

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



美高梅中國控股有限公司
MGM China Holdings Limited

MGM CHINA HOLDINGS LIMITED

美高梅中國控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2282)

INSIDE INFORMATION

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED 31 MARCH 2014 OF MGM RESORTS INTERNATIONAL, OUR CONTROLLING SHAREHOLDER

This is an announcement made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited.

Our controlling shareholder, MGM Resorts International has, on or about 29 April 2014 (8:15 a.m., New York time), released its unaudited results for the first quarter ended 31 March 2014 which contain financial information about MGM China Holdings Limited prepared and presented herein under Generally Accepted Accounting Principles of the United States.

This is an announcement made by MGM China Holdings Limited (“we” or “MGM China”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09 of the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (“HKSE”).

MGM China’s controlling shareholder, MGM Resorts International, is a company listed on the New York Stock Exchange in the United States. As at the date of this announcement, MGM Resorts International beneficially owns 51% of the issued share capital of MGM China.

MGM Resorts International has, on or about 29 April 2014 (8:15 a.m., New York time), released its unaudited results for the first quarter ended 31 March 2014 (the “Earnings Release”). If you wish to review the Earnings Release prepared by MGM Resorts International and as filed with the United States Securities and Exchange Commission, please visit <http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000789570&owner=exclude&count=40&hidefilings=0>. The Earnings Release contains financial information about MGM China which is available in the public domain.

The unaudited consolidated financial results of MGM Resorts International, including those contained in the Earnings Release, have been prepared in accordance with the Generally Accepted Accounting Principles of the United States (“US GAAP”), which are different from International Financial Reporting Standards (“IFRS”), which, as a company listed on the Main Board of HKSE, we use to prepare and present the financial information of MGM China.

Pursuant to the completion of the reorganization of the capital structure of MGM China and the initial public offering of 760 million shares of MGM China on HKSE in June 2011, MGM Resorts International acquired an additional 1% interest in MGM China, and thereby obtained a controlling interest and began to consolidate our results as of 3 June 2011. The acquisition of the controlling interest by MGM Resorts International was accounted for as a business combination and MGM Resorts International recognized 100% of our assets, liabilities, and non-controlling interests at fair value at the date of acquisition. Under the acquisition method, the fair value was allocated to the assets acquired, liabilities assumed and non-controlling interests recorded in the transaction (the “Purchase Price Allocation”). The unaudited consolidated financial results of MGM Resorts International for the first quarter ended 31 March 2014 included in the Earnings Release include the effect of the Purchase Price Allocation and consolidation of MGM China and certain adjustments have been made for presentation under US GAAP. As such, the financial information of MGM China in the Earnings Release is not directly comparable to the unaudited consolidated financial results of MGM China prepared in accordance with IFRS. The following table summarized the reconciliation of the information of MGM China presented in the Earnings Release under US GAAP to the unaudited operating income of MGM China under IFRS as a result of the abovementioned adjustments. (Note: The amounts are presented here in Hong Kong dollars at the exchange rates at the time of individual transactions during the relevant period).

	Three Months Ended 31 March 2014 HK\$'000 (unaudited)
Operating income under US GAAP	1,277,139
Add:	
Purchase Price Allocation, net	376,511
Other adjustments, net	17,771
Operating income under IFRS	<u>1,671,421</u>

	Three Months Ended 31 March	
	2014 HK\$'000 (unaudited)	2013 HK\$'000 (unaudited)
Net revenue	<u>7,304,911</u>	<u>5,796,751</u>
Adjusted EBITDA (before the license fee under the branding agreement)	<u>2,007,122</u>	<u>1,516,774</u>
Adjusted EBITDA	<u>1,879,243</u>	<u>1,415,308</u>

Our shareholders and potential investors are advised that the unaudited operating income and net revenue of MGM China for the three months ended 31 March 2014 under IFRS in the above reconciliation and adjustments herein prepared or presented by MGM China have not been audited or reviewed by MGM China’s auditor.

Summary Statistics

The following table presents certain selected income statement line items and certain other data of MGM China.

(in thousands, except for number of gaming tables and slot machines, percentage, and REVPAR)	Three months ended	
	31 March	
	2014	2013
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Number of VIP gaming tables	234	231
VIP table games turnover	224,714,627	200,347,089
VIP gross table games win	6,741,612	5,510,916
VIP table games win percentage	3.0%	2.8%
Average daily gross win per gaming table	320.4	265.6
Number of main floor gaming tables	192	193
Main floor table games drop	5,976,329	5,006,780
Main floor gross table games win	2,334,316	1,614,978
Main floor table games win percentage	39.1%	32.3%
Average daily gross win per gaming table	135.4	92.8
Number of slot machines	1,292	1,361
Slot machine handle	12,862,234	11,504,970
Slot machine gross win	613,258	586,207
Slot hold percentage	4.8%	5.1%
Average daily win per slot	5.3	4.8
Commission and discounts	(2,476,873)	(1,998,148)
Room occupancy rate	98.5%	97.1%
REVPAR ⁽¹⁾	2,335	2,079

Note: ⁽¹⁾ Revenue per available room, expressed in Hong Kong dollars, arrived after inclusion of services provided for hotel rooms to certain customers and guests without charges.

With a view to ensuring that all shareholders and potential investors of MGM China have equal and timely access to the information pertaining to MGM China, set forth below are the key highlights of financial information relevant to MGM China published by MGM Resorts International in the Earnings Release. (Unless otherwise provided, all dollars amounts in the Earnings Release are denominated in United States dollars):

MGM Resorts International (hereafter the “Company”) First Quarter Results

MGM China

Key first quarter results for MGM China include the following:

- MGM China earned net revenue of \$941 million, a 26% increase compared to the prior year quarter;
- VIP table games turnover increased 12% from the prior year quarter and hold percentage was 3.0% in the current year quarter compared to 2.8% in the prior year quarter;
- Main floor table games revenue increased 45% compared to the prior year quarter;
- MGM China’s Adjusted EBITDA was a record \$241 million, a 33% increase compared to the prior year quarter, including \$16 million of branding fee expense in the current quarter versus \$13 million in the prior year quarter; and
- Operating income was \$165 million compared to \$99 million in the prior year quarter.

MGM China paid a \$499 million dividend in March 2014, of which \$254 million was distributed to MGM Resorts and \$245 million was distributed to noncontrolling interests.

Non-GAAP financial measures

“Adjusted EBITDA” is earnings before interest and other non-operating income (expense), taxes, depreciation and amortization, preopening and start-up expenses, and property transactions, net. “Adjusted Property EBITDA” is Adjusted EBITDA before corporate expense and stock compensation expense related to the MGM Resorts stock option plan, which is not allocated to each property. MGM China recognizes stock compensation expense related to its stock compensation plan which is included in the calculation of Adjusted EBITDA for MGM China. Adjusted EBITDA information is presented solely as a supplemental disclosure to reported GAAP measures because management believes these measures are 1) widely used measures of operating performance in the gaming industry, and 2) a principal basis for valuation of gaming companies.

Management believes that while items excluded from Adjusted EBITDA and Adjusted Property EBITDA may be recurring in nature and should not be disregarded in evaluation of the Company’s earnings performance, it is useful to exclude such items when analyzing current results and trends compared to other periods because these items can vary significantly depending on specific underlying transactions or events that may not be comparable between the periods being presented. Also, management believes excluded items may not relate specifically to current operating trends or be indicative of future results. For example, pre-opening and start-up expenses will be significantly different in periods when the Company is developing and constructing a major expansion project and will depend on where the current period lies within the development cycle, as well as the size

and scope of the project(s). Property transactions, net includes normal recurring disposals, gains and losses on sales of assets related to specific assets within the Company's resorts, but also includes gains or losses on sales of an entire operating resort or a group of resorts and impairment charges on entire asset groups or investments in unconsolidated affiliates, which may not be comparable period over period.

In addition, capital allocation, tax planning, financing and stock compensation awards are all managed at the corporate level. Therefore, management uses Adjusted Property EBITDA as the primary measure of the Company's operating resorts' performance.

This announcement contains forward-looking statements. Such forward-looking information involves important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may differ from those expressed in any forward-looking statements made by us. The risks and uncertainties include, but are not limited to, competition in the casino/hotel and resorts industries, our dependence on existing management, levels of travel, leisure and casino spending, general economic conditions, and changes in gaming laws or regulations. Additional information concerning potential factors that could affect our financial results is included in our published prospectus, interim and annual reports. We are under no obligation to (and expressly disclaims any such obligation to) update the forward-looking statements as a result of new information, future events or otherwise.

Our shareholders and potential investors are advised not to place undue reliance on the Earnings Release and are reminded that financial information presented herein relating to MGM China has not been audited or reviewed by MGM China's auditor. Our shareholders and potential investors are advised to exercise caution in dealing in securities in MGM China.

By Order of the Board
MGM China Holdings Limited
Antonio MENANO
Joint Company Secretary

Hong Kong, 29 April 2014

As at the date of this announcement, our directors are James Joseph MURREN, Pansy Catilina Chiu King HO, Chen Yau WONG, William Joseph HORNBUCKLE and Grant R. BOWIE as executive directors, William M. SCOTT IV, Daniel J. D'ARRIGO and Kenneth A. ROSEVEAR as non-executive directors and Zhe SUN, Tommei Mei Kuen TONG, Sze Wan Patricia LAM and Peter Man Kong WONG as independent non-executive directors.