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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

2020 FIRST QUARTER SELECTED UNAUDITED KEY PERFORMANCE INDICATORS

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 31 March 2020 (“**Q1 2020**”) to enable its shareholders, investors and the public to better appraise the position and business performance of the Group.

2020 FIRST QUARTER HIGHLIGHTS (UNAUDITED)

- First quarter results of the Group were severely impacted by the COVID-19 outbreak, which led to closure of Macau casinos for 15 days in February, as well as ongoing restrictions on entry from the Mainland, Hong Kong and other locations, curtailment of transportation channels and quarantine requirements. Total revenue, gross gaming revenue and net gaming revenue¹ of the Group thus decreased in Q1 2020 by 62.1%, 62.2% and 59.8%, respectively from Q1 2019.
- Adjusted EBITDA² of the Group declined to a negative HK\$200 million in Q1 2020 from HK\$1,075 million in Q1 2019, a decrease of 118.6%.
- Adjusted EBITDA Margin³ of the Group in Q1 2020 decreased to negative 5.7% from 12.4% in Q1 2019.
- Profit attributable to owners of the Company declined to a net loss of HK\$409 million in Q1 2020 from HK\$850 million in Q1 2019, a decrease of 148.1%.
- The Group’s gross gaming revenue accounted for 13.3% of Macau’s casino gaming revenue during Q1 2020, as compared with 14.1% in Q1 2019.
- As at 31 March 2020, the Group had HK\$12,114 million of cash, bank balances and pledged bank deposits, HK\$15,238 million of total debt, and HK\$28,549 million of shareholders’ equity.
- Following completion of construction work on the Grand Lisboa Palace in late 2019, the Group began the inspection and application process with the Macau Government. Subject to obtaining the necessary operating permits, the project is expected to open by the end of 2020.

¹ Gross gaming revenue less commissions and incentives

² Earnings after adjustment for non-controlling interests and before accounting for interest income and expense, tax, depreciation and amortisation, donations, gain on disposal of property and equipment and share-based payments

³ Adjusted EBITDA divided by total net revenue (net gaming revenue plus hotel, catering, retail and related services revenue)

Year-to-Date Comparison (unaudited)

	Three months ended 31 March		
	2020	2019	(Decrease)
	<i>HK\$ million</i>	<i>HK\$ million</i>	
Total Net Revenue	3,479	8,658	(59.8%)
Net Gaming Revenue	3,407	8,476	(59.8%)
(Loss) Profit Attributable to Owners of the Company	(409)	850	(148.1%)
Adjusted EBITDA	(200)	1,075	(118.6%)
Adjusted EBITDA Margin	(5.7%)	12.4%	

Gaming revenue, net of commissions and incentives of HK\$536 million (Q1 2019: HK\$1,942 million), earned by Sociedade de Jogos de Macau, S.A., a subsidiary of the Company, was HK\$3,407 million in Q1 2020, a decrease of 59.8% from Q1 2019.

During Q1 2020, the Group's VIP gross gaming revenue was HK\$1,196 million, a decrease of 69.6% from HK\$3,935 million in Q1 2019, mass market gross gaming revenue was HK\$2,606 million, a decrease of 57.9% from HK\$6,193 million, and slot machine gross gaming revenue was HK\$141 million, a decrease of 51.6% from HK\$290 million. The Group's total net revenue during Q1 2020 of HK\$3,479 million included hotel, catering, retail and related services revenue of HK\$72 million (Q1 2019: HK\$182 million).

Year-to-Date Comparison (unaudited)

	Three months ended 31 March		
	2020	2019	(Decrease)
	<i>HK\$ million</i>	<i>HK\$ million</i>	
VIP Gross Gaming Revenue	1,196	3,935	(69.6%)
Mass Market Gross Gaming Revenue	2,606	6,193	(57.9%)
Slot Machine Gross Gaming Revenue	<u>141</u>	<u>290</u>	(51.6%)
Gross Gaming Revenue	3,943	10,418	(62.2%)
Commissions and incentives	<u>(536)</u>	<u>(1,942)</u>	(72.4%)
Net Gaming Revenue	<u><u>3,407</u></u>	<u><u>8,476</u></u>	(59.8%)

During Q1 2020, the Group operated an average of 218 VIP gaming tables (Q1 2019: 280), 933 mass market gaming tables (Q1 2019: 1,410) and 1,595 slot machines (Q1 2019: 2,594) (average of three month-end counts).

Total VIP chips sales for the Group during Q1 2020 were HK\$34 billion (Q1 2019: HK\$123 billion) and the VIP gaming hold percentage (before commissions and incentives) was 3.55% (Q1 2019: 3.20%).

Key Results for the Group's Casinos — Q1 2020

	Gross Gaming Revenue <i>HK\$ million</i>	Adjusted EBITDA <i>HK\$ million</i>
Casino Grand Lisboa	1,207	(16)
Other Self-promoted Casinos ¹	629	(99)
Satellite Casinos ²	2,107	(5)

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

² Sixteen third party-promoted casinos

Unrealised fair value loss in investment in equity securities designated at fair value through other comprehensive income amounting to HK\$64 million in Q1 2020 has been recognised in other comprehensive expense and accumulated under investment revaluation reserve.

During Q1 2020, the average occupancy rate of the Grand Lisboa Hotel dropped to 35.3% at an average room rate of HK\$1,605 per night, as compared with an average occupancy rate of 94.7% and average room rate of HK\$1,500 per night in Q1 2019.

Capital expenditure of the Group during Q1 2020 was HK\$754 million, which was primarily for construction in progress. As at 31 March 2020, the Group had total cash, bank balances and pledged bank deposits of HK\$12,114 million and total debt of HK\$15,238 million.

OUTLOOK

The COVID-19 outbreak will continue to have a material effect on the Group's operating results in 2020 and possibly beyond, the extent of which depends on future conditions and developments, including the progress of the outbreak, the lifting or extension of protective measures and the overall condition of the regional economy. Given the uncertainty about the future course of COVID-19, and the regulatory and economic responses, the impact on the Group's future operating results cannot be reasonably estimated.

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
Ho Chiu Fung, Daisy
Chairman and Executive Director

Hong Kong, 5 May 2020

As at the date of this announcement, the executive directors of the Company are Ms. Ho Chiu Fung, Daisy, Mr. Fok Tsun Ting, Timothy, Deputada Leong On Kei, Angela, Dr. So Shu Fai, Mr. Ng Chi Sing, Dr. Chan Un Chan and Mr. Shum Hong Kuen, David; the non-executive director of the Company is Mr. Tsang On Yip, Patrick and the independent non-executive directors of the Company are Mr. Chau Tak Hay, Hon. Shek Lai Him, Abraham, Mr. Tse Hau Yin and Ms. Wong Yu Pok, Marina.