

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**”) hereby announces selected unaudited key performance indicators of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 September 2017 (“**Q3 2017**”) and the nine months ended 30 September 2017 to enable its shareholders, investors and the public to better appraise the position and business performance of the Group.

2017 THIRD QUARTER AND YEAR-TO-DATE HIGHLIGHTS (UNAUDITED)

- Gaming revenue of the Group in Q3 2017 was HK\$10,015 million, an increase of 0.6% from Q3 2016, and for the nine months ended 30 September 2017, gaming revenue was HK\$30,390 million, a decrease of 1.2% from the first nine months of 2016.
- Adjusted EBITDA¹ of the Group in Q3 2017 was HK\$726 million, a decrease of 10.4% over Q3 2016, and for the nine months ended 30 September 2017, Adjusted EBITDA was HK\$2,233 million, a decrease of 8.6% from the first nine months of 2016.
- Adjusted EBITDA Margin² of the Group in Q3 2017 decreased to 7.2% from 8.0% in Q3 2016, and for the nine months ended 30 September 2017 decreased to 7.3% from 7.8% in the first nine months of 2016.
- Profit attributable to owners of the Company in Q3 2017 was HK\$428 million, a decrease of 16.5% over Q3 2016, and for the nine months ended 30 September 2017, profit attributable to owners of the Company was HK\$1,383 million, a decrease of 14.1% from the first nine months of 2016.
- Gaming revenue of the Group’s flagship Casino Grand Lisboa was HK\$3,709 million, an increase of 19.3% from Q3 2016, whilst its Adjusted EBITDA was HK\$418 million, an increase of 2.0%. For the nine months ended 30 September 2017, Casino Grand Lisboa’s gaming revenue was HK\$11,016 million, an increase of 11.3% from the first nine months of 2016, whilst its Adjusted EBITDA was HK\$1,265 million, an increase of 0.8%.
- The Group maintained a strong and liquid financial position, with HK\$13,456 million of cash, bank balances and pledged bank deposits and HK\$4,435 million of debt as at 30 September 2017.
- Construction of the Grand Lisboa Palace, the Group’s integrated resort on Cotai, continued in Q3 2017 but was adversely affected by category 10 Typhoon Hato in August 2017 and a fire incident in September 2017. The Group is aiming to complete the project by the end of 2018 on budget. The Company is conducting a detailed assessment on the overall schedule of the project and will inform the market as and when appropriate.

¹ Earnings 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, and impairment losses on property and equipment, inventory and assets of a subsidiary.

² Adjusted EBITDA divided by total revenue

Gaming revenue, net of direct sales incentives including customer relationship programs of HK\$48 million (Q3 2016: HK\$39 million), earned by Sociedade de Jogos de Macau, S.A., a subsidiary of the Company, was HK\$10,015 million in Q3 2017, an increase of 0.6% from Q3 2016.

Adjusted EBITDA for the nine months ended 30 September 2017 decreased by HK\$210 million from the first nine months of 2016. Adjusted EBITDA of gaming segments decreased by HK\$119 million in the nine months ended 30 September 2017 when compared with the first nine months of 2016. The Group's Adjusted EBITDA Margin was 7.2% in Q3 2017, as compared with 8.0% in Q3 2016.

Profit attributable to owners of the Company decreased by HK\$227 million in the first nine months of 2017, and by HK\$85 million in Q3 2017 over Q3 2016.

During Q3 2017, the Group's VIP gaming revenue was HK\$4,728 million, an increase of 7.4% from HK\$4,403 million in Q3 2016, mass market gaming revenue was HK\$5,036 million, a decrease of 4.6% from HK\$5,279 million, and slot machine (and Tombola) revenue was HK\$251 million, a decrease of 7.7% from HK\$272 million. The Group's total revenue during Q3 2017 of HK\$10,146 million included hotel, catering and related services revenue of HK\$132 million (Q3 2016: HK\$131 million).

During Q3 2017 the Group operated an average of 290 VIP gaming tables (Q3 2016: 323), 1,368 mass market gaming tables (Q3 2016: 1,311) and 2,632 slot machines (Q3 2016: 2,748) (average of three month-end counts).

Total VIP chips sales for the Group during Q3 2017 were HK\$148 billion (Q3 2016: HK\$152 billion), and the VIP gaming hold percentage (before commissions and discounts) was 3.20% (Q3 2016: 2.89%).

	Key Results for the Group's Casinos			
	Q3 2017		Nine months ended 30 September 2017	
	Gaming Revenue	Adjusted EBITDA	Gaming Revenue	Adjusted EBITDA
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>
Casino Grand Lisboa	3,709	418	11,016	1,265
Other Self-promoted Casinos ¹	1,374	122	4,415	425
Satellite Casinos ²	4,932	168	14,959	463

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

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 2017 was 11.0%. 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 20.0%. 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 2017, the Grand Lisboa Hotel achieved an average occupancy rate of 90.8% and average room rate of HK\$1,576 per night, as compared with average occupancy rate of 91.2% and average room rate of HK\$1,505 per night in Q3 2016.

Capital expenditure of the Group during Q3 2017 was HK\$1,194 million, which was primarily for construction in progress and furniture, fixtures and equipment. As at 30 September 2017, the Group had total cash, bank balances and pledged bank deposits of HK\$13,456 million and total debt of HK\$4,435 million.

Construction of the Grand Lisboa Palace, the Group's integrated resort on Cotai, continued in Q3 2017 but was adversely affected by category 10 Typhoon Hato in August 2017 and a fire incident in September 2017. The Group is currently working with its contractors to restore the affected areas as quickly as possible with the aim of completing the project by the end of 2018. Meanwhile, the Company is conducting a detailed assessment on the overall schedule of the project and will inform the market as and when appropriate. The Group believes that the total project cost remains on budget at approximately HK\$36 billion.

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, 31 October 2017

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, Mr. Fok Tsun Ting, Timothy, Ms. Ho Chiu Fung, Daisy, Deputada Leong On Kei, Angela 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.