

For immediate release

## **SJM Holdings Announces Selected Unaudited Q3 2016 Results and Selected Unaudited 2016 Year-to-Date Results**

(Hong Kong, 1 November 2016) SJM Holdings Limited (the “Company”) today announced selected unaudited key performance indicators of the Company and its subsidiaries (collectively the “Group”) for the three months ended 30 September 2016 (“Q3 2016”) and the nine months ended 30 September 2016.

### **2016 THIRD QUARTER AND YEAR-TO-DATE HIGHLIGHTS (UNAUDITED)**

- Gaming revenue of the Group in Q3 2016 was HK\$9,992 million, a decrease of 11.1% from Q3 2015 and for the nine months ended 30 September 2016, gaming revenue was HK\$30,876 million, a decrease of 17.8% from the first nine months of 2015.
  - Adjusted EBITDA<sup>1</sup> of the Group in Q3 2016 was HK\$810 million, a decrease of 8.4% over Q3 2015 and for the nine months ended 30 September 2016, Adjusted EBITDA was HK\$2,443 million, a decrease of 22.3% from the first nine months of 2015.
  - Adjusted EBITDA Margin<sup>2</sup> of the Group in Q3 2016 increased to 8.0% from 7.8% in Q3 2015 and for the nine months ended 30 September 2016 decreased to 7.8% from 8.3% in the first nine months of 2015.
  - Profit attributable to owners of the Company in Q3 2016 was HK\$513 million, an increase of 80.2% over Q3 2015 and for the nine months ended 30 September 2016, profit attributable to owners of the Company was HK\$1,610 million, a decrease of 22.4% from the first nine months of 2015.
  - Gaming revenue of the Group’s flagship Casino Grand Lisboa was HK\$3,130 million, a decrease of 11.6% from Q3 2015, whilst its Adjusted EBITDA was HK\$410 million, a decrease of 19.3%. For the nine months ended 30 September 2016, Casino Grand Lisboa’s gaming revenue was HK\$9,968 million, a decrease of 21.5% from the first nine months of 2015, whilst its Adjusted EBITDA was HK\$1,255 million, a decrease of 27.4%.
  - The Group’s gaming revenues accounted for 18.7% of Macau’s casino gaming market during Q3 2016, as compared with 21.3% in Q3 2015 and 19.5% for the nine months ended 30 September 2016, as compared with 22.0% for the first nine months of 2015.
  - The Group maintained a strong and liquid financial position, with HK\$13,983 million of cash, bank balances and pledged bank deposits and HK\$588 million of debt as at 30 September 2016.
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 loss on an available-for-sale investment and assets of a subsidiary. Adjusted EBITDA is adopted by management as a measure of the Group’s operating performance and to compare our operating performance with that of our competitors and should not be considered in isolation, construed as an alternative to reportable profit or operating profit prepared under the historical basis (except that certain financial instruments are measured at fair values) and Hong Kong Financial Reporting Standards.
  2. Adjusted EBITDA divided by total revenue

Adjusted EBITDA for the nine months ended 30 September 2016 decreased by HK\$703 million from the first nine months of 2015, being affected by a decrease in gaming revenue which is in line with the decrease in the Macau gaming market. Adjusted EBITDA of gaming segments decreased by HK\$754 million in the nine months ended 30 September 2016 when compared with the first nine months of 2015. The Group's Adjusted EBITDA Margin was 8.0% in Q3 2016, as compared with 7.8% in Q3 2015.

Profit attributable to owners of the Company decreased by HK\$466 million in the first nine months of 2016, mainly affected by decrease in gaming revenue. Profit attributable to owners of the Company increased by HK\$228 million in Q3 2016 over Q3 2015. The increase from Q3 2015 to Q3 2016 resulted from an impairment loss of HK\$250 million on an available-for-sale investment being incurred in Q3 2015, whilst a subsequent HK\$128 million unrealised gain was recognised in other comprehensive income and credited to investment revaluation reserve in Q3 2016.

During Q3 2016, the Group's VIP gaming revenue was HK\$4,403 million, a decrease of 19.1% from HK\$5,442 million in Q3 2015, mass market gaming revenue was HK\$5,317 million, a decrease of 3.8% from HK\$5,529 million, and slot machine (and Tombola) revenue was HK\$272 million, a decrease of 0.1% from HK\$272 million. The Group's total revenue during Q3 2016 of HK\$10,123 million included hotel, catering and related services revenue of HK\$131 million (Q3 2015: HK\$138 million).

During Q3 2016 the Group operated an average of 323 VIP gaming tables (Q3 2015: 458), 1,311 mass market gaming tables (Q3 2015: 1,263) and 2,748 slot machines (Q3 2015: 2,737) (average of three month-end counts).

Total VIP chips sales for the Group during Q3 2016 were HK\$152 billion (Q3 2015: HK\$160 billion), and the VIP gaming hold percentage (before commissions and discounts) was 2.89% (Q3 2015: 3.36%).

	<b>Key Results for the Group's Casinos</b>			
	<b>Q3 2016</b>		<b>Nine months ended 30 September 2016</b>	
	<b>Gaming Revenue</b> <i>HK\$ million</i>	<b>Adjusted EBITDA</b> <i>HK\$ million</i>	<b>Gaming Revenue</b> <i>HK\$ million</i>	<b>Adjusted EBITDA</b> <i>HK\$ million</i>
Casino Grand Lisboa	3,130	410	9,968	1,255
Other Self-promoted Casinos <sup>1</sup>	1,346	168	4,459	476
Satellite Casinos <sup>2</sup>	5,517	178	16,449	540

<sup>1</sup> Casino Lisboa, Casino Oceanus at Jai Alai and one Tombola hall

<sup>2</sup> Fourteen third party-promoted casinos

During Q3 2016, the Grand Lisboa Hotel achieved an average occupancy rate of 91.2% and average room rate of HK\$1,505 per night, as compared with average occupancy rate of 85.0% and average room rate of HK\$1,743 per night in Q3 2015.

Capital expenditure of the Group during Q3 2016 was HK\$1,922 million, which was primarily for construction in progress and furniture, fixtures and equipment. As at 30 September 2016, the Group had total cash, bank balances and pledged bank deposits of HK\$13,983 million and total debt of HK\$588 million.

Dr. Ambrose So, Chief Executive Officer of SJM Holdings Limited, commented, “SJM's operating margin improved in the third quarter due to stabilizing gaming revenue in Macau and the impact of our cost-controlling measures. We are also pleased to note a sequential-quarter increase in SJM's gaming revenue, led by mass market operations. During the third quarter we completed the renovation of the lobby and hotel rooms at the Grand Lisboa, and the Jai Alai complex is due to reopen around the end of the year. We continue to make substantial progress on construction of the Grand Lisboa Palace, and we are optimistic about SJM's future and the future of Macau as a world centre of tourism and leisure.”

Further information on SJM Holdings Limited can be found on [www.sjmholdings.com](http://www.sjmholdings.com).