



Press Release

**SJM Holdings Announces Selected Unaudited Q3 2017 Results and Selected Unaudited 2017 Year-to-Date Results**

(Hong Kong, 31 October 2017) 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 2017 (“Q3 2017”) and the nine months ended 30 September 2017.

**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 EBITDA<sup>1</sup> 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 Margin<sup>2</sup> 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 <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	3,709	418	11,016	1,265
Other Self-promoted Casinos <sup>1</sup>	1,374	122	4,415	425
Satellite Casinos <sup>2</sup>	4,932	168	14,959	463

<sup>1</sup> Casino Lisboa, Casino Oceanus at Jai Alai (including the casino area in the Jai Alai building) and Casino Taipa

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

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.

Dr. Ambrose So, Chief Executive Officer of SJM Holdings Limited, commented, "Led by our flagship Grand Lisboa, our gaming revenue, adjusted EBITDA and Net Profit showed a sequential-quarter increase in the third quarter. In spite of Typhoon Hato and other events that affected our Grand Lisboa Palace project in the third quarter of 2017, the effects of which are still being assessed, we are working full speed on construction of the project in Cotai with full confidence in the future of our business and Macau."

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