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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

**INSIDE INFORMATION**

**Rationalisation program of casino properties**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company and potential investors that as part of a reassessment and rationalisation of the Group's core casino business with a view to improving its operational efficiency, a number of changes have been made which have led to a significant impairment charge in its results for the year ended 31 December 2022 scheduled to be released on 8 March 2023.

The Company has made an impairment charge of approximately HK\$1,205 million in the results for the year ended 31 December 2022, being the amount, as of 31 December 2022, of the carrying value of the cost of refurbishments made to the Jai-Alai Building over a number of years and an additional impairment charge of approximately HK\$4.7 million relating to the closure of five third-party owned casinos and two self-promoted casinos at the end of December 2022.

Therefore, the Company expects that the Group may record a loss attributable to owners of the Company for the year ended 31 December 2022 in the region of approximately HK\$7,800 million (inclusive of the aforesaid impairment charge of approximately HK\$1,205 million), as compared to a loss attributable to owners of the Company of HK\$4,144 million for 2021.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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The Board wishes to inform the shareholders of the Company and potential investors that as part of a reassessment and rationalisation of its core casino business with a view to improving its operational efficiency, a number of changes have been made which have led to a significant impairment charge in the results for the year ended 31 December 2022 (“**Year 2022**”) scheduled to be released on 8 March 2023.

As can be seen from the Company’s announcements dated 1 August 2022 and 31 October 2022 relating to the unaudited consolidated interim results and the third quarter unaudited key performance indicators respectively, the Group has been operating at a considerable loss due primarily to the travel restrictions and social distancing regulations which were in force in Macau due to the COVID-19 pandemic. The loss attributable to owners of the Company for the nine months ended 30 September 2022 was approximately HK\$4,652 million as compared with a loss of approximately HK\$2,714 million in the first nine months of 2021.

The Company has made an impairment charge of approximately HK\$1,205 million in the results for the year ended 31 December 2022, being the amount, as of 31 December 2022, of the carrying value of the cost of refurbishments made to the Jai-Alai Building over a number of years and an additional impairment charge of approximately HK\$4.7 million relating to the closure of five third-party owned casinos and two self-promoted casinos at the end of December 2022.

Therefore, the Company expects that the Group may record a loss attributable to owners of the Company for the year ended 31 December 2022 in the region of approximately HK\$7,800 million (inclusive of the aforesaid impairment charge of approximately HK\$1,205 million), as compared to a loss attributable to owners of the Company of approximately HK\$4,144 million for 2021.

### **Rationalisation program of casino properties**

The Group’s core business is the development and operation of casinos and related facilities in Macau. SJM Resorts is principally engaged in the gaming business in Macau and is one of the six companies authorised to operate casino games of fortune and other games of chance in casinos, under the terms of a new gaming concession granted by the Macau Government in December 2022.

Ahead of the grant of the New Concession Contract, the Company took a number of steps to rationalise its portfolio of casino properties.

During 2022, SJM Resorts took a number of steps to rationalise its portfolio of gaming properties with a view to improving its operational efficiency in preparation for the New Concession and the post-pandemic economy. On 27 December 2022, five third-party owned casinos (Casino Babylon, Casino Diamond, Casino Golden Dragon, Casino Million Dragon and Casino Royal Dragon) were closed. Also on 27 December 2022, two self-promoted casinos (Casino Eastern and Casino Taipa) were closed.

The Company has subleased Jai-Alai Building (formerly known as Jai-Alai Palace) from a company controlled by Ms. Leong since late 2012. A new sublease has been executed between SJM Resorts and Macau Jai-Alai Company on 6 March 2023 for the period from 1 January 2023 to 31 December 2023 and forms part of the Ms. Leong PLMA dated 3 March 2023 which was announced by the Company on the same day.

As a result of the rationalisation program and the short-term nature of the new sublease agreement for Jai-Alai Building, the Company has decided that an impairment charge of approximately HK\$1,205 million will be necessary and this has been made in the year ended 31 December 2022. This impairment charge relates to the carrying value of the costs made by the Group in refurbishing Jai-Alai Building so that it could be operated as a casino and included an additional impairment charge of approximately HK\$4.7 million relating to the closure of five third-party owned casinos and two self-promoted casinos at the end of December 2022.

### **Impact on Year 2022 Results**

The impairment charge related to the rationalisation program increases the loss for the Year 2022 attributable to owners of the Company by approximately HK\$1,205 million, and increases the Company's loss per share (basic and diluted) by HK19.2 cents. There is no change in the Company's Adjusted EBITDA for the year.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

Unless defined otherwise, capitalised terms used in this announcement shall have the following meanings:

“Adjusted EBITDA”	:	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, impairment loss on property and equipment, bank charges for bank loans, gain/loss on modification on a bank loan, loss on derecognition of a bank loan, gain on early termination of lease contracts, sub-concession fee income and pre-opening expenses.
“Board”	:	the board of Directors of the Company
“Casino Oceanus”	:	Casino Oceanus at Jai-Alai which is located at Macau at Travessa do Reservatório nos. 33 to 95, Rua do Terminal Marítimo nos. 24 to 78, Avenida da Amizade nos. 1565 to 1595, Avenida do Dr. Rodrigo Rodrigues nos. 1470 to 1526
“Company”	:	SJM Holdings Limited, a company incorporated in Hong Kong with limited liability, the Shares of which are listed on the Stock Exchange
“Director(s)”	:	the director(s) of the Company
“Group”	:	the Company and its subsidiaries
“Jai-Alai Building”	:	the shops and areas of the entire building located in Macau, at Zona de Aterros do Porto Exterior (ZAPE) No S/N, Jai-Alai (including the building and other ancillaries erected thereon), which is commonly known as “Jai-Alai Building” and previously known as Jai-Alai Palace
“Listing Rules”	:	The Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	:	the Macau Special Administrative Region of the People’s Republic of China
“Macau Government”	:	the Government of Macau

“Macau Jai-Alai Company”	:	Sociedade de Pelota Basca de Macau, S.A. (in Portuguese) Macau Jai-Alai Company Limited (in English), a company incorporated under the laws of Macau and the sole legal and beneficial tenant under the tenancy contract executed with the Macau Government in respect of the Jai-Alai Building and a company controlled by Ms. Leong
“Ms. Leong”	:	Deputada Leong On Kei, Angela, a Director
“Ms. Leong PLMA”	:	The Premises Leasing Master Agreement dated 3 March 2023 executed between the Company and Ms. Leong, details of which are included in the Company’s announcement dated 3 March 2023
“New Concession Contract” or “New Concession”	:	the gaming concession contract for the operation of casino games of fortune and other games of chance in casinos dated 16 December 2022 between the Macau Government and SJM Resorts
“Oceanus Building”	:	the building in which Casino Oceanus resides
“Share(s)”	:	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	:	the holder(s) of the Share(s) in issue
“SJM Resorts”	:	SJM Resorts, S.A. (in Portuguese) SJM Resorts, Limited (in English) (name changed from Sociedade de Jogos de Macau, S.A. on 9 June 2021), a joint stock company “ <i>sociedade anónima</i> ” incorporated under the laws of Macau and a subsidiary of the Company
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited

By order of the Board  
**SJM Holdings Limited**  
**Ho Chiu Fung, Daisy**  
*Chairman and Executive Director*

Hong Kong, 6 March 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. So Shu Fai, 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.*