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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2014

The board of directors (the “**Board**”) of SJM Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2014 (the “**Reporting Period**”).

FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		Increase
	2014 <i>HK\$ million</i> (<i>unaudited</i>)	2013 <i>HK\$ million</i> (<i>unaudited</i>)	
Total Group revenue	44,446	42,453	4.7%
Gaming revenue	44,112	42,129	4.7%
Adjusted EBITDA*	4,444	4,269	4.1%
Profit attributable to owners of the Company	3,902	3,828	1.9%
Earnings per share — basic	HK70.1 cents	HK69.0 cents	1.6%
— diluted	HK69.5 cents	HK68.4 cents	1.6%
Interim dividend per ordinary share	HK22 cents	HK20 cents	10.0%

* Adjusted EBITDA is 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.

INTERIM DIVIDEND

The Board has resolved to declare the payment of an interim dividend of HK22 cents per ordinary share of the Company (the “Share”) for the six months ended 30 June 2014 (six months ended 30 June 2013: HK20 cents per Share). The interim dividend is expected to be paid on 17 September 2014 to shareholders of the Company whose names appear on the register of members of the Company on 5 September 2014.

OPERATING HIGHLIGHTS

- The Group’s gaming revenue, Adjusted EBITDA and profit attributable to owners of the Company increased by 4.7%, 4.1% and 1.9%, respectively, from the year-earlier period, whilst the Group’s Adjusted EBITDA Margin (Hong Kong GAAP basis) decreased to 10.0% from 10.1%.
- Mass market table gaming revenue of the Group grew by 29.1%, whilst VIP gaming revenue showed a decrease of 5.1% during the first half of 2014, compared with the year-earlier period. During the same period slot machine operations revenue decreased by 8.0% compared with the year-earlier period.
- Sociedade de Jogos de Macau, S.A. (“SJM”) continued to lead in market share of the Macau casino gaming market with 23.5%, including 24.6% of mass market table gaming revenue and 23.9% of VIP gaming revenue.
- The Group maintained a strong financial position with cash, bank balances and pledged bank deposits of HK\$26,834 million as at 30 June 2014.
- The Group’s flagship Casino Grand Lisboa continued its strong performance and increased revenue, Adjusted Property EBITDA and attributable profit by 5.0%, 5.7% and 2.2%, respectively, as compared to the year-earlier period.
- Hotel Grand Lisboa achieved average occupancy of 95.3% and average daily room rate of HK\$2,344, increases of 0.3% and 5.1% from the year-earlier period.
- On 13 February 2014, groundbreaking was held for Lisboa Palace, the Group’s integrated resort on Cotai, featuring approximately 700 gaming tables and 1,000 slot machines as well as approximately 2,000 hotel rooms, fine and casual dining, shopping and entertainment facilities (subject to the obtaining of applicable licences). Work on construction and interior design made good progress in the first half of 2014 and the project is on track for opening in 2017.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2014

	Notes	Six months ended 30 June	
		2014 HK\$ million (unaudited)	2013 HK\$ million (unaudited)
Gaming, hotel, catering and related services revenues		<u>44,446.3</u>	<u>42,452.8</u>
Gaming revenue	4	<u>44,111.9</u>	42,129.1
Special gaming tax, special levy and gaming premium		<u>(16,950.0)</u>	<u>(16,203.3)</u>
		27,161.9	25,925.8
Hotel, catering and related services income		334.4	323.7
Cost of sales and services on hotel, catering and related services		(136.1)	(139.0)
Other income, gains and losses		164.7	337.7
Marketing and promotional expenses		(19,202.8)	(18,570.6)
Operating and administrative expenses		(4,307.8)	(3,985.7)
Finance costs	5	(39.6)	(46.1)
Share of profits (losses) of an associate		0.2	(4.8)
Share of profits of a joint venture		3.2	2.2
Profit before taxation	6	3,978.1	3,843.2
Taxation	7	(37.7)	(20.5)
Profit for the period		3,940.4	3,822.7
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss:			
Change in fair value of available-for-sale investments		(581.2)	11.3
Total comprehensive income for the period		<u>3,359.2</u>	<u>3,834.0</u>
Profit for the period attributable to			
– owners of the Company		3,901.9	3,827.7
– non-controlling interests		38.5	(5.0)
		<u>3,940.4</u>	<u>3,822.7</u>
Total comprehensive income for the period attributable to			
– owners of the Company		3,320.7	3,839.0
– non-controlling interests		38.5	(5.0)
		<u>3,359.2</u>	<u>3,834.0</u>
Earnings per share			
– Basic	9	<u>HK70.1 cents</u>	<u>HK69.0 cents</u>
– Diluted	9	<u>HK69.5 cents</u>	<u>HK68.4 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2014

		At 30 June 2014	At 31 December 2013
	<i>Notes</i>	<i>HK\$ million</i> <i>(unaudited)</i>	<i>HK\$ million</i> <i>(audited)</i>
Non-current assets			
Property and equipment		9,205.2	8,325.3
Land use rights		2,769.5	2,771.0
Goodwill		26.7	—
Intangible asset		17.4	20.5
Art works and diamonds		289.2	289.2
Interest in an associate		19.3	19.1
Interest in a joint venture		97.0	93.8
Available-for-sale investments in equity securities		1,122.7	1,703.9
Deposits made on acquisitions		203.3	426.7
Amount due from a fellow subsidiary		—	63.7
Amount due from an associate		88.4	88.4
Amount due from a joint venture		14.3	14.3
Amount due from an investee company		83.0	93.0
Pledged bank deposits		594.4	633.7
		<u>14,530.4</u>	<u>14,542.6</u>
Current assets			
Inventories		60.9	62.4
Trade and other receivables	10	1,687.4	1,509.5
Amount due from ultimate holding company		0.1	3.4
Financial assets at fair value through profit or loss		112.3	151.3
Pledged bank deposits		85.3	43.7
Short-term bank deposits		15,147.6	14,910.2
Bank balances and cash		11,006.4	11,145.4
		<u>28,100.0</u>	<u>27,825.9</u>
Current liabilities			
Trade and other payables	11	15,659.4	15,318.9
Payable for acquisition of land use rights		319.3	311.5
Obligations under finance leases		—	9.3
Taxation payable		29.2	41.1
Current portion of long-term bank loans		398.8	318.3
Amount due to non-controlling interests of a subsidiary		23.7	22.9
		<u>16,430.4</u>	<u>16,022.0</u>
Net current assets		<u>11,669.6</u>	<u>11,803.9</u>
Total assets less current liabilities		<u>26,200.0</u>	<u>26,346.5</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 30 June 2014

	At 30 June 2014	At 31 December 2013
<i>Notes</i>	<i>HK\$ million</i> <i>(unaudited)</i>	<i>HK\$ million</i> <i>(audited)</i>
Non-current liabilities		
Payable for acquisition of land use rights	687.9	849.6
Obligations under finance leases	—	63.7
Long-term bank loans	988.6	1,191.2
Amount due to non-controlling interests of a subsidiary	720.8	705.8
Deferred taxation	94.3	81.0
	<u>2,491.6</u>	<u>2,891.3</u>
Net assets	<u>23,708.4</u>	<u>23,455.2</u>
Capital and reserves		
Share capital	11,230.7	5,553.5
Reserves	12,385.9	17,849.6
Equity attributable to owners of the Company	23,616.6	23,403.1
Non-controlling interests	91.8	52.1
Total equity	<u>23,708.4</u>	<u>23,455.2</u>

Notes to the Condensed 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 operation of casinos and related facilities 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 the registered office and principal place of business of the Company is Suites 3001-3006, 30th Floor, One International Finance Centre, 1 Harbour View Street, Central, Hong Kong.

2. Basis of preparation

The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

The condensed consolidated financial statements have been prepared on the historical cost basis except that certain financial instruments are measured at fair values.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2014 are the same as those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2013.

2.1 Application of new and revised HKFRSs

In the current interim period, the Group have applied, for the first time, the following new interpretations and amendments of Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the HKICPA that are mandatorily effective for the current interim period.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities
Amendments to HKAS 32	Offsetting financial assets and financial liabilities
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting
HK(IFRIC*) – INT 21	Levies

* IFRIC represents the IFRS Interpretations Committee.

The application of the above interpretations and amendments of HKFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and/or disclosures set out in these condensed consolidated financial statements.

3. Operating segments

The Group is currently organised into two operating segments – gaming operations, and hotel and catering operations. Principal activities of these two operating segments are as follows:

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

For gaming operations, the chief operating decision maker (the “**CODM**”), which is a group of executive directors of the Company, regularly analyses gaming revenue in terms of VIP gaming operations, mass market table gaming operations, slot machine and other gaming operations. The CODM reviews the revenues and operating results of gaming operations as a whole for resources allocation and performance assessment. For hotel and catering operations, the CODM regularly reviews the performance on the basis of 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 operating segment named “hotel and catering operations”.

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

	Segment revenue		Segment results	
	Six months ended 30 June			
	2014 <i>HK\$ million</i> <i>(unaudited)</i>	2013 <i>HK\$ million</i> <i>(unaudited)</i>	2014 <i>HK\$ million</i> <i>(unaudited)</i>	2013 <i>HK\$ million</i> <i>(unaudited)</i>
Gaming operations	<u>44,111.9</u>	<u>42,129.1</u>	<u>4,099.6</u>	<u>3,777.2</u>
Hotel and catering operations				
– external sales	334.4	323.7		
– inter-segment sales	<u>182.5</u>	<u>151.8</u>		
	516.9	475.5	(130.5)	(155.7)
Eliminations	<u>(182.5)</u>	<u>(151.8)</u>		
	<u>334.4</u>	<u>323.7</u>		
	<u>44,446.3</u>	<u>42,452.8</u>		
			<u>3,969.1</u>	<u>3,621.5</u>
<i>Reconciliation from segment results to profit before taxation:</i>				
Unallocated corporate income			111.1	100.2
Unallocated corporate expenses			(66.5)	(49.7)
Gain on derivatives arising from available-for-sale investments in equity securities			—	148.7
Change in fair value of financial assets at fair value through profit or loss			(39.0)	25.1
Share of profits (losses) of an associate			0.2	(4.8)
Share of profits of a joint venture			<u>3.2</u>	<u>2.2</u>
Profit before taxation			<u>3,978.1</u>	<u>3,843.2</u>

Segment results represent the profit earned by each segment without allocation of corporate income and expenses, certain other income, gain on derivatives arising from available-for-sale investments in equity securities, change in fair value of financial assets at fair value through profit or loss, share of results of an associate/a joint venture and income tax expenses. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

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

(b) An analysis of the Group's financial position by operating segments is as follows:

	At 30 June 2014 <i>HK\$ million</i> <i>(unaudited)</i>	At 31 December 2013 <i>HK\$ million</i> <i>(audited)</i>
<i>Assets</i>		
Segment assets		
– gaming operations	17,458.7	19,404.3
– hotel and catering operations	6,304.5	6,364.1
	<u>23,763.2</u>	<u>25,768.4</u>
Interest in an associate	19.3	19.1
Interest in a joint venture	97.0	93.8
Unallocated bank deposits, bank balances and cash	13,297.0	11,197.2
Other unallocated assets	5,453.9	5,290.0
	<u>42,630.4</u>	<u>42,368.5</u>
<i>Liabilities</i>		
Bank loans		
– gaming operations	614.3	668.4
– hotel and catering operations	773.1	841.1
	<u>1,387.4</u>	<u>1,509.5</u>
Other segment liabilities		
– gaming operations	15,338.1	15,081.2
– hotel and catering operations	334.4	304.9
	<u>15,672.5</u>	<u>15,386.1</u>
Total segment liabilities	17,059.9	16,895.6
Unallocated liabilities	1,862.1	2,017.7
	<u>18,922.0</u>	<u>18,913.3</u>
Group's total	<u>18,922.0</u>	<u>18,913.3</u>

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

- (i) other unallocated assets include mainly certain land use rights, certain property and equipment, available-for-sale investments in equity securities, amounts due from an associate/a joint venture/an investee company, art works and diamonds and financial assets at fair value through profit or loss.
- (ii) unallocated liabilities include mainly amount due to non-controlling interests of a subsidiary and payable for acquisition of land use rights.
- (iii) all assets are allocated to operating segments, other than interest in an associate/a joint venture, unallocated bank deposits, bank balances and cash and those mentioned in (i).
- (iv) all liabilities are allocated to operating segments, other than liabilities not attributable to respective segments.

4. Gaming revenue

	Six months ended 30 June	
	2014	2013
	<i>HK\$ million</i>	<i>HK\$ million</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Gaming revenue from		
– VIP gaming operations	27,719.2	29,222.7
– mass market table gaming operations	15,725.0	12,181.0
– slot machine and other gaming operations	667.7	725.4
	44,111.9	42,129.1

5. Finance costs

	Six months ended 30 June	
	2014	2013
	<i>HK\$ million</i>	<i>HK\$ million</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Interests on		
– bank borrowings wholly repayable within five years	23.5	27.4
– finance leases repayable within five years	0.3	1.5
– finance leases not wholly repayable within five years	—	1.4
– acquisition of land use rights	28.1	8.2
Imputed interest on amount due to non-controlling interests of a subsidiary	15.8	15.8
	67.7	54.3
Less: Amount capitalised in land use rights	(28.1)	(8.2)
	39.6	46.1

6. Profit before taxation

	Six months ended 30 June	
	2014	2013
	HK\$ million	HK\$ million
	(unaudited)	(unaudited)
<i>Profit before taxation has been arrived at after charging:</i>		
Other staff costs, excluding share-based payments	2,766.9	2,498.9
Share-based payments to staff	135.3	—
	<hr/>	<hr/>
Total other staff cost	2,902.2	2,498.9
	<hr/>	<hr/>
Directors' remuneration, including share-based payments to directors of HK\$9.1 million (six months ended 30 June 2013: nil)	53.4	39.1
Share-based payments to other participants (included in operating and administrative expenses)	6.7	—
Amortisation of intangible assets (included in operating and administrative expenses)	3.1	3.2
Change in fair value of financial assets at fair value through profit or loss	39.0	—
Depreciation of property and equipment	542.5	573.4
Loss on disposal of property and equipment	23.0	9.2
Operating lease rentals in respect of land use rights	22.5	22.1
<i>and after crediting:</i>		
Interest income from		
– a fellow subsidiary	0.3	2.9
– bank deposits	189.9	143.9
	<hr/>	<hr/>
	190.2	146.8
	<hr/>	<hr/>
Change in fair value of financial assets at fair value through profit or loss	—	25.1
Dividend income	—	7.6
Gain on derivatives arising from available-for-sale investments in equity securities	—	148.7
	<hr/> <hr/>	<hr/> <hr/>

7. Taxation

	Six months ended 30 June	
	2014	2013
	HK\$ million	HK\$ million
	(unaudited)	(unaudited)
Current period taxation — Macau SAR	29.2	20.5
Deferred taxation — Macau SAR	8.5	—
	<hr/>	<hr/>
	37.7	20.5
	<hr/> <hr/>	<hr/> <hr/>

No provision for Macau SAR Complementary Tax (“CT”) on gaming related income is made for a subsidiary of the Company, SJM. Pursuant to the approval notice issued by Macau SAR government dated 23 November 2011, SJM is exempted from CT for income generated from gaming operations for the years from 2012 to 2016.

In addition, pursuant to the approval letter dated 10 August 2012 issued by the Finance Services Bureau of the Macau SAR government, SJM’s shareholders were obligated to pay a dividend tax of MOP42.3 million (equivalent to HK\$41.1 million) for dividend distribution by SJM (the “**Special Tax**”) for each of the years from 2012 to 2016. During the six months ended 30 June 2014, the Company, as a shareholder of SJM, was obligated to pay HK\$20.5 million (six months ended 30 June 2013: HK\$20.5 million).

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

No provision for taxation in other jurisdictions was made as the Group’s operation outside Macau SAR had no assessable taxable profits arising from the respective jurisdictions.

8. Dividends

	Six months ended 30 June	
	2014	2013
	<i>HK\$ million</i>	<i>HK\$ million</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
2012 final dividend of HK50 cents per ordinary share	—	2,775.1
2012 special dividend of HK30 cents per ordinary share	—	1,665.1
2013 final dividend of HK50 cents per ordinary share	2,827.8	—
2013 special dividend of HK30 cents per ordinary share	1,696.7	—
	<u>4,524.5</u>	<u>4,440.2</u>

On 13 August 2014, the board of directors of the Company has resolved to declare an interim dividend of HK22 cents per ordinary share amounting to HK\$1,244.3 million in aggregate for the six months ended 30 June 2014 (six months ended 30 June 2013: HK20 cents per ordinary share).

9. Earnings per share

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

	Six months ended 30 June	
	2014	2013
	<i>HK\$ million</i>	<i>HK\$ million</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Earnings		
Earnings for the purposes of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	<u>3,901.9</u>	<u>3,827.7</u>
	Six months ended 30 June	
	2014	2013
	<i>(unaudited)</i>	<i>(unaudited)</i>
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	<u>5,565,589,956</u>	5,548,351,177
Effect of dilutive potential ordinary shares on share options	<u>51,142,026</u>	<u>51,329,246</u>
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>5,616,731,982</u>	<u>5,599,680,423</u>

10. Trade and other receivables

	At	At
	30 June	31 December
	2014	2013
	<i>HK\$ million</i>	<i>HK\$ million</i>
	<i>(unaudited)</i>	<i>(audited)</i>
Advances to gaming promoters and patrons	1,043.5	977.0
Other receivables from gaming promoters	58.0	41.0
Prepayments	234.6	127.9
Other receivables	<u>351.3</u>	<u>363.6</u>
	<u>1,687.4</u>	<u>1,509.5</u>

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

Other receivables from gaming promoters are interest-free, unsecured and are repayable on demand at discretion of the Group.

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:

<i>Age</i>	At 30 June 2014 <i>HK\$ million (unaudited)</i>	At 31 December 2013 <i>HK\$ million (audited)</i>
0 to 30 days	1,043.5	973.5
Over 90 days	—	3.5
	<u>1,043.5</u>	<u>977.0</u>

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 are unsecured, repayable on demand at discretion of the Group and generally require cheques and guarantees. For advances to gaming patrons, the credit period granted to pre-approved gaming patrons with good financial track records is generally 15 days. At 30 June 2014, all of the advances to gaming promoters and patrons (net of allowances) are neither past due nor impaired.

Advances are only granted to gaming promoters and patrons with good credit histories and financial track records. With the consent of gaming promoters, the Group can offset the advances against commission payables to or deposits from relevant gaming promoters. 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 commission payable and other payables to that gaming promoter, realise cheques and execute guarantees.

11. Trade and other payables

	At 30 June 2014 <i>HK\$ million</i> <i>(unaudited)</i>	At 31 December 2013 <i>HK\$ million</i> <i>(audited)</i>
Trade payables	2,367.0	2,855.1
Special gaming tax payable	2,529.4	2,962.7
Chips in circulation	7,981.8	7,551.8
Payable for acquisition of property and equipment	60.9	63.8
Construction payables	241.2	216.3
Chips in custody and deposits received from gaming promoters and patrons	1,257.3	352.6
Accrued staff costs	597.8	632.9
Rentals payables	96.9	222.4
Withholding tax payable for gaming promoters and employees	24.0	27.4
Other payables and accruals	503.1	433.9
	<u>15,659.4</u>	<u>15,318.9</u>

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

<i>Age</i>	At 30 June 2014 <i>HK\$ million</i> <i>(unaudited)</i>	At 31 December 2013 <i>HK\$ million</i> <i>(audited)</i>
0 to 30 days	2,343.0	2,816.1
31 to 60 days	9.5	25.1
61 to 90 days	1.1	0.9
Over 90 days	13.4	13.0
	<u>2,367.0</u>	<u>2,855.1</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 paid within the credit timeframe.

BUSINESS REVIEW

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

GROUP OPERATING RESULTS

The Group's total revenue, gaming revenue, profit attributable to owners of the Company and Adjusted EBITDA for the six months ended 30 June 2014 ("the Reporting Period") each increased, whilst the Group's Adjusted EBITDA Margin (Hong Kong GAAP basis) decreased from the year-earlier period:

Group operating results	For the six months ended 30 June		Increase
	2014 HK\$ million	2013 HK\$ million	
Total revenue	44,446	42,453	4.7%
Gaming revenue	44,112	42,129	4.7%
Profit attributable to owners of the Company	3,902	3,828	1.9%
Adjusted EBITDA ¹	4,444	4,269	4.1%
Adjusted EBITDA Margin ²	10.0%	10.1%	

¹ Adjusted EBITDA is 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 Margin is Adjusted EBITDA as a percentage of total revenue.

During the Reporting Period, the Group's gaming revenue amounted to approximately 23.5% of total gaming revenue in Macau, compared with 25.3% in the corresponding period last year, according to figures from the Macau Gaming Inspection and Coordination Bureau ("DICJ").

In the first half of 2013, attributable profit and Adjusted EBITDA reflected income of approximately \$149 million receivable in connection with the Group's investment in Macau Legend Development Limited.

Attributable profit in the Reporting Period was affected by deductions of share-based payments of \$151 million, as compared with zero in the corresponding period last year. Depreciation and amortisation charges in the Reporting Period was \$567 million, as compared to \$597 million in the corresponding period last year.

The Group's operating results for the six months ended 30 June 2014, as compared to the six months ended 30 June 2013, are as follows:

OPERATING RESULTS — VIP GAMING

VIP operations	For the six months ended 30 June		Increase/ (Decrease)
	2014	2013	
Gaming revenue (HK\$ million)	27,719	29,223	(5.1)%
Average daily net-win per			
VIP gaming table (HK\$)	266,339	244,623	8.9%
VIP chips sales (HK\$ million)	1,003,695	919,008	9.2%
Average number of VIP gaming tables			
(Average of month-end numbers)	575	660	(12.9)%

VIP gaming operations accounted for 62.8% of the Group's total gaming revenue in the Reporting Period, as compared to 69.4% for the corresponding period last year. As at 30 June 2014, SJM had 564 VIP gaming tables in operation with 36 VIP promoters, as compared with 574 VIP gaming tables and 38 VIP promoters as at 31 December 2013.

The Group's gaming revenue from VIP gaming operations amounted to approximately 23.9% of total VIP gaming revenue in Macau, compared to 26.0% in the corresponding period last year, according to figures from DICJ. During the Reporting Period, the hold rate of VIP gaming operations was 2.76% (Junket VIP), as compared with 2.93% in the corresponding period last year.

In the first half of 2013, VIP gaming revenue included \$2,252 million of revenue from certain high-limit gaming tables located in casino mass market areas that were classified as VIP gaming tables due to game size. If revenue from these tables was not classified as VIP gaming revenue, VIP gaming revenue would have been \$26,971 million in the year earlier period, and would have shown an increase of 2.8% for the Reporting Period. Without such classification of tables, the average number of VIP gaming tables in operation would have been 575 in the year earlier period.

OPERATING RESULTS — MASS MARKET TABLE GAMING

Gaming revenue from mass market table gaming operations comprised 35.7% of the Group's total gaming revenue in the Reporting Period, as compared to 28.9% in the corresponding period last year. Operating results for the Reporting Period are as follows:

Mass market operations	For the six months ended 30 June		Increase
	2014	2013	
Gaming revenue (HK\$ million)	15,725	12,181	29.1%
Average daily net-win per mass market gaming table (HK\$)	72,702	60,412	20.3%
Average number of mass market gaming tables (Average of month-end numbers)	1,195	1,114	7.3%

In the Reporting Period, the Group's gaming revenue from mass market table gaming operations amounted to approximately 24.6% of total mass market table gaming revenue in Macau, compared to 25.8% in the corresponding period last year, according to figures from DICJ.

SJM operated a total of 1,195 mass market gaming tables in its casinos as at 30 June 2014, as compared with 1,210 mass market gaming tables as at 31 December 2013.

In the first half of 2013, mass market gaming revenue did not include \$2,252 million of revenue from certain high-limit gaming tables located in casino mass market areas that were classified as VIP gaming tables due to game size. If revenue from these tables was classified as mass market gaming revenue, mass market gaming revenue would have been \$14,433 million in the year earlier period, and would have shown an increase of 8.9% for the Reporting Period. Without such classification of tables the average number of mass market gaming tables in operation would have been 1,199 in the year earlier period.

OPERATING RESULTS — SLOT MACHINES AND OTHER GAMING OPERATIONS

Gaming revenue from slot machine operations, which include other electronic gaming machines and the game of Tombola, comprised 1.5% of total gaming revenue in the Reporting Period, compared to 1.7% in the corresponding period of last year. Operating results for the Reporting Period are as follows:

Slot machine operations	For the six months ended 30 June		Increase/ (Decrease)
	2014	2013	
Gaming revenue (HK\$ million)	668	725	(8.0)%
Average daily net-win per slot machine (HK\$)	1,274	1,138	12.0%
Average number of slot machines (Average of month-end numbers)	2,892	3,519	(17.8)%

In the Reporting Period, the Group's gaming revenue from slot machine operations amounted to approximately 9.1% of total slot machine revenue in Macau, compared to 10.6% in the corresponding period last year, according to figures from DICJ.

SJM had 2,880 slot machines, operating in 11 of SJM's casinos, as at 30 June 2014 as compared with 2,880 slot machines as at 31 December 2013.

OPERATING RESULTS OF CASINO SEGMENTS — CASINO GRAND LISBOA

SJM's flagship Casino Grand Lisboa continued to achieve growth in revenue, Adjusted EBITDA and profit contribution in the first half of 2014, due to increased spending per visitor.

Casino Grand Lisboa	For the six months ended 30 June		Increase
	2014	2013	
Revenue (HK\$ million)	16,208	15,436	5.0%
Profit attributable to the Group (HK\$ million)	2,197	2,150	2.2%
Adjusted Property EBITDA ³ (HK\$ million)	2,425	2,293	5.7%
Adjusted Property EBITDA Margin ⁴	15.0%	14.9%	

³ Adjusted Property EBITDA is 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, and before elimination of inter-company consumption.

⁴ Adjusted Property EBITDA Margin is Adjusted Property EBITDA as a percentage of total revenue.

Operating results of Casino Grand Lisboa by operating segment are as follows:

Casino Grand Lisboa	For the six months ended 30 June		Increase/ (Decrease)
	2014	2013	
<i>VIP operations</i>			
Gaming revenue (HK\$ million)	12,218	12,602	(3.0)%
Average daily net-win per			
VIP gaming table (HK\$)	379,242	336,346	12.8%
VIP chips sales (HK\$ million)	468,496	397,228	17.9%
Average number of VIP gaming tables			
(Average of month-end numbers)	178	207	(14.0)%
<i>Mass market operations</i>			
Gaming revenue (HK\$ million)	3,741	2,601	43.8%
Average daily net-win per			
mass market gaming table (HK\$)	79,499	65,928	20.6%
Average number of mass market gaming tables			
(Average of month-end numbers)	260	218	19.3%
<i>Slot machine operations</i>			
Gaming revenue (HK\$ million)	248	233	6.7%
Average daily net-win per slot machine (HK\$)	1,775	1,775	0.0%
Average number of slot machines			
(Average of month-end numbers)	772	724	6.6%

In the first half of 2013, VIP gaming revenue at Grand Lisboa included \$811 million of revenue from certain high-limit gaming tables located in mass market areas that were classified as VIP gaming tables due to game size. If revenue from these tables was not classified as VIP gaming revenue, VIP gaming revenue would have been \$11,791 million in the year earlier period, and would have shown an increase of 3.6% for the Reporting Period. Mass market gaming revenue would have been \$3,413 million in the year earlier period and would have shown an increase of 9.6% for the Reporting Period.

Without such classification of tables, the average number of VIP gaming tables in operation would have been 183 in the year earlier period, and the average number of mass market gaming tables would have been 242 in the year earlier period.

Casino Grand Lisboa received over 6.9 million visitors during the first half of 2014, an average of over 38,000 visitors per day compared with approximately 7.1 million visitors during the first half of 2013, or over 39,000 per day.

OPERATING RESULTS OF CASINO SEGMENTS — OTHER SELF-PROMOTED CASINOS AND SLOT HALLS

Other self-promoted casinos are Casino Lisboa, Casino Oceanus at Jai Alai and, until 28 February 2013, Casino Jai Alai. The latter two casinos operate under the same license. During 2013 the Group also operated two self-promoted slot halls: Yat Yuen Canidrome Slot Lounge (suspended on 25 November 2013) and Treasure Hunt Slot Lounge (suspended on 24 May 2013) (collectively, “Other Self-promoted Casinos and Slot Halls”).

Other self-promoted casinos and slot halls	For the six months ended 30 June		Increase/ (Decrease)
	2014	2013	
Revenue (HK\$ million)	5,850	6,175	(5.3)%
Profit attributable to the Group (HK\$ million)	775	657	17.9%
Adjusted Property EBITDA (HK\$ million)	884	761	16.1%
Adjusted Property EBITDA Margin	15.1%	12.3%	

Operating results of other self-promoted casinos and slot halls by operating segment are as follows:

Other self-promoted casinos and slot halls	For the six months ended 30 June		Increase/ (Decrease)
	2014	2013	
<i>VIP operations</i>			
Gaming revenue (HK\$ million)	2,989	3,682	(18.8)%
Average daily net-win per			
VIP gaming table (HK\$)	383,995	317,841	20.8%
VIP chips sales (HK\$ million)	99,360	113,872	(12.7)%
Average number of VIP gaming tables			
(Average of month-end numbers)	43	64	(32.8)%
<i>Mass market operations</i>			
Gaming revenue (HK\$ million)	2,744	2,263	21.2%
Average daily net-win per			
mass market gaming table (HK\$)	49,709	42,387	17.3%
Average number of mass market gaming tables			
(Average of month-end numbers)	305	295	3.4%
<i>Slot machine operations</i>			
Gaming revenue (HK\$ million)	117	230	(49.0)%
Average daily net-win per			
slot machine (HK\$)	927	1,240	(25.2)%
Average number of slot machines			
(Average of month-end numbers)	695	1,023	(32.1)%

As at 30 June 2014, Casino Lisboa operated a total of 131 mass market gaming tables, 41 VIP gaming tables and 162 slot machines.

As at 30 June 2014, Casino Oceanus at Jai Alai operated a total of 175 mass market gaming tables and 527 slot machines.

In the first half of 2013, VIP gaming revenue at other self-promoted casinos included \$172 million of revenue from certain high-limit gaming tables located in mass market areas that were classified as VIP gaming tables due to game size. If revenue from these tables was not classified as VIP gaming revenue, VIP gaming revenue would have been \$3,510 million in the year earlier period, and would have shown a decrease of 14.8% for the Reporting Period. Mass market gaming revenue would have been \$2,436 million in the year earlier period and would have shown an increase of 12.7% for the Reporting Period.

Without such classification of tables, the average number of VIP gaming tables in operation would have been 44 in the year earlier period, and the average number of mass market gaming tables would have been 315 in the year earlier period.

OPERATING RESULTS OF CASINO SEGMENTS — SATELLITE CASINOS AND SLOT HALL

As at 30 June 2014, SJM operated 15 satellite (third party-promoted) casinos, as follows: Casino Babylon, Casino Casa Real, Casino Diamond, Casino Emperor Palace, Casino Fortuna, Casino Golden Dragon, Casino Grandview, Casino Greek Mythology, Casino Jimei, Casino Kam Pek Paradise, Casino Lan Kwai Fong, Casino L'Arc Macau, Casino Macau Jockey Club, Casino Ponte 16 and Casino Club VIP Legend. The 15 satellite casinos comprised a total of 626 mass market gaming tables, 348 VIP gaming tables and 1,405 slot machines as at 30 June 2014.

Twelve of SJM's satellite casinos are located on the Macau Peninsula whilst three satellite casinos are located on the island of Taipa. The satellite casinos are operated in accordance with service agreements between SJM and third party promoters.

Satellite casinos and slot hall	For the six months ended 30 June		Increase
	2014	2013	
Revenue (HK\$ million)	22,054	20,518	7.5%
Profit attributable to the Group (HK\$ million)	942	863	9.1%
Adjusted Property EBITDA (HK\$ million)	963	864	11.4%
Adjusted Property EBITDA Margin	4.4%	4.2%	

Operating results of satellite casinos and slot hall by operating segment are as follows:

Satellite casinos and slot hall	For the six months ended 30 June		Increase/ (Decrease)
	2014	2013	
<i>VIP operations</i>			
Gaming revenue (HK\$ million)	12,512	12,939	(3.3)%
Average daily net-win per VIP gaming table (HK\$)	194,726	183,296	6.2%
VIP chips sales (HK\$ million)	435,839	407,907	6.8%
Average number of VIP gaming tables (Average of month-end numbers)	355	390	(9.0)%
<i>Mass market operations</i>			
Gaming revenue (HK\$ million)	9,240	7,317	26.3%
Average daily net-win per mass market gaming table (HK\$)	81,028	67,146	20.7%
Average number of mass market gaming tables (Average of month-end numbers)	630	602	4.7%
<i>Slot machine operations</i>			
Gaming revenue (HK\$ million)	302	262	15.1%
Average daily net-win per slot machine (HK\$)	1,171	819	43.0%
Average number of slot machine (Average of month-end numbers)	1,426	1,772	(19.5)%

In the first half of 2013, VIP gaming revenue at satellite casinos included \$1,269 million of revenue from certain high-limit gaming tables located in mass market areas that were classified as VIP gaming tables due to game size. If revenue from these tables was not classified as VIP gaming revenue, VIP gaming revenue would have been \$11,670 million in the year earlier period, and would have shown an increase of 7.2% for the Reporting Period. Mass market gaming revenue would have been \$8,586 million in the year earlier period and would have shown an increase of 7.6% for the Reporting Period.

Without such classification of tables, the average number of VIP tables in operation would have been 349 in the year earlier period, and the average number of mass market gaming tables would have been 643 in the year earlier period.

NON-GAMING OPERATIONS

During the Reporting Period, the Grand Lisboa Hotel contributed \$327 million in revenue and \$100 million in Adjusted Property EBITDA to the Group as compared with \$342 million in revenue and \$114 million in Adjusted Property EBITDA for the corresponding period last year. The occupancy rate of the hotel, based on 413 average available rooms, averaged 95.3% for the Reporting Period, as compared with 95.0% for the corresponding period last year. Average room rate during the Reporting Period was approximately \$2,344 as compared with \$2,230 for the corresponding period last year.

Operating results for the Sofitel at Ponte 16, in which SJM's interest is 51%, contributed \$117 million in revenue to the Group, compared with a contribution of \$94 million for the corresponding period last year. The occupancy rate of the 408-room hotel averaged 91.8% for the Reporting Period as compared with 88.2% in the corresponding period last year, and the average room rate was \$1,338 as compared with \$1,167 for the corresponding period last year.

PROSPECTS AND RECENT DEVELOPMENTS

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

MARKET ENVIRONMENT

During the first half of 2014 Macau's total gaming revenue grew by 12.6% over the corresponding period in 2013. According to figures from the Macau Government Statistics and Census Service, visitation to Macau increased by 8.1% to 15,283,847, of which visitors from the Mainland increased by 14.7% to 10,214,304, or 66.8% of the total.

CURRENT AND RECENT INITIATIVES

Lisboa Palace

On 13 February 2014 construction work began on the Lisboa Palace, SJM's future integrated resort on Cotai, expected to be completed in 2017. The land concession contract, pursuant to which SJM leases 70,468 square metres of land from the Macau Government for an initial term of 25 years, had been published in the official gazette of Macau on 15 May 2013. SJM is developing on the site a complex with total gross floor area of 521,435 square metres plus 77,158 square metres parking area, that will encompass three hotels with a total of approximately 2,000 rooms, facilities for shopping, dining and entertainment, and a casino with approximately 700 tables and 1,000 slot machines (subject to the obtaining of applicable licences), at an estimated construction cost of approximately \$30 billion.

On 5 March 2014, a binding Memorandum of Understanding for the KARL LAGERFELD Hotel at Lisboa Palace was signed between SJM and KARL LAGERFELD GREATER CHINA HOLDINGS LIMITED in Paris. As the first hotel in the world fully designed by Karl Lagerfeld, it will comprise up to 270 guestrooms and suites in a 20-storey exclusive tower.

Casino Grand Lisboa

In September 2013, additional space for high-limit baccarat tables was added to the premium mass market area, and a further area for premium mass market gaming called the Tycoon Club with 12 high-limit baccarat tables and 38 high-limit slot machines opened in the first quarter of 2014. In the second half of 2014, work is being undertaken to add up to 14 more premium mass market tables on the mezzanine floor of the casino, to shift 7 tables from other areas to the high-yielding first floor and to add electronic table games on the second floor.

Jai Alai Renovation

SJM suspended operations at Casino Jai Alai on 28 February 2013 and commenced work on the renovation of the Jai Alai Palace building. A subsidiary of the Company had entered into a lease agreement pursuant to which the building would be leased to the Group for the operations of Casino Jai Alai and additional facilities by the Group for three years beginning 1 January 2014. SJM expects to reopen the building in 2015, with new facilities including a hotel with approximately 130 rooms, restaurants and retail shops (to be operated by other service providers) that will enhance the business of the reopened Casino Jai Alai and Casino Oceanus at Jai Alai.

As at 30 June 2014, SJM had entered into capital commitments in connection with the Jai Alai Palace renovation project with a total value approximately \$720 million.

Investment in Macau Legend Development Limited

Macau Legend Development Limited, of which the Group purchased 4% of the total share capital in August 2012 for \$480 million, was listed on the Stock Exchange of Hong Kong on 5 July 2013. Pursuant to related agreements, the Group obtained cash payments totaling approximately \$149 million, recognised as income in June 2013, and as at 30 June 2014 owned 209,068,781 shares of the company, representing approximately 3.25% of its issued share capital.

Joint Venture with eGame Group

On 6 February 2014 the Group announced that a subsidiary of the Company had entered into a joint venture agreement with the eGame Group, a provider of integrated technology and management services for national lotteries, to establish companies to operate national lotteries in each of five different countries, with an initial commitment of US\$20 million.

OUTLOOK

The Group's performance in the second half of 2014 will remain susceptible to the overall economic performance of the surrounding region and the level of visitation to Macau, as well as to the competitive situation among the casino operators in Macau. During this period, the Group is committed to maintaining its strength in both the mass market and VIP gaming segments while striving to improve its operating efficiency. The Group is optimistic regarding its performance for the rest of the year.

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 during the Reporting Period, with bank balances and cash amounting to \$26,154 million (not including \$680 million pledged bank deposits) as at 30 June 2014. This represented an increase of 0.4% as compared with the position as at 31 December 2013 of \$26,056 million.

Total outstanding balances of bank loans drawn by the Group as at 30 June 2014 amounted to \$1,387 million (as at 31 December 2013: \$1,510 million). The maturity profile of the Group's borrowings as at 30 June 2014 is set out below:

Maturity Profile

<i>Within 1 year</i>	<i>1–2 years</i>	<i>2–5 years</i>	<i>Total</i>
28.7%	24.5%	46.8%	100.0%

GEARING RATIO

The Group's gearing ratio (defined as the ratio of total outstanding bank loans less bank balances and cash to total assets (excluding bank balances and cash)) was zero at the end of the Reporting Period (as at 31 December 2013: zero).

CAPITAL EXPENDITURE COMMITMENTS

Capital expenditure commitments by the Group amounted to \$28.4 billion at the end of the Reporting Period (as at 31 December 2013: \$29.1 billion), of which \$27.34 billion was for the Lisboa Palace project. As at 30 June 2014, the Group was developing the construction plan for the Lisboa Palace, with an estimated construction cost of approximately \$30 billion, including capital expenditure commitments to date.

The 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 30 June 2014, certain of the Group's property and equipment and land use rights with carrying values of \$1,087 million and \$75 million, respectively (as at 31 December 2013: \$1,160 million and \$77 million, respectively), were pledged with banks for loan facilities. In addition, the Group had pledged bank deposits of \$680 million as at 30 June 2014 (as at 31 December 2013: \$677 million).

CONTINGENT LIABILITIES AND GUARANTEES

As at 30 June 2014, the Group had total guarantees given to banks of \$87 million (as at 31 December 2013: \$87 million), which were guarantees in respect of credit facilities granted to an associate and investee companies. The Group had no material contingent liabilities as at 30 June 2014.

FINANCIAL RISK

The Group follows a conservative policy in financial management with minimal exposure to currency and interest rate risks. Funds raised by the Group are on a floating rate basis. The Group does not currently hedge its interest rate exposure, although it may consider doing so in the future. As at 30 June 2014 the equivalent of approximately \$496 million of the Group's outstanding borrowings were denominated in Chinese Yuan, of which the foreign exchange rate risk has been fully set off with a matching amount of deposits. The Group's principal operations are primarily conducted and recorded in Hong Kong dollars resulting in minimal exposure to foreign exchange fluctuations. Over 98% of the Group's bank deposits are denominated in Hong Kong dollars, United States dollars or Macau patacas. It is the Group's policy not to engage in speculative trading activity.

MATERIAL ACQUISITIONS AND DISPOSALS

The Group made no material acquisitions or material disposals of subsidiaries and associated companies during the Reporting Period.

HUMAN RESOURCES

As at 30 June 2014, the Group had approximately 21,700 full-time employees. The Group's employee turnover rate was minimal in the first half of 2014.

Staff remuneration of the Group is determined by reference to personal working performance, professional qualification, industry experience and relevant 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.

COMPARISON WITH UNITED STATES GAAP ACCOUNTING

The Group's results are prepared in compliance with Hong Kong generally accepted accounting principles (“**HK GAAP**”). In comparing the Group's results to those of companies whose results are prepared under US GAAP, it should be noted that gross gaming revenues, presented under US GAAP, are reduced by commissions and discounts paid to players, to arrive at net gaming revenues. An Adjusted EBITDA would then be calculated based on these reduced net gaming revenues, resulting in a significantly higher Adjusted EBITDA Margin than that calculated under HK GAAP. If calculated under US GAAP, the Group's Adjusted EBITDA Margin would be approximately 17.5% for the Reporting Period, as compared to HK GAAP which gives an Adjusted EBITDA Margin of 10.0% for the period.

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 six months ended 30 June 2014.

CORPORATE GOVERNANCE CODE

The directors of the Company recognise the importance of good corporate governance in the management of the Group. During the period from 1 January 2014 to 30 June 2014, the Company has complied with the code provisions of the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules, except for the deviation from Code Provision E.1.2 that due to health reasons, Dr. Ho Hung Sun, Stanley was absent from the annual general meeting of the Company held on 5 June 2014.

RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS FOR INTERIM DIVIDEND

Book close dates for interim dividend	: 3 September 2014 to 5 September 2014
Record date for interim dividend	: 5 September 2014
Expected payment date	: 17 September 2014
Latest time to lodge transfer documents with the Company's share registrar to entitle interim dividend	: 4:30 p.m. on 2 September 2014
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

REVIEW OF INTERIM REPORT AND UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim report of the Company for the six months ended 30 June 2014 has been reviewed by the Audit Committee of the Company. The Group's unaudited condensed consolidated financial statements for the six months ended 30 June 2014 has been reviewed by the Audit Committee of the Company and by the Company's auditor in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

By order of the Board
SJM HOLDINGS LIMITED
So Shu Fai

Executive Director and Chief Executive Officer

Hong Kong, 13 August 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.