINARY ANNOUNCEMENT OF THE GROUP'S RESULTS

The Group's consolidated financial statements for the year ended 31 December 2021 have been reviewed by the Audit Committee of the Company. The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2021 as set out in this preliminary announcement have been agreed by the Company's auditor, Deloitte Touche Tohmatsu (the "**Auditor**"), to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by the Auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Auditor on this preliminary announcement.

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

Hong Kong, 28 February 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.