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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 2024

The board of directors (the “**Board**”) of SJM Holdings Limited (the “**Company**”) hereby announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 June 2024 (the “**Reporting Period**”).

### FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		Increase
	2024 HK\$ million (unaudited)	2023 HK\$ million (unaudited)	
Total Group net revenue	13,801	9,362	47.4%
Net gaming revenue	12,897	8,695	48.3%
Adjusted EBITDA*	1,734	461	275.9%
Loss attributable to owners of the Company	(162)	(1,264)	NM
Loss per share — basic	HK(2.3) cents	HK(17.8) cents	NM
— diluted	HK(2.3) cents	HK(17.8) cents	NM

\* Adjusted EBITDA is earnings or losses 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, bank charges for bank loans, gain/loss on modification of bank loans and pre-opening expenses.

NM = not meaningful

## INTERIM DIVIDEND

The Board does not declare any interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## OPERATING HIGHLIGHTS

- Net gaming revenue earned by SJM Resorts, S.A. (“SJM”), a subsidiary of the Company, was HK\$12,897 million in the first half of 2024, as compared with HK\$8,695 million in the first half of 2023.
- Adjusted EBITDA of the Group was HK\$1,734 million, as compared with HK\$461 million in the first half of 2023.
- Loss attributable to owners of the Company was HK\$162 million, as compared with a loss of HK\$1,264 million in the first half of 2023.
- SJM had a 12.5% share of Macau’s gross gaming revenue, including 15.2% of mass market table gross gaming revenue and 4.4% of VIP gross gaming revenue.
- Grand Lisboa Palace’s gross revenue was HK\$2,956 million, including gross gaming revenue of HK\$2,325 million and non-gaming revenue of HK\$631 million, as compared with gross gaming revenue of HK\$1,034 million and non-gaming revenue of HK\$396 million in the first half of 2023. Grand Lisboa Palace’s Adjusted Property EBITDA was HK\$192 million, as compared with negative HK\$292 million in the first half of 2023.
- Grand Lisboa’s gross revenue was HK\$3,800 million, including gross gaming revenue of HK\$3,660 million and non-gaming revenue of HK\$140 million, as compared with gross gaming revenue of HK\$2,266 million and non-gaming revenue of HK\$137 million in the first half of 2023. Grand Lisboa’s Adjusted Property EBITDA was HK\$1,010 million, as compared with HK\$473 million in the first half of 2023.
- Grand Lisboa Palace Resort’s occupancy rate increased by 10.9% from the first half of 2023 to 94.8%. Average daily room rate decreased during the period by 15.1% to HK\$1,155.
- Grand Lisboa Hotel’s occupancy rate increased by 10.7% from the first half of 2023 to 98.5%. Average daily room rate increased during the period by 19.5% to HK\$1,226.
- The Group had HK\$3,433 million of cash, bank balances, short-term bank deposits and pledged bank deposits and HK\$26,967 million of debt as at 30 June 2024.
- The Group’s syndicated banking facilities consist of a HK\$9 billion term loan and a HK\$10 billion revolving credit, of which HK\$4.1 billion is undrawn as of 30 June 2024.

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	Notes	Six months ended 30 June	
		2024 HK\$ million (unaudited)	2023 HK\$ million (unaudited)
Gaming, hotel, catering, retail, leasing and related services revenues		<u>13,801.3</u>	<u>9,361.6</u>
Gaming revenue	4	<u>12,897.0</u>	8,695.1
Special gaming tax and special levy		<u>(5,516.7)</u>	<u>(3,674.3)</u>
		<b>7,380.3</b>	5,020.8
Hotel, catering, retail, leasing and related services income		<b>904.3</b>	666.5
Cost of sales and services on hotel, catering, retail, leasing and related services		<b>(350.8)</b>	(282.0)
Other income, gains and losses		<b>146.9</b>	102.7
Marketing and promotional expenses		<b>(2,422.9)</b>	(1,564.5)
Operating and administrative expenses		<b>(4,772.8)</b>	(4,327.7)
Finance costs		<b>(975.8)</b>	(810.6)
Share of profits (losses) of an associate		<b>1.4</b>	(6.3)
Share of profits of a joint venture		<b>4.2</b>	4.2
Loss before taxation	5	<b>(85.2)</b>	(1,196.9)
Taxation	6	<b>(23.4)</b>	–
Loss for the period		<b>(108.6)</b>	(1,196.9)
Other comprehensive expense:			
Item that will not be reclassified to profit or loss:			
Change in fair value of investments in equity instruments designated at fair value through other comprehensive income		<b>(5.8)</b>	(37.7)
Total comprehensive expense for the period		<b>(114.4)</b>	<b>(1,234.6)</b>
(Loss) profit for the period attributable to:			
owners of the Company		<b>(162.4)</b>	(1,264.1)
non-controlling interests		<b>53.8</b>	67.2
		<b>(108.6)</b>	<b>(1,196.9)</b>
Total comprehensive (expense) income for the period attributable to:			
owners of the Company		<b>(168.2)</b>	(1,301.8)
non-controlling interests		<b>53.8</b>	67.2
		<b>(114.4)</b>	<b>(1,234.6)</b>
Loss per share:			
Basic	8	<b>HK(2.3) cents</b>	HK(17.8) cents
Diluted	8	<b>HK(2.3) cents</b>	HK(17.8) cents

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2024

		At <b>30 June 2024</b>	At 31 December 2023
	<i>Notes</i>	<i>HK\$ million</i> <b>(unaudited)</b>	<i>HK\$ million</i> (audited)
Non-current assets			
Property and equipment		<b>37,806.1</b>	38,353.9
Right-of-use assets		<b>2,561.4</b>	2,483.5
Gaming concession right		<b>2,221.2</b>	2,297.1
Art works and diamonds		<b>281.3</b>	281.3
Interest in an associate		<b>33.7</b>	32.9
Interest in a joint venture		<b>54.5</b>	50.3
Investments in equity instruments designated at fair value through other comprehensive income		<b>365.1</b>	370.9
Pledged bank deposit		<b>970.9</b>	970.9
Other assets		<b>705.4</b>	465.1
		<b>44,999.6</b>	45,305.9
Current assets			
Inventories		<b>144.5</b>	147.9
Trade and other receivables	9	<b>722.5</b>	706.5
Pledged bank deposits		<b>37.7</b>	37.7
Short-term bank deposits		<b>104.3</b>	452.6
Bank balances and cash		<b>2,319.7</b>	3,089.1
		<b>3,328.7</b>	4,433.8
Current liabilities			
Trade and other payables	10	<b>4,052.0</b>	4,231.2
Taxation payable		<b>23.4</b>	36.1
Bank loans — due within one year		<b>1,058.3</b>	970.7
Lease liabilities		<b>76.4</b>	37.5
		<b>5,210.1</b>	5,275.5
Net current liabilities		<b>(1,881.4)</b>	(841.7)
Total assets less current liabilities		<b>43,118.2</b>	44,464.2

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)***At 30 June 2024*

		At <b>30 June 2024</b>	At 31 December 2023
	<i>Notes</i>	<i>HK\$ million</i> <b>(unaudited)</b>	<i>HK\$ million</i> (audited)
Non-current liabilities			
Other payables	<i>10</i>	<b>2,269.7</b>	2,283.2
Bank loans — due after one year		<b>12,953.7</b>	14,265.2
Unsecured notes		<b>9,420.1</b>	9,413.7
Lease liabilities		<b>630.8</b>	558.0
Amount due to non-controlling interests of a subsidiary		<b>329.0</b>	348.2
Loan from ultimate holding company		<b>2,006.6</b>	2,006.8
Deferred taxation		<b>10.5</b>	10.5
Convertible bond		<b>1,528.0</b>	1,493.4
		<b>29,148.4</b>	30,379.0
Net assets		<b>13,969.8</b>	14,085.2
Capital and reserves			
Share capital		<b>14,415.1</b>	14,415.1
Reserves		<b>(647.7)</b>	(479.5)
Equity attributable to owners of the Company		<b>13,767.4</b>	13,935.6
Non-controlling interests		<b>202.4</b>	149.6
Total equity		<b>13,969.8</b>	14,085.2

## 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 operations of casinos and related facilities, and hotel, catering, retail, leasing and related services in Macau Special Administrative Region of the People's Republic of China ("**Macau SAR**"). Its immediate and ultimate holding company is Sociedade de Turismo e Diversões de Macau, S.A. ("**STDM**"), a company established in Macau SAR. The address of the registered office and principal place of business of the Company is 18th Floor, China Merchants Tower, Shun Tak Centre, Nos. 168–200 Connaught Road Central, Hong Kong.

### 2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 June 2024 are presented in Hong Kong dollars ("**HK\$**"), which is also the functional currency of the Company, and have been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") as well as the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and should be read in conjunction with annual consolidated financial statements for the year ended 31 December 2023, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

The financial information relating to the year ended 31 December 2023 that is included in these condensed consolidated financial statements as comparative information does not constitute the Company's statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements is as follows:

The Company has delivered the annual consolidated financial statements for the year ended 31 December 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622) (the "**Hong Kong Companies Ordinance**").

The Company's auditor has reported on these consolidated financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or 407(3) of the Hong Kong Companies Ordinance.

#### **Principal accounting policies**

The condensed consolidated financial statements for the six months ended 30 June 2024 have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than change in accounting policies resulting from application of amendments to HKFRSs, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2024 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2023.

## 2. BASIS OF PREPARATION (Continued)

### Application of amendments to HKFRSs

In the current interim period, the Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2024 for the preparation of the Group's condensed consolidated financial statements:

Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The application of the amendments to HKFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

## 3. OPERATING SEGMENTS

The Group is currently organised into two reportable segments — gaming operations, and hotel, catering, retail and leasing operations. Principal activities of these two reportable segments are as follows:

- |   |   |  |
|---|---|--|
| (i) Gaming operations                               | — | operation of casinos and related facilities                        |
| (ii) Hotel, catering, retail and leasing operations | — | operation of hotel, catering, retail, leasing and related services |

Reportable segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (the “CODM”). CODM, who is responsible for allocating resources and assessing performance of the reportable segments, has been identified as a group of senior management that makes strategic decisions.

The CODM regularly analyses gaming operations in terms of rolling revenue, non-rolling revenue and electronic gaming revenue, and the relevant revenues and operating results are reviewed as a whole for resources allocation and performance assessment. For hotel, catering, retail and leasing operations, the CODM regularly reviews the performance on the basis of the individual hotel. For segment reporting under HKFRS 8 Operating Segments, financial information of the Group's hotels with similar economic characteristics has been aggregated into a single reportable segment named “hotel, catering, retail and leasing operations”.

### 3. OPERATING SEGMENTS (Continued)

Segment information about these businesses is presented below:

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

	Segment revenue		Segment results	
	2024 HK\$ million (unaudited)	Six months ended 30 June 2023 HK\$ million (unaudited)	2024 HK\$ million (unaudited)	2023 HK\$ million (unaudited)
Gaming operations: recognised at a point in time	<u>12,897.0</u>	<u>8,695.1</u>	<b>78.6</b>	(794.4)
Hotel, catering, retail and leasing operations: External sales				
Catering and retail operations: recognised at a point in time	<b>354.1</b>	290.0		
Hotel operations: recognised over time	<b>471.9</b>	303.3		
Leasing operations: revenue from operating leases	<u>78.3</u>	<u>73.2</u>		
	<u>904.3</u>	<u>666.5</u>		
Inter-segment sales:				
Catering and retail operations: recognised at a point in time	<b>103.8</b>	37.0		
Hotel operations: recognised over time	<u>56.7</u>	<u>26.5</u>		
	<u>160.5</u>	<u>63.5</u>		
	<b>1,064.8</b>	730.0	<b>(103.7)</b>	(352.9)
Eliminations	<u>(160.5)</u>	<u>(63.5)</u>		
	<u>904.3</u>	<u>666.5</u>		
Total:				
Revenue from contracts with customers:				
recognised at a point in time	<b>13,251.1</b>	8,985.1		
recognised over time	<u>471.9</u>	<u>303.3</u>		
	<b>13,723.0</b>	9,288.4		
Revenue from operating leases: lease payments	<u>78.3</u>	<u>73.2</u>		
	<u><b>13,801.3</b></u>	<u>9,361.6</u>		
<b>Reconciliation from segment results to loss before taxation:</b>				
Unallocated corporate income			<b>(25.1)</b>	(1,147.3)
Unallocated corporate expenses			<b>6.4</b>	9.3
Share of profits (losses) of an associate			<b>(72.1)</b>	(56.8)
Share of profits of a joint venture			<b>1.4</b>	(6.3)
			<u><b>4.2</b></u>	<u>4.2</u>
Loss before taxation			<u><b>(85.2)</b></u>	<u>(1,196.9)</u>



### 3. OPERATING SEGMENTS (Continued)

- (a) An analysis of the Group's revenue and results by reportable segments is as follows:  
(Continued)

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment results represent the loss before taxation from each segment without allocation of corporate income and expenses and share of profits (losses) of an associate and a joint venture. This is the measure reported to the CODM for the purposes of resources allocation and performance assessment.

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b><i>HK\$ million</i></b>	<b><i>HK\$ million</i></b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Revenue excluded inter-segment sales:		
Gross gaming revenue	<b>13,791.3</b>	9,174.2
Hotel, catering, retail, leasing and related services income	<b><u>904.3</u></b>	<u>666.5</u>
	<b><u>14,695.6</u></b>	<u>9,840.7</u>

### 3. OPERATING SEGMENTS (Continued)

(b) An analysis of the Group's assets and liabilities by reportable segments is as follows:

	At 30 June 2024 <i>HK\$ million</i> (unaudited)	At 31 December 2023 <i>HK\$ million</i> (audited)
<i>Assets</i>		
Segment assets:		
gaming operations	35,211.9	35,996.7
hotel, catering, retail and leasing operations	<u>10,036.2</u>	<u>10,298.7</u>
	45,248.1	46,295.4
Interest in an associate	33.7	32.9
Interest in a joint venture	54.5	50.3
Unallocated bank deposits, bank balances and cash	36.5	380.3
Other unallocated assets	<u>2,955.5</u>	<u>2,980.8</u>
Group's total	<u><u>48,328.3</u></u>	<u><u>49,739.7</u></u>
<i>Liabilities</i>		
Bank loans:		
gaming operations	13,852.6	15,056.7
hotel, catering, retail and leasing operations	<u>159.4</u>	<u>179.2</u>
	<u>14,012.0</u>	<u>15,235.9</u>
Unsecured notes:		
gaming operations	<u>9,420.1</u>	<u>9,413.7</u>
Convertible bond:		
gaming operations	1,114.3	1,089.1
hotel, catering, retail and leasing operations	<u>413.7</u>	<u>404.3</u>
	<u>1,528.0</u>	<u>1,493.4</u>
Other segment liabilities:		
gaming operations	8,213.2	8,063.7
hotel, catering, retail and leasing operations	<u>559.3</u>	<u>638.6</u>
	<u>8,772.5</u>	<u>8,702.3</u>
Total segment liabilities	33,732.6	34,845.3
Unallocated liabilities	<u>625.9</u>	<u>809.2</u>
Group's total	<u><u>34,358.5</u></u>	<u><u>35,654.5</u></u>

### 3. OPERATING SEGMENTS (Continued)

(b) An analysis of the Group's assets and liabilities by reportable segments is as follows:  
(Continued)

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

- (i) other unallocated assets include mainly certain property and equipment, certain right-of-use assets, certain deposits made on acquisitions of property and equipment, art works and diamonds, amounts due from an associate/a joint venture/an investee company and investments in equity instruments designated at fair value through other comprehensive income.
- (ii) unallocated liabilities include mainly certain construction payables, certain lease liabilities and amount due to non-controlling interests of a subsidiary.
- (iii) all assets are allocated to reportable segments, other than interest in an associate/a joint venture, unallocated bank deposits, bank balances and cash and those mentioned in above (i).
- (iv) all liabilities are allocated to reportable segments, other than liabilities not attributable to respective segments as mentioned in above (ii).

### 4. GAMING REVENUE

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>HK\$ million</b>	<b>HK\$ million</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Gaming revenue comprises of:		
Rolling gross gaming revenue	1,177.7	712.4
Non-rolling gross gaming revenue	11,489.6	7,677.0
Electronic game gross gaming revenue	<u>1,124.0</u>	<u>784.8</u>
Gross gaming revenue	13,791.3	9,174.2
Less: commissions and incentives	<u>(894.3)</u>	<u>(479.1)</u>
	<u><u>12,897.0</u></u>	<u><u>8,695.1</u></u>

## 5. LOSS BEFORE TAXATION

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<i>Loss before taxation has been arrived at after charging:</i>		
Directors' remuneration	<u>23.9</u>	<u>27.3</u>
Retirement benefits scheme contributions for other staff	<b>107.2</b>	102.9
Less: Forfeited contributions	<u>(6.2)</u>	<u>(6.4)</u>
	<u>101.0</u>	<u>96.5</u>
Other staff costs	<u>3,007.5</u>	<u>2,682.3</u>
Total employee benefit expenses	<u>3,132.4</u>	<u>2,806.1</u>
Amortisation of gaming concession right (included in operating and administrative expenses)	<b>130.7</b>	127.9
Depreciation of property and equipment	<b>742.5</b>	739.2
Depreciation of right-of-use assets	<b>60.3</b>	56.4
Loss on modification of a bank loan	<b>16.1</b>	59.0
Loss on disposal/write-off of property and equipment	<b>9.8</b>	3.0
<i>and after crediting:</i>		
Bank interest income	<b>59.5</b>	66.7
Dredging services income	<b>99.3</b>	87.7
Gain on modification of a bank loan	<u>–</u>	<u>0.4</u>

## 6. TAXATION

	Six months ended 30 June	
	2024	2023
	<i>HK\$ million</i>	<i>HK\$ million</i>
	(unaudited)	(unaudited)
Current tax — Macau SAR Complementary Tax (“CT”)	<u>23.4</u>	<u>—</u>

No provision for CT on gaming related income has been made for SJM. SJM has applied for obtaining approval from the Financial Services Bureau of the Macau SAR Government for the exemption of CT from 1 January 2023 to 31 December 2032. Pursuant to the approval notice issued by the Macau SAR Government dated 29 January 2024, the Company has been exempted from CT for income generated from gaming operations for the period from 1 January 2023 to 31 December 2027.

In addition, during the year ended 31 December 2023, SJM has applied for obtaining approval for the dividend tax which the shareholders are obligated to pay to Macau SAR Government for dividend distribution (the “**Special Complementary Tax**”) from the Financial Services Bureau of the Macau SAR Government. Pursuant to the approval letter dated 24 January 2024 issued by Financial Services Bureau of the Macau SAR Government, SJM’s shareholders are obligated to pay the Special Complementary Tax at an applicable rate of gross gaming revenue for the period from 1 January 2023 to 31 December 2025 regardless of any dividend distributed.

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

No provision for taxation in other jurisdictions (including Hong Kong) is made as the Group’s operations outside Macau SAR have no assessable taxable profits arising from the respective jurisdictions.

## 7. DIVIDENDS

The Board of the Company does not declare the payment of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: nil).

## 8. LOSS PER SHARE

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

	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<i>HK\$ million</i>	<i>HK\$ million</i>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b><i>Loss</i></b>		
Loss for the purposes of basic and diluted loss per share (loss for the period attributable to owners of the Company)	<b><u>(162.4)</u></b>	<b><u>(1,264.1)</u></b>
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b><i>Number of shares</i></b>		
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share ( <i>Note</i> )	<b><u>7,101,805,366</u></b>	<b><u>7,101,805,366</u></b>
	<b>Six months ended 30 June</b>	
	<b>2024</b>	<b>2023</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Loss per share:		
Basic	<b>HK(2.3) cents</b>	HK(17.8) cents
Diluted	<b>HK(2.3) cents</b>	HK(17.8) cents

*Note: For the six months ended 30 June 2023 and 2024, the diluted loss per share does not assume the exercise of the Company's share options and the conversion of the Company's convertible bond because the assumed exercise would result in a decrease in loss per share.*

## 9. TRADE AND OTHER RECEIVABLES

	At <b>30 June</b> <b>2024</b> <i>HK\$ million</i> <b>(unaudited)</b>	At 31 December 2023 <i>HK\$ million</i> (audited)
Advances to a gaming promoter and patrons, net	27.2	38.0
Lease receivables	170.4	164.8
Other receivables from a service provider, net	0.6	42.6
Prepayments	250.2	179.5
Other sundry receivables	<u>274.1</u>	<u>281.6</u>
	<u><b>722.5</b></u>	<u><b>706.5</b></u>

Advances to a gaming promoter and patrons mainly include pre-approved interest-free revolving credit lines and short-term temporary interest-free advances. All advances to a gaming promoter and patrons are unsecured, repayable on demand at discretion of the Group and generally require cheques and guarantees. As at 30 June 2024, the Group's advances to gaming patrons with aggregate carrying amount of HK\$7.7 million (31 December 2023: HK\$30.5 million) were past due as at the reporting date. Out of the past due balances, HK\$0.8 million (31 December 2023: HK\$1.4 million) has been past due 90 days or more and is not considered as in default as there has not been a significant change in credit quality and the amounts are still considered recoverable.

Advances are only granted to a gaming promoter and patrons with good credit histories and financial track records. The Group has enforceable right and intends to offset the advances against commission payables to or deposits from relevant gaming promoter and patrons. In addition, in the event that a gaming promoter and patrons fails to repay, the Group has the right, pursuant to the relevant gaming promoter and patrons agreement, to offset or withhold the other payables to those gaming promoter and patrons, realise cheques and execute guarantees.

Other receivables from a service provider represent certain costs to be reimbursed from a service provider. With the consent of a service provider, the Group can offset the outstanding balances against commission and service fee payables to or deposits from relevant service provider. In the event that a service provider fails to repay, the Group has the right, pursuant to the relevant service provider agreement, to offset or withhold the payables to that service provider, realise cheques and execute guarantees, if any.

## 9. TRADE AND OTHER RECEIVABLES (Continued)

The following is the aged analysis of advances to a gaming promoter and patrons at the end of the reporting period based on the date of credit granted:

<i>Age</i>	<b>At 30 June 2024 <i>HK\$ million</i> (unaudited)</b>	<b>At 31 December 2023 <i>HK\$ million</i> (audited)</b>
0 to 30 days	<b>19.5</b>	7.5
31 to 60 days	<b>4.4</b>	0.3
61 to 90 days	<b>2.5</b>	28.8
Over 90 days	<b>0.8</b>	1.4
	<b><u>27.2</u></b>	<b><u>38.0</u></b>

The lease receivables are mainly arising from rent-free periods provided to the tenants.

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



## 10. TRADE AND OTHER PAYABLES

	At 30 June 2024 <i>HK\$ million</i> (unaudited)	At 31 December 2023 <i>HK\$ million</i> (audited)
Trade payables	326.5	348.6
Special gaming tax payable	917.3	873.1
Chips in circulation	420.6	407.7
Chips in custody and deposits received from gaming patrons and gaming promoters	425.2	379.6
Payable for acquisition of property and equipment	152.6	179.0
Construction payables	89.6	260.3
Accrued staff costs	677.8	829.0
Accrued operating expenses	51.2	43.4
Payable for gaming concession right	2,466.7	2,493.5
Withholding tax payable	26.0	17.7
Other sundry payables and accruals	<u>768.2</u>	<u>682.5</u>
	<b>6,321.7</b>	6,514.4
Less: Non-current portion of other payables and payable for gaming concession right ( <i>Note</i> )	<u>(2,269.7)</u>	<u>(2,283.2)</u>
	<b><u>4,052.0</u></b>	<b><u>4,231.2</u></b>

*Note: As at 30 June 2024, non-current portion of other payables comprises of deposits received for rentals of HK\$80.5 million (31 December 2023: HK\$70.7 million) and payable for gaming concession right of HK\$2,189.2 million (31 December 2023: HK\$2,212.5 million). The amounts are classified as non-current portion of other payables based on the contractual or scheduled repayment terms.*

## 10. TRADE AND OTHER PAYABLES (Continued)

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

<i>Age</i>	<b>At 30 June 2024 <i>HK\$ million</i> (unaudited)</b>	<b>At 31 December 2023 <i>HK\$ million</i> (audited)</b>
0 to 30 days	<b>308.1</b>	325.3
31 to 60 days	<b>15.6</b>	13.5
61 to 90 days	<b>1.9</b>	7.6
Over 90 days	<b><u>0.9</u></b>	<u>2.2</u>
	<b><u><u>326.5</u></u></b>	<u><u>348.6</u></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 settled within the credit time frame.

## BUSINESS REVIEW

### Group Operating Results

The Group's results, Net Revenue, Adjusted EBITDA and Adjusted EBITDA Margin for the six months ended 30 June 2024 (the “**Reporting Period**”) and for the year-earlier period are shown below:

	For the six months ended 30 June		Increase
	2024	2023	
<b>Group operating results</b>	<b>HK\$ million</b>	<b>HK\$ million</b>	
Total net revenue	<b>13,801</b>	9,362	<b>47.4%</b>
Net gaming revenue	<b>12,897</b>	8,695	<b>48.3%</b>
Loss attributable to owners of the Company	<b>(162)</b>	(1,264)	NM
Adjusted EBITDA <sup>1</sup>	<b>1,734</b>	461	<b>275.9%</b>
Adjusted EBITDA Margin <sup>2</sup>	<b>12.6%</b>	4.9%	<b>7.7 pts</b>

<sup>1</sup> Adjusted EBITDA is earnings or losses 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, bank charges for bank loans, gain/loss on modification of bank loans and pre-opening expenses.

<sup>2</sup> Adjusted EBITDA Margin is Adjusted EBITDA divided by total net revenue.

NM = not meaningful

Total net revenue was HK\$13,801 million for the six months ended 30 June 2024, an increase of 47.4%, compared to HK\$9,362 million for the six months ended 30 June 2023. The increase was mainly driven by gaming revenue.

The following tables summarise the results of Self-promoted Casino, Satellite Casino and hotel room activities:

	For the six months ended 30 June		Increase
	2024	2023	
	<b>HK\$ million</b>	<b>HK\$ million</b>	
Rolling Gross Gaming Revenue	<b>1,178</b>	712	<b>65.4%</b>
Non-Rolling Gross Gaming Revenue	<b>11,489</b>	7,677	<b>49.7%</b>
Electronic Game Gross Gaming Revenue	<b>1,124</b>	785	<b>43.2%</b>
Gross Gaming Revenue (“ <b>GGR</b> ”)	<b>13,791</b>	9,174	<b>50.3%</b>
Less: commissions and incentives	<b>(894)</b>	(479)	<b>86.6%</b>
Net Gaming Revenue	<b>12,897</b>	8,695	<b>48.3%</b>

## BUSINESS REVIEW (Continued)

### Property Statistics

<b>Grand Lisboa Palace Resort Statistics</b>	<b>For the six months ended 30 June</b>			
	<b>2024</b>	<b>2023</b>	<b>Variance</b>	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>%</i>
<b>Revenues:</b>				
Casino (GGR)	<b>2,325</b>	1,034	<b>1,291</b>	<b>124.9%</b>
Hotel	<b>339</b>	168	<b>171</b>	<b>101.8%</b>
Food and Beverage, Mall and Other	<b>292</b>	228	<b>64</b>	<b>28.1%</b>
<b>Total Revenue</b>	<b>2,956</b>	1,430	<b>1,526</b>	<b>106.7%</b>
<b>Adjusted Property EBITDA<sup>1</sup></b>	<b>192</b>	(292)	<b>484</b>	<b>165.8%</b>
<b>Gaming Statistics</b>				
Rolling Chip Volume	<b>18,524</b>	11,534	<b>6,990</b>	<b>60.6%</b>
Rolling Revenue	<b>694</b>	398	<b>296</b>	<b>74.4%</b>
Rolling Chip Win %	<b>3.7%</b>	3.5%	–	<b>0.2 pts</b>
Non-Rolling Volume	<b>7,892</b>	3,280	<b>4,612</b>	<b>140.6%</b>
Non-Rolling Revenue	<b>1,363</b>	512	<b>851</b>	<b>166.2%</b>
Non-Rolling Chip Win %	<b>17.3%</b>	15.6%	–	<b>1.7 pts</b>
Electronic Game Handle	<b>9,245</b>	3,781	<b>5,464</b>	<b>144.5%</b>
Electronic Game Revenue	<b>268</b>	124	<b>144</b>	<b>116.1%</b>
Electronic Game Hold %	<b>2.9%</b>	3.3%	–	<b>(0.4) pts</b>
<b>Hotel Statistics<sup>2</sup></b>	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>	
Occupancy %	<b>94.8%</b>	83.9%	–	<b>10.9 pts</b>
Average Daily Rate (ADR)	<b>1,155</b>	1,360	<b>(205)</b>	<b>(15.1%)</b>
Revenue per Available Room (RevPAR)	<b>1,095</b>	1,142	<b>(47)</b>	<b>(4.1%)</b>

<sup>1</sup> Adjusted Property EBITDA is earnings or losses 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, bank charges for bank loans, gain/loss on modification of bank loans, pre-opening expenses and corporate costs, and before elimination of inter-company consumption.

<sup>2</sup> Grand Lisboa Palace Resort included three hotel towers — the Grand Lisboa Palace Macau, THE KARL LAGERFELD and the Palazzo Versace Macau which opened in the second quarter of 2023.

**BUSINESS REVIEW (Continued)****Property Statistics (Continued)**

<b>Grand Lisboa Statistics</b>	<b>For the six months ended 30 June</b>			
	<b>2024</b>	<b>2023</b>	<b>Variance</b>	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>%</i>
<b>Revenues:</b>				
Casino (GGR)	<b>3,660</b>	2,266	<b>1,394</b>	<b>61.5%</b>
Hotel	<b>81</b>	71	<b>10</b>	<b>14.1%</b>
Food and Beverage, Mall and Other	<b>59</b>	66	<b>(7)</b>	<b>(10.6%)</b>
<b>Total Revenue</b>	<b>3,800</b>	2,403	<b>1,397</b>	<b>58.1%</b>
<b>Adjusted Property EBITDA</b>	<b>1,010</b>	473	<b>537</b>	<b>113.5%</b>
<b>Gaming Statistics</b>				
Rolling Chip Volume	<b>14,334</b>	8,734	<b>5,600</b>	<b>64.1%</b>
Rolling Revenue	<b>439</b>	246	<b>193</b>	<b>78.5%</b>
Rolling Chip Win %	<b>3.1%</b>	2.8%	<b>–</b>	<b>0.3 pts</b>
Non-Rolling Volume	<b>14,223</b>	9,644	<b>4,579</b>	<b>47.5%</b>
Non-Rolling Revenue	<b>2,994</b>	1,829	<b>1,165</b>	<b>63.7%</b>
Non-Rolling Chip Win %	<b>21.1%</b>	19.0%	<b>–</b>	<b>2.1 pts</b>
Electronic Game Handle	<b>4,848</b>	3,778	<b>1,070</b>	<b>28.3%</b>
Electronic Game Revenue	<b>227</b>	191	<b>36</b>	<b>18.8%</b>
Electronic Game Hold %	<b>4.7%</b>	5.1%	<b>–</b>	<b>(0.4) pts</b>
<b>Hotel Statistics</b>				
	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	
Occupancy %	<b>98.5%</b>	87.8%	<b>–</b>	<b>10.7 pts</b>
Average Daily Rate (ADR)	<b>1,226</b>	1,026	<b>200</b>	<b>19.5%</b>
Revenue per Available Room (RevPAR)	<b>1,208</b>	901	<b>307</b>	<b>34.1%</b>

## BUSINESS REVIEW (Continued)

### Property Statistics (Continued)

Other Self-promoted Casino, Jai Alai Hotel and Sofitel at Ponte 16 Statistics	For the six months ended 30 June			
	2024 <i>HK\$ million</i>	2023 <i>HK\$ million</i>	Variance <i>HK\$ million</i>	%
Revenues:				
Casino (GGR)	2,521	2,073	448	21.6%
Hotel	71	77	(6)	(7.8%)
Food and Beverage, Mall and Other	63	57	6	10.5%
Total Revenue	2,655	2,207	448	20.3%
Adjusted Property EBITDA *	649	590	59	10.0%
<b>Gaming Statistics</b>				
Non-Rolling Volume	16,501	13,049	3,452	26.5%
Non-Rolling Revenue	2,381	1,930	451	23.4%
Non-Rolling Chip Win %	14.4%	14.8%	–	(0.4) pts
Electronic Game Handle	2,893	3,490	(597)	(17.1%)
Electronic Game Revenue	140	143	(3)	(2.1%)
Electronic Game Hold %	4.8%	4.1%	–	0.7 pts
<b>Hotel Statistics</b>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	
Jai Alai Hotel:				
Occupancy %	99.8%	95.7%	–	4.1 pts
Average Daily Rate (ADR)	210	195	15	7.7%
Revenue per Available Room (RevPAR)	210	187	23	12.3%
Sofitel at Ponte 16:				
Occupancy %	84.9%	84.7%	–	0.2 pts
Average Daily Rate (ADR)	1,034	1,232	(198)	(16.1%)
Revenue per Available Room (RevPAR)	878	1,044	(166)	(15.9%)

\* Casino Lisboa, Casino Oceanus at Jai Alai (including the gaming area in the Jai Alai Building), and Jai Alai Hotel, share of Ponte 16 and other non-gaming area.

## BUSINESS REVIEW (Continued)

### Property Statistics (Continued)

<b>Satellite Casino Statistics</b>	<b>For the six months ended 30 June</b>			
	<b>2024</b>	<b>2023</b>	<b>Variance</b>	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>%</i>
Casino Revenue (GGR)	<b>5,285</b>	3,801	<b>1,484</b>	<b>39.0%</b>
<b>Adjusted Property EBITDA</b>	<b>(29)</b>	(208)	<b>179</b>	<b>86.1%</b>

As at 30 June 2024, SJM operated nine satellite (third party-promoted) casinos, as follows: Casino Casa Real, Casino Emperor Palace, Casino Fortuna, Casino Grandview, Casino Kam Pek Paradise, Casino Landmark, Casino L'Arc Macau, Casino Legend Palace and Casino Ponte 16. As at 31 December 2023, SJM operated the same nine satellite casinos.

## **PROSPECTS AND RECENT DEVELOPMENTS**

### **Expansion of Individual Visit Scheme**

In the first half of 2024, the Individual Visit Scheme expanded to include ten additional Mainland Chinese cities, now encompassing all provincial capitals and capitals of autonomous regions, bringing the total to 59 cities. This expansion allows independent Mainland Chinese travelers to visit Macau, staying for up to seven days per visit. Leveraging this favourable measure under the one-country, two-systems framework, SJM is set to intensify its destination marketing initiatives in these newly included cities. Our goal is to promote SJM's comprehensive tourism offerings and secure a first-mover advantage, thereby attracting more high-value, overnight visitors to the region.

### **Non-Gaming Activities**

During the second quarter of 2024, SJM made two strategic acquisitions aimed at enhancing its culinary leadership and strengthening its mass market presence. The group acquired the three-story Kam Pek Community Centre, a landmark property on Avenida de Almeida Ribeiro ("**San Ma Lo**") from Sociedade de Turismo e Diversões de Macau, S.A. ("**STDM**"). The iconic site is set to be revitalized into Macau's new dining and social hotspot, offering international casual dining and new food genres, slated for opening in late 2024. This transformation is aimed at drawing in tourists, injecting new life into the San Ma Lo vicinity, and boosting foot traffic for local businesses. Additionally, SJM acquired NYH European Fine Cuisine Company Limited and NYH Italian Fine Cuisine Company Limited, two subsidiaries under STDM, which are developing various destination dining experiences at the Grand Lisboa Palace Resort Macau. These acquisitions, along with a pipeline of other gastronomic projects in planning, are expected to significantly enhance SJM's food and beverage portfolio and revenue, drawing a wider audience to its properties and bolstering Macau's status as a UNESCO Creative City of Gastronomy.

The period also underscored SJM's unwavering commitment to spotlighting Macau's reputation as a premier global destination for sports, through sponsorships and active organizational roles in significant events. These included three foremost indoor skydiving competitions in the world, such as the 5th FAI World Cup of Indoor Skydiving, held in Asia for the first time. Other notable events were the "SJM Five-a-side Football Friendly: Portugal Icons vs. GBA Flying Dragon", the "2024 IMG Academy Junior World Championships China Qualifier — Macau", and the "2024 SJM Macao International Dragon Boat Races". Additionally, SJM supported the SJM Iron Lynx Theodore Team in the Lamborghini Super Trofeo Asia, where the team, featuring Macau's local racer, achieved exceptional results.



## **PROSPECTS AND RECENT DEVELOPMENTS (Continued)**

### **Non-Gaming Activities (Continued)**

In May, SJM co-hosted the PATA Annual Summit 2024 with the Macao Government Tourism Office. This three-day event allowed SJM to demonstrate its comprehensive strengths in organizing large-scale conventions and exhibitions and highlighted Macau's role as an international exchange hub with world-class hospitality to key leaders in the tourism industry across Asia.

SJM's commitment to culinary excellence was further validated through multiple prestigious accolades during the quarter. At the Tatler Dining Awards Hong Kong & Macau 2024, five restaurants under SJM and STDM were featured on the Tatler Dining 20 Macau list, affirming the group's leadership in Macau's gastronomic scene. At the 2024 Star Wine List of the Year Asia awards, Robuchon au Dôme and Don Alfonso 1890 were shortlisted as the only finalists from Macau, with the former clinching the Gold Star for the "Best Long List," while the latter received Silver Stars in three other categories, further solidifying the Group's dominance in Asia's esteemed wine scene.

Throughout the quarter, SJM actively supported the Macao Government Tourism Office's efforts to penetrate overseas markets by participating in the "Experience Macao" roadshow series. SJM supported roadshows in key source markets including Singapore, Indonesia, Korea, Thailand, and Hong Kong, where it prominently showcased its latest "Tourism+" offerings and an extensive portfolio of attractions to potential visitors and industry partners.

## FINANCIAL REVIEW

### Liquidity, Financial Resources and Capital Structure

The Group had bank balances and cash amounting to HK\$2,424 million (not including pledged bank deposits of HK\$1,009 million) as at 30 June 2024. This represented a decrease of 31.6% as compared with the position as at 31 December 2023 of HK\$3,542 million. The decrease was due to repayment of bank loans as mentioned below.

Total outstanding balances of bank loans drawn by the Group as at 30 June 2024 amounted to HK\$14,012 million (as at 31 December 2023: HK\$15,236 million). Total senior notes and convertible bond issued by the Group as at 30 June 2024 amounted to HK\$10,948 million (as at 31 December 2023: HK\$10,907 million). Loan from ultimate holding company as at 30 June 2024 amounted to HK\$2,007 million (as at 31 December 2023: HK\$2,007 million). The maturity of the Group's borrowings as at 30 June 2024 is as follows:

<b>Maturity Profile</b>				
<b>Within 1 year</b>	<b>1 to 2 years</b>	<b>2 to 5 years</b>	<b>over 5 years</b>	<b>Total</b>
3.9%	26.8%	69.3%	0%	100%

### Gearing Ratio

The Group's gearing ratio (defined as the ratio of total outstanding bank loans, convertible bond, senior notes and loan from ultimate holding company less pledged bank deposits, short-term bank deposits, bank balances and cash to total assets (excluding pledged bank deposits, short-term bank deposits, bank balances and cash)) was 52.4% at the end of the Reporting Period (as at 31 December 2023: 52.2%).

### Contractual Capital Expenditure Commitments

Contractual capital expenditure commitments by the Group amounted to HK\$744 million as at 30 June 2024 (as at 31 December 2023: HK\$427 million), of which HK\$587 million were for tendering projects committed to the Macau Government.

### Pledge of Assets

As at 30 June 2024, certain of the Group's property and equipment and right-of-use assets with carrying values of HK\$33,565 million and HK\$1,689 million, respectively (as at 31 December 2023: HK\$34,055 million and HK\$1,711 million, respectively), were pledged to banks for loan facilities. In addition, the Group had pledged bank deposits of HK\$1,009 million as at 30 June 2024 (as at 31 December 2023: HK\$1,009 million).

## **FINANCIAL REVIEW (Continued)**

### **Financial Risk**

The Group follows a conservative policy in financial management with minimal exposure to the risks of currency and interest rate. The Group does not currently hedge its interest rate exposure, although it may consider doing so in the future. The Group's principal operations are primarily conducted and recorded in Hong Kong dollars resulting in minimal exposure to foreign exchange fluctuations. All of the Group's bank deposits are denominated in Hong Kong dollars, United States dollars or Macau patacas. It is the Group's policy to avoid 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 2024, the Group had approximately 19,700 full-time employees. The Group's employee turnover rate was minimal in the first half of 2024.

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

## **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 2024.

## **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 2024 to 30 June 2024, the Company has complied with all the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules.

## **REVIEW OF INTERIM REPORT AND UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The interim report of the Company for the six months ended 30 June 2024 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 2024 have 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**  
**Ho Chiu Fung, Daisy**  
*Chairman and Executive Director*

Hong Kong, 27 August 2024

*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. 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 Ms. Wong Yu Pok, Marina, Mr. Yeung Ping Leung, Howard and Mr. Ho Hau Chong, Norman.*