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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

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 2016 (“**Q1 2016**”) to enable its shareholders, investors and the public to better appraise the position and business performance of the Group.

2016 FIRST QUARTER HIGHLIGHTS (UNAUDITED)

- Gaming revenue of the Group in Q1 2016 decreased by 22.8% from Q1 2015 to HK\$11,019 million.
- Adjusted EBITDA¹ of the Group in Q1 2016 decreased by 32.5% over Q1 2015 to HK\$838 million.
- Adjusted EBITDA Margin² of the Group in Q1 2016 decreased to 7.5% from 8.6% in Q1 2015.
- Profit attributable to owners of the Company in Q1 2016 decreased by 44.1% over Q1 2015 to HK\$561 million. The decrease was mainly caused by the 22.8% decrease in gaming revenue.
- The Group’s gaming revenue accounted for 20.2% of Macau’s casino gaming revenue during Q1 2016, as compared with 22.7% in Q1 2015.
- The Group maintained a strong and liquid financial position, with HK\$16,979 million of cash, bank balances and pledged bank deposits and HK\$676 million of debt as at 31 March 2016.
- The Grand Lisboa Palace, the Group’s integrated resort on Cotai which is planned for completion around the end of 2017, continued to make progress on construction in Q1 2016.

¹ Earnings after adjustment for non-controlling interests and before accounting for interest income and expense, tax, depreciation and amortisation, donations, gain/loss 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		
	2016 <i>HK\$ million</i>	2015 <i>HK\$ million</i>	(Decrease)
Gaming Revenue	11,019	14,281	(22.8%)
Profit Attributable to Owners of the Company	561	1,004	(44.1%)
Adjusted EBITDA	838	1,241	(32.5%)
Adjusted EBITDA Margin	7.5%	8.6%	

During Q1 2016, the Group's VIP gaming revenue was HK\$5,606 million, a decrease of 29.2% from HK\$7,922 million in Q1 2015, mass market gaming revenue was HK\$5,146 million, a decrease of 14.9% from HK\$6,048 million, and slot machine (and Tombola) revenue was HK\$267 million, a decrease of 14.3% from HK\$311 million. The Group's total revenue during Q1 2016 of HK\$11,151 million included hotel, catering and related services revenue of HK\$132 million (Q1 2015: HK\$158 million).

During Q1 2016, the Group operated an average of 369 VIP gaming tables (Q1 2015: 530), 1,298 mass market gaming tables (Q1 2015: 1,209) and 2,898 slot machines (Q1 2015: 2,793) (average of three month-end counts).

Total VIP chips sales for the Group during Q1 2016 were HK\$177.9 billion (Q1 2015: HK\$247.2 billion) and the VIP gaming hold percentage (before commissions and discounts) was 3.15% (Q1 2015: 3.18%).

Key Results for the Group's Casinos – Q1 2016

	Gaming Revenue <i>HK\$ million</i>	Adjusted EBITDA <i>HK\$ million</i>
Casino Grand Lisboa	3,504	426
Other Self-promoted Casinos ¹	1,655	155
Satellite Casinos ²	5,860	196

¹ Casino Lisboa and Casino Oceanus at Jai Alai

² Fourteen third party-promoted casinos

The Group's Adjusted EBITDA Margin was 7.5% in Q1 2016, as compared with 8.6% in Q1 2015.

Unrealised fair value gain in an available-for-sale investment in equity securities amounting to HK\$15 million in Q1 2016 has been recognised in other comprehensive income 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 2016 was 11.8%. 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 22.6%. 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 2016, the Grand Lisboa Hotel achieved an average occupancy rate of 91.6% and average room rate of HK\$1,660 per night, as compared with average occupancy rate of 81.4% and average room rate of HK\$2,509 per night in Q1 2015.

Capital expenditure of the Group during Q1 2016 was HK\$947 million, which was primarily for construction in progress. As at 31 March 2016, the Group had total cash, bank balances and pledged bank deposits of HK\$16,979 million and debt of HK\$676 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.

By order of the Board
SJM Holdings Limited
So Shu Fai
Executive Director and Chief Executive Officer

Hong Kong, 3 May 2016

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.