



Press Release

**SJM Holdings Posts Third Quarter 2018 Results
Net Profit Up 65% from Previous Year**

(Hong Kong, 30 October 2018) 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 2018 (“Q3 2018”) and the nine months ended 30 September 2018.

2018 THIRD QUARTER AND YEAR-TO-DATE HIGHLIGHTS (UNAUDITED)

- Net Gaming Revenue¹ of the Group in Q3 2018 was HK\$8,328 million, an increase of 9.5% from Q3 2017, and for the nine months ended 30 September 2018, Net Gaming Revenue was HK\$25,171 million, an increase of 9.6% from the first nine months of 2017.
- Adjusted EBITDA² of the Group in Q3 2018 was HK\$919 million, an increase of 26.7% over Q3 2017, and for the nine months ended 30 September 2018, Adjusted EBITDA was HK\$2,878 million, an increase of 28.9% from the first nine months of 2017.
- Adjusted EBITDA Margin³ of the Group in Q3 2018 increased to 10.8% from 9.4% in Q3 2017, and for the nine months ended 30 September 2018 increased to 11.2% from 9.5% in the first nine months of 2017.
- Profit attributable to owners of the Company in Q3 2018 was HK\$707 million, an increase of 65.1% over Q3 2017, and for the nine months ended 30 September 2018, profit attributable to owners of the Company was HK\$2,205 million, an increase of 59.4% from the first nine months of 2017.
- Gross gaming revenue of Casino Grand Lisboa was HK\$4,174 million, an increase of 11.8% from Q3 2017, whilst its Adjusted EBITDA was HK\$496 million, an increase of 18.6%. For the nine months ended 30 September 2018, Casino Grand Lisboa’s gross gaming revenue was HK\$12,123 million, an increase of 9.3% from the first nine months of 2017, whilst its Adjusted EBITDA was HK\$1,588 million, an increase of 25.6%.
- The Group maintained a strong and liquid financial position, with HK\$20,204 million of cash, bank balances and pledged bank deposits and HK\$15,437 million of debt as at 30 September 2018.
- Construction of the Grand Lisboa Palace, the Group’s integrated resort on Cotai, is proceeding apace and the Group is looking forward to its opening in 2019.

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, share-based payments, and write-back of/provision for impairment losses on property and equipment.

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

	Third Quarter			Nine months ended 30 September		
	2018	2017	Increase	2018	2017	Increase
	<i>HK\$ million</i>	<i>HK\$ million</i>		<i>HK\$ million</i>	<i>HK\$ million</i>	
Total Net Revenue	8,510	7,759	9.7%	25,706	23,432	9.7%
Net Gaming Revenue	8,328	7,606	9.5%	25,171	22,968	9.6%
Profit Attributable to						
Owners of the Company	707	428	65.1%	2,205	1,383	59.4%
Adjusted EBITDA	919	726	26.7%	2,878	2,233	28.9%
Adjusted EBITDA Margin	10.8%	9.4%		11.2%	9.5%	

Gaming revenue, net of commissions and incentives of HK\$2,619 million (Q3 2017: HK\$2,457 million), earned by Sociedade de Jogos de Macau, S.A., a subsidiary of the Company, was HK\$8,328 million in Q3 2018, an increase of 9.5% from Q3 2017.

During Q3 2018, the Group's VIP gross gaming revenue was HK\$5,039 million, an increase of 6.6% from HK\$4,728 million in Q3 2017, mass market gross gaming revenue was HK\$5,623 million, an increase of 10.6% from HK\$5,084 million, and slot machine gross gaming revenue was HK\$285 million, an increase of 13.7% from HK\$251 million. The Group's total net revenue during Q3 2018 of HK\$8,510 million included hotel, catering, retail and related services revenue of HK\$182 million (Q3 2017: HK\$153 million).

With the adoption of a new accounting standard (Hong Kong Financial Reporting Standard 15 — Revenue from Contracts with Customers) beginning on 1 January 2018, the comparative figures of gaming revenue in 2017 have been restated to conform with the current period's presentation.

	Third Quarter			Nine months ended 30 September		
	2018	2017	Increase	2018	2017	Increase
	<i>HK\$ million</i>	<i>HK\$ million</i>		<i>HK\$ million</i>	<i>HK\$ million</i>	
VIP Gross Gaming Revenue	5,039	4,728	6.6%	14,996	14,546	3.1%
Mass Market Gross Gaming Revenue	5,623	5,084	10.6%	17,111	15,219	12.4%
Slot Machine Gross Gaming Revenue	285	251	13.7%	867	770	12.5%
Gross Gaming Revenue	10,947	10,063	8.8%	32,974	30,535	8.0%
Commissions and incentives	(2,619)	(2,457)	6.6%	(7,803)	(7,567)	3.1%
Net Gaming Revenue	8,328	7,606	9.5%	25,171	22,968	9.6%

During Q3 2018 the Group operated an average of 291 VIP gaming tables (Q3 2017: 290), 1,408 mass market gaming tables (Q3 2017: 1,368) and 2,637 slot machines (Q3 2017: 2,632) (average of three month-end counts).

Total VIP chips sales for the Group during Q3 2018 were HK\$166 billion (Q3 2017: HK\$148 billion), and the VIP gaming hold percentage (before commissions and discounts) was 3.04% (Q3 2017: 3.20%).

Key Results for the Group's Casinos

	Q3 2018		Nine months ended 30 September 2018	
	Gross Gaming Revenue <i>HK\$ million</i>	Adjusted EBITDA <i>HK\$ million</i>	Gross Gaming Revenue <i>HK\$ million</i>	Adjusted EBITDA <i>HK\$ million</i>
Casino Grand Lisboa	4,174	496	12,123	1,588
Other Self-promoted Casinos ¹	1,604	248	4,638	650
Satellite Casinos ²	5,169	158	16,213	553

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

2 Sixteen third party-promoted casinos

During Q3 2018, the Grand Lisboa Hotel achieved an average occupancy rate of 94.0% and average room rate of HK\$1,458 per night, as compared with average occupancy rate of 90.8% and average room rate of HK\$1,576 per night in Q3 2017.

Capital expenditure of the Group during Q3 2018 was HK\$1,861 million, which was primarily for construction in progress and furniture, fixtures and equipment. As at 30 September 2018, the Group had total cash, bank balances and pledged bank deposits of HK\$20,204 million and total debt of HK\$15,437 million.

Dr. Ambrose So, Vice-Chairman and Chief Executive Officer of SJM Holdings Limited, said “SJM continued to turn in solid results in the third quarter of 2018, with good growth in the Group's Revenue, Adjusted EBITDA and Net Profit, compared with the previous year. At the same time, construction work on the Grand Lisboa Palace has progressed at full speed, as we look forward to its opening next year.”

Further information on SJM Holdings Limited can be found on www.sjmholdings.com.