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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)

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 2015 (“**Q3 2015**”) and the nine months ended 30 September 2015 to enable its shareholders, investors and the public to better appraise the position and business performance of the Group.

2015 THIRD QUARTER AND THE NINE MONTHS HIGHLIGHTS (UNAUDITED)

- Gaming revenue of the Group in Q3 2015 decreased by 37.9% from Q3 2014 to HK\$11,243 million and for the nine months ended 30 September 2015 decreased by 39.6% from the first nine months of 2014 to HK\$37,562 million.
- Adjusted EBITDA¹ of the Group in Q3 2015 decreased by 49.5% over Q3 2014 to HK\$884 million and for the nine months ended 30 September 2015 decreased by 49.2% from the first nine months of 2014 to HK\$3,146 million.
- Adjusted EBITDA Margin² of the Group in Q3 2015 decreased to 7.8% from 9.6% in Q3 2014 and for the nine months ended 30 September 2015 decreased to 8.3% from 9.9% in the first nine months of 2014.
- Profit attributable to owners of the Company in Q3 2015 decreased by 81.4% over Q3 2014 to HK\$285 million and for the nine months ended 30 September 2015 decreased by 61.8% from the first nine months of 2014 to HK\$2,076 million. The decrease includes an impairment loss on an available-for-sale investment of HK\$250 million (Q3 2014 and the nine months ended 30 September 2014: Nil), without which profit attributable to owners of the Company in Q3 2015 would have decreased by 65.0% over Q3 2014 to HK\$535 million and for the nine months ended 30 September 2015 would have decreased by 57.2% from the first nine months of 2014 to HK\$2,326 million.
- Gaming revenue of the Group’s flagship Casino Grand Lisboa decreased by 48.5% from Q3 2014 to HK\$3,540 million, whilst its Adjusted EBITDA decreased by 49.2% to HK\$507 million. For the nine months ended 30 September 2015, Casino Grand Lisboa’s gaming revenue decreased by 45.0% from the first nine months of 2014 to HK\$12,701 million, whilst its Adjusted EBITDA decreased by 49.5% to HK\$1,730 million.

- The Group's gaming revenues accounted for 21.3% of Macau's casino gaming market during Q3 2015, as compared with 22.5% in Q3 2014 and 22.0% for the nine months ended 30 September 2015, as compared with 23.2% for the first nine months of 2014.
- The Group maintained a strong and liquid financial position, with HK\$17,937 million of cash, bank balances and pledged bank deposits and HK\$760 million of debt as at 30 September 2015.

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. 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 HKFRSs.

2 Adjusted EBITDA divided by total revenue

Adjusted EBITDA for the nine months ended 30 September 2015 decreased by HK\$3,049 million from the first nine months of 2014, 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\$2,936 million in the nine months ended 30 September 2015 when compared with the first nine months of 2014. The Group's Adjusted EBITDA Margin was 7.8% in Q3 2015, as compared with 9.6% in Q3 2014.

Profit attributable to owners of the Company decreased by HK\$3,354 million in the first nine months of 2015, being further affected by an impairment loss on an available-for-sale investment of HK\$250 million incurred in Q3 2015 (Q3 2014: Nil), without which profit attributable to owners of the Company would have decreased by HK\$3,104 million in the first nine months of 2015. The amount of impairment loss is based upon the quoted market price of the equity securities as at 30 September 2015 and is subject to the year-end assessment as at 31 December 2015 of any significant or prolonged decline in the fair value of the equity securities below their original investment cost. In addition, net unrealised fair value loss in an available-for-sale investment in equity securities amounting to HK\$49 million in Q3 2015 has been recognised in other comprehensive income.

During Q3 2015, the Group's VIP gaming revenue was HK\$5,442 million, a decrease of 47.5% from HK\$10,375 million in Q3 2014, mass market gaming revenue was HK\$5,529 million, a decrease of 24.9% from HK\$7,359 million, and slot machine (and Tombola) revenue was HK\$272 million, a decrease of 23.8% from HK\$357 million. The Group's total revenue during Q3 2015 of HK\$11,381 million included hotel, catering and related services revenue of HK\$138 million (Q3 2014: HK\$163 million).

During Q3 2015 the Group operated an average of 458 VIP gaming tables (Q3 2014: 564), 1,263 mass market gaming tables (Q3 2014: 1,190) and 2,737 slot machines (Q3 2014: 2,806) (average of three month-end counts).

Total VIP chips sales for the Group during Q3 2015 were HK\$160 billion (Q3 2014: HK\$360 billion), and the VIP gaming hold percentage (before commissions and discounts) was 3.36% (Q3 2014: 2.88%).

	Key Results for the Group's Casinos			
	Q3 2015		Nine months ended 30 September 2015	
	Gaming Revenue <i>HK\$ million</i>	Adjusted EBITDA <i>HK\$ million</i>	Gaming Revenue <i>HK\$ million</i>	Adjusted EBITDA <i>HK\$ million</i>
Casino Grand Lisboa	3,540	507	12,701	1,730
Other Self-promoted Casinos ¹	1,652	144	5,133	615
Satellite Casinos ²	6,051	193	19,728	681
1	Casino Lisboa, Casino Oceanus at Jai Alai and one Tombola hall			
2	Fifteen 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 2015 was 12.1%. 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 23.4%. 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 2015, the Grand Lisboa Hotel achieved an average occupancy rate of 85.0% and average room rate of HK\$1,743 per night, as compared with average occupancy rate of 90.5% and average room rate of HK\$2,261 per night in Q3 2014.

Capital expenditure of the Group during Q3 2015 was HK\$1,125 million, which was primarily for construction in progress and furniture, fixtures and equipment. As at 30 September 2015, the Group had total cash, bank balances and pledged bank deposits of HK\$17,937 million and debt of HK\$760 million.

IMPORTANT NOTE

Shareholders and potential investors should be advised that the above financial data relates only to certain parts of the Group's operations and is based on the Group's internal records and management accounts. The above financial data has not been reviewed or audited by independent auditors and is not a forecast of the performance of the Group as a whole. The Board cautions shareholders and potential investors not to rely unduly on such data and to exercise caution when dealing in the securities of the Company.

By order of the Board
SJM Holdings Limited
So Shu Fai
Executive Director and Chief Executive Officer

Hong Kong, 3 November 2015

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, Mr. Fok Tsun Ting, Timothy, 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.