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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

2017 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 2017 (“**Q1 2017**”) to enable its shareholders, investors and the public to better appraise the position and business performance of the Group.

2017 FIRST QUARTER HIGHLIGHTS (UNAUDITED)

- Gaming revenue of the Group in Q1 2017 decreased by 5.3% from Q1 2016 to HK\$10,389 million.
- Adjusted EBITDA¹ of the Group in Q1 2017 increased by 0.7% over Q1 2016 to HK\$843 million.
- Adjusted EBITDA Margin² of the Group in Q1 2017 increased to 8.0% from 7.5% in Q1 2016.
- Profit attributable to owners of the Company in Q1 2017 increased by 3.3% over Q1 2016 to HK\$580 million. The increase was mainly due to increase in mass market gaming revenue.
- The Group’s gaming revenue accounted for 16.9% of Macau’s casino gaming revenue during Q1 2017, as compared with 20.2% in Q1 2016.
- The Group maintained a strong and liquid financial position, with HK\$12,662 million of cash, bank balances and pledged bank deposits and HK\$503 million of debt as at 31 March 2017.
- The Grand Lisboa Palace, the Group’s integrated resort on Cotai continued to make progress on construction in Q1 2017.

¹ Earnings after adjustment for non-controlling interests and before accounting for interest income and expense, tax, depreciation and amortisation, donations, gain on disposal/write-off of property and equipment and share-based payments

² Adjusted EBITDA divided by total revenue

Year-to-Date Comparison (unaudited)

| | Three months ended 31 March | | |
|---|-----------------------------|-----------------------------|-------------------------|
| | 2017 <i>HK\$ million</i> | 2016 <i>HK\$ million</i> | Increase/ (Decrease) |
| Total Revenue | 10,528 | 11,105 | (5.2%) |
| Gaming Revenue | 10,389 | 10,973 | (5.3%) |
| Profit Attributable to Owners of the Company | 580 | 561 | 3.3% |
| Adjusted EBITDA | 843 | 838 | 0.7% |
| Adjusted EBITDA Margin | 8.0% | 7.5% | |

Gaming revenue, net of direct sales incentives including customer relationship programs of HK\$45 million (Q1 2016: HK\$47 million), earned by Sociedade de Jogos de Macau, S.A. (“SJM”), a subsidiary of the Company, was HK\$10,389 million in Q1 2017, a decrease of 5.3% from Q1 2016.

During Q1 2017, the Group’s VIP gaming revenue was HK\$4,936 million, a decrease of 12.0% from HK\$5,607 million in Q1 2016, mass market gaming revenue was HK\$5,196 million, an increase of 1.9% from HK\$5,099 million, and slot machine (and Tombola) revenue was HK\$257 million, a decrease of 3.7% from HK\$267 million. The Group’s total revenue during Q1 2017 of HK\$10,528 million included hotel, catering and related services revenue of HK\$139 million (Q1 2016: HK\$132 million).

During Q1 2017, the Group operated an average of 315 VIP gaming tables (Q1 2016: 369), 1,375 mass market gaming tables (Q1 2016: 1,298) and 2,549 slot machines (Q1 2016: 2,898) (average of three month-end counts).

Total VIP chips sales for the Group during Q1 2017 were HK\$157.7 billion (Q1 2016: HK\$177.9 billion) and the VIP gaming hold percentage (before commissions and discounts) was 3.13% (Q1 2016: 3.15%).

Key Results for the Group’s Casinos – Q1 2017

| | Gaming Revenue <i>HK\$ million</i> | Adjusted EBITDA <i>HK\$ million</i> |
|--|---------------------------------------|--|
| Casino Grand Lisboa | 3,682 | 474 |
| Other Self-promoted Casinos ¹ | 1,533 | 150 |
| Satellite Casinos ² | 5,174 | 170 |

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

² Fifteen third party-promoted casinos

The Group’s Adjusted EBITDA Margin was 8.0% in Q1 2017, as compared with 7.5% in Q1 2016.

Unrealised fair value loss in an available-for-sale investment in equity securities amounting to HK\$38 million in Q1 2017 has been recognised in other comprehensive expense and accumulated under investment revaluation reserve.

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 Q1 2017 was 12.3%. 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 22.4%. 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 Q1 2017, the Grand Lisboa Hotel achieved an average occupancy rate of 93.5% and average room rate of HK\$1,585 per night, as compared with average occupancy rate of 91.6% and average room rate of HK\$1,660 per night in Q1 2016.

Capital expenditure of the Group during Q1 2017 was HK\$1,431 million, which was primarily for construction in progress. As at 31 March 2017, the Group had total cash, bank balances and pledged bank deposits of HK\$12,662 million and debt of HK\$503 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.

WAIVER FROM STRICT COMPLIANCE WITH CONNECTED TRANSACTION OF THE COMPANY

SJM completed a HK\$25 billion syndicated loan facilities agreement with 19 leading financial institutions on 6 April 2017. The Global Mandated Lead Arranger, Sole Bookrunner, Facility Agent and Security Agent is Industrial and Commercial Bank of China (Macau) Limited and the Senior Mandated Lead Arranger is Bank of China Macau Branch.

The facilities consist of a HK\$15 billion term loan facility with final maturity in 2022 and a HK\$10 billion revolving credit facility with final maturity in 2020.

The proceeds of the facilities will be primarily used to finance the construction of the Grand Lisboa Palace, SJM's integrated resort in Cotai, Macau.

The facilities are guaranteed by the Company (the "**Guarantee**") and carry interest at HIBOR plus a variable margin.

In accordance to the Legal Framework for the Operations of Casino Games of Fortune established by Law 16/2001 and published on the Macau Official Gazette No.39, Series 1 of 24 September 2001 and to the concession contract entered into by SJM with the Macau Special Administrative Region Government provide that at least 10% of the concessionaire's share capital must be held by its managing director, who must be appointed by the concessionaire and must be a permanent Macau resident. As a result, SJM is held as to 90% by the Company (in the form of type A shares) and 10% by Deputada Leong On Kei, Angela ("**Deputada Leong**"), Managing Director of SJM (in the form of type B shares which provide no economic benefit to their holders). Due to the special characteristics of type B shares, the Company has 100% economic interest in SJM but 90% voting control of SJM. Deputada Leong is also an executive director of the Company and therefore a connected person of the Company, controlling 10% of the voting power at SJM's general meeting. Therefore, SJM is a commonly held entity as defined under Rule 14A.27 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Guarantee constitutes a financial assistance to a commonly held entity and a connected transaction of the Company, and given that Deputada Leong (as type B shareholder) will not provide guarantee in proportion to her equity interest held in the commonly held entity, the exemption under Listing Rule 14A.89 would not strictly be applicable. The Company has applied to the Stock Exchange for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 14A.26 and Rule 14A.27 of the Listing Rules in respect of the Guarantee.

By order of the Board
SJM Holdings Limited
So Shu Fai

Executive Director and Chief Executive Officer

Hong Kong, 4 May 2017

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.