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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 2023

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 2023 (the “**Reporting Period**”).

### FINANCIAL HIGHLIGHTS

	For the six months ended 30 June		Increase
	2023 HK\$ million (unaudited)	2022 HK\$ million (unaudited)	
Total Group net revenue	<b>9,362</b>	4,129	<b>126.7%</b>
Net gaming revenue	<b>8,695</b>	3,811	<b>128.2%</b>
Adjusted EBITDA*	<b>461</b>	(1,176)	<b>139.2%</b>
			<b>Improve</b>
Loss attributable to owners of the Company	<b>(1,264)</b>	(2,757)	<b>54.1%</b>
Loss per share — basic	<b>HK(17.8) cents</b>	HK(45.4) cents	<b>60.8%</b>
— diluted	<b>HK(17.8) cents</b>	HK(45.4) cents	<b>60.8%</b>

\* 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 on bank loans, gain on early termination of lease contracts, sub-concession fee income and pre-opening expenses.

## INTERIM DIVIDEND

The Board does not declare any interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: nil).

## OPERATING HIGHLIGHTS

- Net gaming revenue earned by SJM Resorts, S.A. (“SJM”), a subsidiary of the Company, was HK\$8,695 million in the first half of 2023, as compared with HK\$3,811 million in the first half of 2022.
- Adjusted EBITDA of the Group was HK\$461 million, as compared with negative HK\$1,176 million in the first half of 2022.
- Loss attributable to owners of the Company was HK\$1,264 million, as compared with a loss HK\$2,757 million in the first half of 2022.
- SJM had a 11.8% share of Macau’s gaming revenue, including 14.9% of mass market table gross gaming revenue and 3.5% of VIP gross gaming revenue.
- Grand Lisboa Palace’s gross revenue was HK\$1,430 million, including gross gaming revenue of HK\$1,034 million and non-gaming revenue of HK\$396 million, as compared with gross gaming revenue HK\$231 million and non-gaming revenue HK\$186 million in the first half of 2022, whilst its Adjusted Property EBITDA was negative HK\$292 million, as compared with negative HK\$483 million in the first half of 2022.
- Grand Lisboa’s gross revenue was HK\$2,403 million, including gross gaming revenue HK\$2,266 million and non-gaming revenue HK\$137 million, as compared with gross gaming revenue HK\$705 million and non-gaming revenue HK\$71 million in the first half of 2022, whilst its Adjusted Property EBITDA was HK\$473 million, as compared with negative HK\$374 million in the first half of 2022.
- Grand Lisboa Palace Resort’s occupancy rate increased by 49.6% from the first half of 2022 to 83.9%. Average daily room rate increased during the period by 47.8% to HK\$1,360.
- Grand Lisboa Hotel’s occupancy rate increased by 40.0% from the first half of 2022 to 87.8%. Average daily room rate increased during the period by 59.6% to HK\$1,026.
- The Group had HK\$4,959 million of cash, bank balances, short-term bank deposits and pledged bank deposits and HK\$28,535 million of debt as at 30 June 2023.
- On 20 June 2022 the Group completed a refinancing of its syndicated banking facilities, consisting of a HK\$9 billion term loan and a HK\$10 billion revolving credit, of which HK\$3.3 billion is undrawn as of 30 June 2023.

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

*For the six months ended 30 June 2023*

	Notes	Six months ended 30 June	
		2023 HK\$ million (unaudited)	2022 HK\$ million (unaudited)
Gaming, hotel, catering, retail, leasing and related services revenues		<u>9,361.6</u>	<u>4,128.7</u>
Gaming revenue	4	<u>8,695.1</u>	3,811.0
Special gaming tax, special levy and gaming premium		<u>(3,674.3)</u>	<u>(1,668.3)</u>
		<b>5,020.8</b>	2,142.7
Hotel, catering, retail, leasing and related services income		<b>666.5</b>	317.7
Cost of sales and services on hotel, catering, retail, leasing and related services		<b>(282.0)</b>	(213.2)
Other income, gains and losses		<b>102.7</b>	(15.5)
Marketing and promotional expenses		<b>(1,564.5)</b>	(222.6)
Operating and administrative expenses		<b>(4,327.7)</b>	(4,362.3)
Finance costs		<b>(810.6)</b>	(398.0)
Share of losses of an associate		<b>(6.3)</b>	(10.8)
Share of profits of a joint venture		<b>4.2</b>	2.2
Loss before taxation	5	<b>(1,196.9)</b>	(2,759.8)
Taxation	6	<b>—</b>	(10.7)
Loss for the period		<b>(1,196.9)</b>	(2,770.5)
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		<u>(37.7)</u>	<u>(58.2)</u>
Total comprehensive expense for the period		<b>(1,234.6)</b>	<b>(2,828.7)</b>
(Loss) profit for the period attributable to:			
— owners of the Company		<b>(1,264.1)</b>	(2,757.0)
— non-controlling interests		<b>67.2</b>	(13.5)
		<b>(1,196.9)</b>	<b>(2,770.5)</b>
Total comprehensive (expense) income for the period attributable to:			
— owners of the Company		<b>(1,301.8)</b>	(2,815.2)
— non-controlling interests		<b>67.2</b>	(13.5)
		<b>(1,234.6)</b>	<b>(2,828.7)</b>
			(Restated)
Loss per share:			
— Basic	8	<b>HK(17.8) cents</b>	<b>HK(45.4) cents</b>
— Diluted	8	<b>HK(17.8) cents</b>	<b>HK(45.4) cents</b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2023

		At 30 June 2023	At 31 December 2022
	<i>Notes</i>	<i>HK\$ million</i> (unaudited)	<i>HK\$ million</i> (audited)
Non-current assets			
Property and equipment		39,328.8	40,049.7
Right-of-use assets		2,543.2	2,599.0
Gaming concession right		2,431.2	—
Art works and diamonds		281.3	281.3
Interest in an associate		33.4	41.8
Interest in a joint venture		48.0	43.8
Investments in equity instruments designated at fair value through other comprehensive income		386.4	424.1
Pledged bank deposit		970.9	970.9
Other assets		343.4	357.1
		<u>46,366.6</u>	<u>44,767.7</u>
Current assets			
Inventories		142.9	146.7
Trade and other receivables	9	652.5	694.7
Pledged bank deposits		37.5	183.1
Short-term bank deposits		717.9	572.6
Bank balances and cash		3,232.6	6,282.9
		<u>4,783.4</u>	<u>7,880.0</u>
Current liabilities			
Trade and other payables	10	4,638.9	3,735.1
Taxation payable		39.3	50.5
Bank loans — due within one year		970.5	707.0
Lease liabilities		37.7	46.4
		<u>5,686.4</u>	<u>4,539.0</u>
Net current (liabilities) assets		<u>(903.0)</u>	<u>3,341.0</u>
Total assets less current liabilities		<u>45,463.6</u>	<u>48,108.7</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

At 30 June 2023

		At <b>30 June 2023</b>	At 31 December 2022
	<i>Notes</i>	<i>HK\$ million</i> <b>(unaudited)</b>	<i>HK\$ million</i> (audited)
Non-current liabilities			
Other payables	10	2,177.7	71.4
Bank loans — due after one year		14,727.8	18,268.3
Unsecured notes		9,405.6	9,400.6
Lease liabilities		588.7	603.9
Amount due to non-controlling interests of a subsidiary		343.8	339.5
Loan from ultimate holding company		2,006.6	2,006.8
Deferred taxation		10.5	10.5
Convertible bond		<u>1,424.1</u>	<u>1,394.3</u>
		<u>30,684.8</u>	<u>32,095.3</u>
Net assets		<u><u>14,778.8</u></u>	<u><u>16,013.4</u></u>
Capital and reserves			
Share capital		14,415.1	14,415.1
Reserves		<u>281.7</u>	<u>1,583.5</u>
Equity attributable to owners of the Company		14,696.8	15,998.6
Non-controlling interests		<u>82.0</u>	<u>14.8</u>
Total equity		<u><u>14,778.8</u></u>	<u><u>16,013.4</u></u>

## 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 operation of casinos and related facilities, and hotel, catering, retail, leasing and related services in Macau Special Administrative Region, the People's Republic of China ("**Macau SAR**"). Its ultimate holding company is Sociedade de Turismo e Diversões de Macau, S.A. ("**STDM**"), a company established in Macau SAR. The address of 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 2023 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 with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") and should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**").

The financial information relating to the year ended 31 December 2022 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 2022 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 those 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.

The condensed consolidated financial statements for the six months ended 30 June 2023 have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values.

Other than additional accounting policies resulting from application of amendments to HKFRSs and application of certain accounting policies which became relevant to the Group, the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 June 2023 are the same as those presented in the Group's annual consolidated financial statements for the year ended 31 December 2022.

## 2. BASIS OF PREPARATION (Continued)

### Application of new and amendments to HKFRSs

In the current interim period, the Group has applied the following new and amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

## 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.

In the current year, the Group changed its internal reporting structure which resulted in changes to the presentation of gaming revenue as detailed in note 4. The CODM regularly analyses gaming operations in terms of rolling revenue, non-rolling revenue and electronic gaming revenue (2022: VIP gaming operations, mass market table gaming operations, slot machine and other gaming operations), 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 business is presented below:

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

	Segment revenue		Segment results	
	2023 HK\$ million (unaudited)	Six months ended 30 June 2022 HK\$ million (unaudited)	2023 HK\$ million (unaudited)	2022 HK\$ million (unaudited)
Gaming operations: recognised at a point in time	<u>8,695.1</u>	<u>3,811.0</u>	<u>(794.4)</u>	<u>(2,115.7)</u>
Hotel, catering, retail and leasing operations:				
— External sales				
Catering and retail operations: recognised at a point in time	<u>290.0</u>	<u>165.3</u>		
Hotel operations: recognised over time	<u>303.3</u>	<u>72.6</u>		
Leasing operations: revenue from operating leases	<u>73.2</u>	<u>79.8</u>		
	<u>666.5</u>	<u>317.7</u>		
— Inter-segment sales:				
Catering and retail operations: recognised at a point in time	<u>37.0</u>	<u>23.1</u>		
Hotel operations: recognised over time	<u>26.5</u>	<u>2.5</u>		
	<u>63.5</u>	<u>25.6</u>		
	<u>730.0</u>	<u>343.3</u>	<u>(352.9)</u>	<u>(560.4)</u>
Eliminations	<u>(63.5)</u>	<u>(25.6)</u>		
	<u>666.5</u>	<u>317.7</u>		
Total:				
Revenue from contracts with customers:				
recognised at a point in time	<u>8,985.1</u>	<u>3,976.3</u>		
recognised over time	<u>303.3</u>	<u>72.6</u>		
	<u>9,288.4</u>	<u>4,048.9</u>		
Revenue from operating leases: lease payments that are fixed	<u>73.2</u>	<u>79.8</u>		
	<u>9,361.6</u>	<u>4,128.7</u>		
			<u>(1,147.3)</u>	<u>(2,676.1)</u>
<b>Reconciliation from segment results to loss before taxation:</b>				
Unallocated corporate income			<u>9.3</u>	<u>1.7</u>
Unallocated corporate expenses			<u>(56.8)</u>	<u>(76.8)</u>
Share of losses of an associate			<u>(6.3)</u>	<u>(10.8)</u>
Share of profits of a joint venture			<u>4.2</u>	<u>2.2</u>
Loss before taxation			<u>(1,196.9)</u>	<u>(2,759.8)</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 (losses) profits 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) An analysis of the Group's assets and liabilities by reportable segments is as follows:

	At 30 June 2023 <i>HK\$ million</i> (unaudited)	At 31 December 2022 <i>HK\$ million</i> (audited)
<b>Assets</b>		
Segment assets:		
gaming operations	37,070.2	35,903.6
hotel, catering, retail and leasing operations	<u>10,524.7</u>	<u>9,501.0</u>
	47,594.9	45,404.6
Interest in an associate	33.4	41.8
Interest in a joint venture	48.0	43.8
Unallocated bank deposits, bank balances and cash	408.7	443.9
Other unallocated assets	<u>3,065.0</u>	<u>6,713.6</u>
Group's total	<u><u>51,150.0</u></u>	<u><u>52,647.7</u></u>
<b>Liabilities</b>		
Bank loans:		
gaming operations	15,499.7	18,745.7
hotel, catering, retail and leasing operations	<u>198.6</u>	<u>229.6</u>
	<u>15,698.3</u>	<u>18,975.3</u>
Unsecured notes:		
gaming operations	<u>9,405.6</u>	<u>9,400.6</u>
Convertible bond:		
gaming operations	1,038.6	1,016.8
hotel, catering, retail and leasing operations	<u>385.5</u>	<u>377.5</u>
	<u>1,424.1</u>	<u>1,394.3</u>
Other segment liabilities:		
gaming operations	7,471.0	4,050.8
hotel, catering, retail and leasing operations	<u>614.4</u>	<u>591.4</u>
	<u>8,085.4</u>	<u>4,642.2</u>
Total segment liabilities	34,613.4	34,412.4
Unallocated liabilities	<u>1,757.8</u>	<u>2,221.9</u>
Group's total	<u><u>36,371.2</u></u>	<u><u>36,634.3</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 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>2023</b>	<b>2022</b>
	<b>HK\$ million</b>	<b>HK\$ million</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Gaming revenue comprises:		
Rolling revenue	712.4	386.9
Non-rolling revenue	7,677.0	3,262.2
Electronic gaming revenue	<u>784.8</u>	<u>420.5</u>
	<b>9,174.2</b>	<b>4,069.6</b>
Less: Commissions and incentives	<u>(479.1)</u>	<u>(258.6)</u>
	<b><u>8,695.1</u></b>	<b><u>3,811.0</u></b>

*Note: The classification of gaming revenue was reclassified to conform with current year's presentation. Rolling revenue was previously classified as gaming revenue from VIP gaming operations. Non-rolling revenue represents gaming revenue that was previously classified as gaming revenue from mass market table gaming operations and excludes gaming revenue from mass market table gaming operations that has an element of electronic gaming. Electronic gaming revenue represents gaming revenue that was previously classified as gaming revenue from slot machines and includes gaming revenue from mass market table gaming operations that has an element of electronic gaming.*

## 5. LOSS BEFORE TAXATION

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<i>HK\$ million</i>	<i>HK\$ million</i>
	<b>(unaudited)</b>	(unaudited)
<i>Loss before taxation has been arrived at after charging:</i>		
Directors' remuneration	27.3	31.7
Less: Amount capitalised	<u>—</u>	<u>(3.8)</u>
	27.3	27.9
Other staff costs	<u>2,682.3</u>	<u>2,839.2</u>
	2,709.6	2,867.1
Total employee benefit expenses	<u>2,709.6</u>	<u>2,867.1</u>
Amortisation of gaming concession right (included in operating and administrative expenses)	127.9	—
Amortisation of intangible asset (included in operating and administrative expenses)	—	43.9
Depreciation of property and equipment	739.2	667.6
Depreciation of right-of-use assets	56.4	200.3
Loss on modification of a bank loan	59.0	19.6
Loss on disposal/write-off of property and equipment	3.0	1.9
<i>and after crediting:</i>		
Bank interest income	66.7	2.5
Dredging services income	87.7	—
Gain on modification of a bank loan	0.4	—
Covid-19-related rent concessions ( <i>Note</i> )	—	62.5
Gain on early termination of lease contracts	<u>—</u>	<u>1.6</u>

*Note: Lessors of the relevant casino properties provided rent concessions to the Group through rent reductions ranging from 15% to 30% for the six months ended 30 June 2022 (six months ended 30 June 2023: nil). During the six months ended 30 June 2022, rent concessions occurred as a direct consequence of Covid-19 pandemic, which met of all of the conditions in HKFRS 16.46B, and the Group applied the practical expedient not to assess whether the changes constitute lease modifications. During the six months ended 30 June 2022, the effects on changes in lease payments due to forgiveness or waiver by the lessors for the relevant leases of HK\$62.5 million (six months ended 30 June 2023: nil) were recognised as negative variable lease payments.*

## 6. TAXATION

	<b>Six months ended 30 June</b>	
	<b>2023</b>	2022
	<i>HK\$ million</i>	<i>HK\$ million</i>
	<b>(unaudited)</b>	(unaudited)
Current tax — Macau SAR Complementary Tax (“CT”)	<u>—</u>	<u>10.7</u>

No provision for CT on gaming related income is made for SJM. SJM is in the progress of obtaining the extension of approval from Financial Services Bureau of the Macau SAR Government for the exemption of CT from 1 January 2023 to 31 December 2032.

In addition, pursuant to the approval letter dated 30 March 2021 issued by the Financial Services Bureau of the Macau SAR Government, on dividend distributed by SJM a “Special Complementary Tax” was levied on the extended concession period from 1 April 2020 to 26 June 2022, and SJM’s shareholders were obligated to pay the Special Complementary Tax of MOP16.9 million (equivalent to HK\$16.4 million) for the period 1 April 2020 to 31 December 2020, MOP22.5 million (equivalent to HK\$21.9 million) for the year ended 31 December 2021 and MOP11.0 million (equivalent to HK\$10.7 million) for the period from 1 January 2022 to 26 June 2022. The Company obtained the extension of approval from the Financial Services Bureau of the Macau SAR Government for the period from 27 June 2022 to 31 December 2022. SJM’s shareholders are obligated to pay the Special Complementary Tax regardless of any dividend distributed by SJM during the relevant period/year. SJM is in the process of obtaining the extension of approval from the Financial Services Bureau of the Macau SAR Government for the period from 1 January 2023 to 31 December 2023.

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 directors of the Company does not declare the payment of an interim dividend for the six months ended 30 June 2023.

## 8. LOSS PER SHARE

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

	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>HK\$ million</b>	<b>HK\$ million</b>
	<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)	<u><b>(1,264.1)</b></u>	<u><b>(2,757.0)</b></u>
	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
		<b>(Restated)</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>	<u><b>7,101,805,366</b></u>	<u><b>6,079,145,394</b></u>
	<b>Six months ended 30 June</b>	
	<b>2023</b>	<b>2022</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
		<b>(Restated)</b>
Loss per share:		
— Basic	<b>HK(17.8) cents</b>	HK(45.4) cents
— Diluted	<b>HK(17.8) cents</b>	HK(45.4) cents

*Note: The weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for rights issue on 22 September 2022. For the six months ended 30 June 2022 and 2023, 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 30 June 2023 <i>HK\$ million</i> (unaudited)	At 31 December 2022 <i>HK\$ million</i> (audited)
Advances to gaming promoters and patrons, net	18.3	2.3
Lease receivables	138.3	118.1
Other receivables from gaming promoters and service providers, net	43.1	225.4
Prepayments	197.0	175.5
Other sundry receivables	<u>255.8</u>	<u>173.4</u>
	<u><u>652.5</u></u>	<u><u>694.7</u></u>

Advances to gaming promoters and patrons mainly include pre-approved interest-free revolving credit lines and short-term temporary interest-free advances. All advances to gaming promoters and patrons are unsecured, repayable on demand at discretion of the Group and generally require cheques and guarantees. At 30 June 2023, all of the advances to gaming promoters and patrons (net of allowances) are neither past due nor impaired.

Advances are only granted to gaming promoters 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 promoters. In addition, in the event that a gaming promoter fails to repay, the Group has the right, pursuant to the relevant gaming promoter agreement, to offset or withhold the other payables to that gaming promoter, realise cheques and execute guarantees.

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

## 9. TRADE AND OTHER RECEIVABLES (Continued)

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

<i>Age</i>	At 30 June 2023 <i>HK\$ million</i> (unaudited)	At 31 December 2022 <i>HK\$ million</i> (audited)
0 to 30 days	17.2	2.3
Over 90 days	1.1	—
	<u>18.3</u>	<u>2.3</u>

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 2023 <i>HK\$ million</i> (unaudited)	At 31 December 2022 <i>HK\$ million</i> (audited)
Trade payables	272.1	86.6
Special gaming tax payable	726.3	174.0
Chips in circulation	364.9	279.7
Chips in custody and deposits received from gaming patrons and gaming promoters	337.1	216.9
Payable for acquisition of property and equipment	143.6	178.8
Construction payables	1,195.9	1,692.6
Accrued staff costs	740.0	582.1
Accrued operating expenses	36.1	70.4
Payable for gaming concession right	2,370.8	—
Withholding tax payable	18.7	15.8
Other sundry payables and accruals	611.1	509.6
	<u>6,816.6</u>	<u>3,806.5</u>
Less: Non-current portion of other payables and payable for gaming concession right ( <i>Note</i> )	<u>(2,177.7)</u>	<u>(71.4)</u>
	<u>4,638.9</u>	<u>3,735.1</u>

*Note:* As at 30 June 2023, non-current portion of other payables comprise of deposits received for rentals of HK\$77.3 million and Utilisation Fee of gaming assets, Annual Premium for the New Gaming Concession right of HK\$2,100.4 million (31 December 2022: non-current portion of other payables comprise of deposits received for rentals of HK\$71.4 million). The amounts are classified as non-current portion of other payables based on the contractual 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 2023 <i>HK\$ million</i> (unaudited)</b>	<b>At 31 December 2022 <i>HK\$ million</i> (audited)</b>
0 to 30 days	<b>255.0</b>	68.2
31 to 60 days	<b>15.5</b>	9.8
61 to 90 days	<b>1.0</b>	3.7
Over 90 days	<b>0.6</b>	4.9
	<b><u>272.1</u></b>	<b><u>86.6</u></b>

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 2023 (“the Reporting Period”) and for the year-earlier period are shown below:

<b>Group operating results</b>	<b>For the six months ended 30 June</b>		<b>Increase</b>
	<b>2023</b>	<b>2022</b>	
	<i>HK\$ million</i>	<i>HK\$ million</i>	
Total net revenue	<b>9,362</b>	4,129	<b>126.7%</b>
Net gaming revenue	<b>8,695</b>	3,811	<b>128.2%</b>
Loss attributable to owners of the Company	<b>(1,264)</b>	(2,757)	<b>54.1%</b>
Adjusted EBITDA <sup>1</sup>	<b>461</b>	(1,176)	<b>139.2%</b>
Adjusted EBITDA Margin <sup>2</sup>	<b>4.9%</b>	(28.5%)	<b>33.4 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 on bank loans, gain on early termination of lease contracts, sub-concession fee income and pre-opening expenses.

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

Total net revenue was HK\$9,362 million for the six months ended 30 June 2023, an increase of 126.7%, compared to HK\$4,129 million for the six months ended 30 June 2022. The increase was mainly driven by the non-rolling revenue and electronic game revenue.

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

	<b>For the six months ended 30 June</b>		<b>Increase</b>
	<b>2023</b>	<b>2022</b>	
	<i>HK\$ million</i>	<i>HK\$ million</i>	
Rolling Gross Gaming Revenue	<b>712</b>	387	<b>84.0%</b>
Non-Rolling Gross Gaming Revenue	<b>7,677</b>	3,262	<b>135.3%</b>
Electronic Game Gross Gaming Revenue	<b>785</b>	421	<b>86.5%</b>
Gross Gaming Revenue (“GGR”)	<b>9,174</b>	4,070	<b>125.4%</b>
Commissions and incentives	<b>(479)</b>	(259)	<b>84.9%</b>
Net Gaming Revenue	<b>8,695</b>	3,811	<b>128.2%</b>

<b>Grand Lisboa Palace Resorts Statistics</b>	<b>For the six months ended 30 June</b>			<b>%</b>
	<b>2023</b>	<b>2022</b>	<b>Variance</b>	
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	
Revenues:				
Casino (GGR)	<b>1,034</b>	231	<b>803</b>	347.6%
Hotel	<b>168</b>	36	<b>132</b>	366.7%
Food and Beverage, Mall and Other	<b>228</b>	150	<b>78</b>	52.0%
Total Revenue	<b>1,430</b>	417	<b>1,013</b>	242.9%
<b>Adjusted Property EBITDA<sup>1</sup></b>	<b>(292)</b>	(483)	<b>191</b>	39.5%
<b>Gaming Statistics</b>				
Rolling Chip Volume	<b>11,534</b>	—	<b>11,534</b>	—%
Rolling Revenue	<b>398</b>	—	<b>398</b>	—%
Rolling Chip Win %	<b>3.5%</b>	—	—	3.5 pts
Non-Rolling Volume	<b>3,280</b>	1,285	<b>1,995</b>	155.3%
Non-Rolling Revenue	<b>512</b>	206	<b>306</b>	148.5%
Non-Rolling Chip Win %	<b>15.6%</b>	16.0%	—	(0.4) pts
Electronic Game Handle	<b>3,781</b>	592	<b>3,189</b>	538.7%
Electronic Game Revenue	<b>124</b>	25	<b>99</b>	396.0%
Electronic Game Hold %	<b>3.3%</b>	4.2%	—	(0.9) pts
<b>Hotel Statistics<sup>2</sup></b>	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>	
Occupancy %	<b>83.9%</b>	34.3%	—	49.6 pts
Average Daily Rate (ADR)	<b>1,360</b>	920	<b>440</b>	47.8%
Revenue per Available Room (RevPAR)	<b>1,142</b>	316	<b>826</b>	261.4%

1 *Adjusted Property EBITDA is earnings or losses before accounting for interest income and expense, tax, depreciation and amortisation, donations, loss on disposal/write-off of property and equipment, share-based payments, bank charges for bank loans, gain/loss on modification of bank loans, gain on early termination of lease contracts, sub-concession fee income, pre-opening expenses and corporate costs, and before elimination of inter-company consumption.*

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

	For the six months ended 30 June			
	2023	2022	Variance	
<b>Grand Lisboa Statistics</b>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>%</i>
<b>Revenues:</b>				
Casino (GGR)	2,266	705	1,561	221.4%
Hotel	71	27	44	163.0%
Food and Beverage, Mall and Other	66	44	22	50.8%
<b>Total Revenue</b>	<b>2,403</b>	776	<b>1,627</b>	209.7%
<b>Adjusted Property EBITDA</b>	<b>473</b>	(374)	<b>847</b>	226.5%
<b>Gaming Statistics</b>				
Rolling Chip Volume	8,734	6,051	2,683	44.3%
Rolling Revenue	246	223	23	10.3%
Rolling Chip Win %	2.8%	3.7%	—	(0.9) pts
Non-Rolling Volume	9,644	1,917	7,727	403.1%
Non-Rolling Revenue	1,829	408	1,421	348.3%
Non-Rolling Chip Win %	19.0%	21.3%	—	(2.3) pts
Electronic Game Handle	3,778	1,460	2,318	158.8%
Electronic Game Revenue	191	74	117	158.1%
Electronic Game Hold %	5.1%	5.1%	—	(0.01) pts
<b>Hotel Statistics</b>	<i>HK\$</i>	<i>HK\$</i>	<i>HK\$</i>	
Occupancy %	87.8%	47.8%	—	40.0 pts
Average Daily Rate (ADR)	1,026	643	383	59.6%
Revenue per Available Room (RevPAR)	901	307	594	193.5%

Other Self-promoted Casino, Jai Alai Hotel and Sofitel at Ponte 16 Statistics	For the six months ended 30 June			
	2023	2022	Variance	
	HK\$ million	HK\$ million	HK\$ million	%
Revenues:				
Casino (GGR)	2,073	674	1,399	207.6%
Hotel	77	19	58	305.3%
Food and Beverage, Mall and Other	57	42	15	35.7%
Total Revenue	2,207	735	1,472	200.3%
Adjusted Property EBITDA <sup>1</sup>	590	(197)	787	399.5%
<b>Gaming Statistics</b>				
Non-Rolling Volume	13,049	4,510	8,539	189.3%
Non-Rolling Revenue	1,930	601	1,329	221.1%
Non-Rolling Chip Win %	14.8%	13.3%	—	1.5 pts
Electronic Game Handle	3,490	1,513	1,977	130.7%
Electronic Game Revenue	143	73	70	95.9%
Electronic Game Hold %	4.1%	4.8%	—	(0.7) pts
<b>Hotel Statistics</b>	<b>HK\$</b>	<b>HK\$</b>	<b>HK\$</b>	
Jai Alai Hotel:				
Occupancy %	95.7%	63.4%	—	32.3 pts
Average Daily Rate (ADR)	195	172	23	13.4%
Revenue per Available Room (RevPAR)	187	109	78	71.6%
Sofitel at Ponte 16:				
Occupancy %	84.7%	46.1%	—	38.6 pts
Average Daily Rate (ADR)	1,232	473	759	160.5%
Revenue per Available Room (RevPAR)	1,044	218	826	378.9%

1 *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. (Casino Eastern and Casino Taipa were closed on 27 December 2022.)*

<b>Satellite Casino Statistics</b>	<b>For the six months ended 30 June</b>			<b>Variance</b>	<b>%</b>
	<b>2023</b>	<b>2022</b>			
	<i>HK\$ million</i>	<i>HK\$ million</i>	<i>HK\$ million</i>		
Casino Revenue (GGR)	<b>3,801</b>	2,460	<b>1,341</b>		54.5%
<b>Adjusted Property EBITDA</b>	<b>(208)</b>	7	<b>(215)</b>		(3,071.4)%

As at 30 June 2023, SJM operated 9 satellite (third party-promoted) casinos, as follows: Casino Casa Real, Casino Landmark, Casino Emperor Palace, Casino Fortuna, Casino Grandview, Casino Kam Pek Paradise, Casino L'Arc Macau, Casino Legend Palace and Casino Ponte 16. Casino Babylon, Casino Diamond, Casino Golden Dragon, Casino Million Dragon and Casino Royal Dragon were closed on 27 December 2022. As at 31 December 2022, SJM operated 9 satellite casinos.

## **PROSPECTS AND RECENT DEVELOPMENTS**

### **COVID-19 Pandemic Recovery and Outlook**

Since around the end of 2022, COVID-19 related travel restrictions were materially relaxed for visitors from the Mainland, Hong Kong and Taiwan, and subsequently for other areas. Currently, there are no requirements for health tests, vaccines or quarantines for visitors to Macau. After almost three years of severely inhibited travel, visitation to Macau showed a robust recovery in the first half of 2023.

According to figures for the first half of 2023 from the Macau SAR Statistics and Census Service, visitor arrivals expanded by 236.1% year on year; whilst the year-on-year figure for the month of June 2023 was up by 480.5%. Reopening of flights and sailings to Macau from almost total closure, led to even more dramatic increases during the first half of the year in arrivals by sea and by air by 2,025.0% and 3,960.5%, respectively.

Figures for revenue of gaming and non-gaming activities in Macau reflect the increase in visitation. According to the Macau SAR Gaming Inspection and Coordination Bureau, gross gaming revenue in Macau for the first quarter of 2023 amounted to 45.4% of the level in the first quarter of 2019, the last pre-pandemic year, and for the second quarter amounted to 62.0% of the 2019 level.

Barring further outbreak of the COVID-19 virus, the outlook for Macau tourism over the medium term is positive.

### **Macau Gaming Concession**

During the first half of 2023, the Company operated under the terms of the new ten-year gaming concession which extends from 1 January 2023 to 31 December 2032. SJM has committed to invest an aggregate of MOP14,033 million (equivalent to approximately HK\$13,624 million) during the life of the new concession period. The total amount of the non-gaming investment obligations is obliged to further increase when the overall gross gaming revenue in Macau exceeds MOP180 billion (equivalent to approximately HK\$174.8 billion) before 2027.

In line with SJM's commitment to the enhancement of non-gaming tourism in Macau, the Company was the co-organizer of the 2023 SJM Macau International Dragon Boat Races held in June 2023. In support of international tourism development, SJM opened its first foreigners-only gaming room at Grand Lisboa Palace, in March 2023.

### **Grand Lisboa Palace Update**

The Grand Lisboa Palace which had a partial opening in June 2021, continued to increase its market presence during the first half of 2023. THE KARL LAGERFELD hotel tower held a grand celebration of its opening on 10 June 2023, and also during the first half of 2023 certain hotel rooms at the Palazzo Versace Macau hotel tower became available to the public. Grand opening of the Palazzo Versace Macau is anticipated in the coming months. By the end of this year, the Company expects to have completed the recruiting and training of the additional staff members needed to bring the full complement of hotel rooms at Grand Lisboa Palace up to 1,892.

## FINANCIAL REVIEW

### Liquidity, Financial Resources and Capital Structure

The Group had bank balances and cash amounting to HK\$3,951 million (not including pledged bank deposits of HK\$1,008 million) as at 30 June 2023. This represented a decrease of 42.4% as compared with the position as at 31 December 2022 of HK\$6,856 million.

Total outstanding balances of bank loans drawn by the Group as at 30 June 2023 amounted to HK\$15,698 million (as at 31 December 2022: HK\$18,975 million). Total senior notes and convertible bond issued by the Group as at 30 June 2023 amounted to HK\$10,830 million (as at 31 December 2022: HK\$10,795 million). Loan from ultimate holding company as at 30 June 2023 amounted to HK\$2,007 million (as at 31 December 2022: HK\$2,007 million). The maturity of the Group's borrowings as at 30 June 2023 is as follows:

Maturity Profile				
Within 1 year	1–2 years	2–5 years	over 5 years	Total
3%	4%	86%	7%	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 50.2% at the end of the Reporting Period (as at 31 December 2022: 53.2%).

### Contractual Capital Expenditure Commitments

Contractual capital expenditure commitments by the Group amounted to HK\$157 million as at 30 June 2023 (as at 31 December 2022: HK\$117 million).

### Pledge of Assets

As at 30 June 2023, certain of the Group's property and equipment and right-of-use assets with carrying values of HK\$34,936 million and HK\$1,733 million, respectively (as at 31 December 2022: HK\$35,560 million and HK\$1,756 million, respectively), were pledged to banks for loan facilities. In addition, the Group had pledged bank deposits of HK\$1,008 million as at 30 June 2023 (as at 31 December 2022: HK\$1,154 million).

## **Contingent Liability and Guarantee**

As at 30 June 2023, the total amount of guarantee of the Group given to a bank of HK\$67 million (as at 31 December 2022: HK\$67 million), which was guarantee in respect of credit facilities granted to an associate. The Group had no significant contingent liability as at 30 June 2023.

## **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 2023, the Group had approximately 18,400 full-time employees. The Group's employee turnover rate was minimal in the first half of 2023.

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 2023.

## **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 2023 to 30 June 2023, the Company has complied with all the code provisions of the Corporate Governance Code as set out in Part 2 of Appendix 14 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 2023 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 2023 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, 21 August 2023

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