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美高梅中國控股有限公司

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 SECOND QUARTER AND THE FIRST HALF
OF FISCAL 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 Securities on The Stock Exchange of Hong Kong Limited.

Our controlling shareholder, MGM Resorts International, has, on or about 5 August 2014 (8:15 a.m., New York time), released its unaudited results for the second quarter and first half of fiscal 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 5 August 2014 (8:15 a.m., New York time), released its unaudited results for the second quarter and the first half of fiscal 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 second quarter and first half of fiscal 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 relevant unaudited consolidated financial results to be disclosed by 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 30 June 2014 HK\$'000 (unaudited)	Six Months Ended 30 June 2014 HK\$'000 (unaudited)
Operating income under US GAAP	1,039,749	2,316,888
Add/(less):		
Purchase Price Allocation, net	371,653	748,164
Other adjustments, net	13,962	31,733
Operating income under IFRS	<u>1,425,364</u>	<u>3,096,785</u>

	Three Months Ended 30 June		Six Months Ended 30 June	
	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Net revenue	<u>6,418,967</u>	<u>6,480,618</u>	<u>13,723,878</u>	<u>12,277,369</u>
Adjusted EBITDA (before the license fee under the branding agreement)	<u>1,758,301</u>	<u>1,716,184</u>	<u>3,765,423</u>	<u>3,232,958</u>
Adjusted EBITDA	<u>1,646,012</u>	<u>1,602,745</u>	<u>3,525,255</u>	<u>3,018,053</u>

Our shareholders and potential investors are advised to read the financial information presented herein in conjunction with the announcement of interim results of MGM China for the six months ended 30 June 2014 published on 5 August 2014 which contains the unaudited operating income and net revenue of MGM China for the six months ended 30 June 2014 and 2013 under IFRS, and are reminded that the financial information has not been audited by MGM China's auditor.

Summary Statistics

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

	Three months ended		Six months ended	
	30 June		30 June	
(in thousands, except for number of gaming tables and slot machines, percentage, and REVPAR)	2014	2013	2014	2013
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Number of VIP gaming tables	225	232	229	231
VIP table games turnover	195,269,445	217,470,882	419,984,072	417,817,971
VIP gross table games win	5,331,633	6,392,910	12,073,245	11,903,826
VIP table games win percentage	2.7%	2.9%	2.9%	2.8%
Average daily gross win per gaming table	260.9	302.9	291.0	284.4
Number of main floor gaming tables	197	190	194	192
Main floor table games drop ⁽¹⁾	9,715,808	7,294,218	19,199,489	14,559,383
Main floor gross table games win	2,508,053	1,777,611	4,842,369	3,392,589
Adjusted main floor table games win percentage	25.8%	24.4%	25.2%	23.3%
Average daily gross win per gaming table	140.1	103.0	137.8	97.9
Number of slot machines	1,205	1,373	1,249	1,367
Slot machine handle	11,972,999	10,632,442	24,835,233	22,137,412
Slot machine gross win	514,872	575,522	1,128,130	1,161,729
Slot hold percentage	4.3%	5.4%	4.5%	5.2%
Average daily win per slot	4.7	4.6	5.0	4.7
Commission and discounts	(2,020,314)	(2,347,866)	(4,497,187)	(4,346,014)
Room occupancy rate	98.7%	98.7%	98.6%	97.9%
REVPAR ⁽²⁾	2,297	2,082	2,316	2,081

Note: ⁽¹⁾ Main floor table games drop includes estimated cash chips purchase at casino cage. Main floor table games wagers are conducted by the use of cash chips. In addition to purchasing cash chips at gaming tables, main floor customers may also purchase cash chips at the casino cage. As a result of increased cash chips purchases at the casino cage, we now adjust main floor table games drop to include such purchases in order to more meaningfully reflect main floor table games volume and win percentage.

⁽²⁾ 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”) Second Quarter Results

MGM China

On August 5, 2014, MGM China’s Board of Directors announced a dividend of \$136 million, which will be paid to shareholders of record as of August 25, 2014 and distributed on or about September 1, 2014. MGM Resorts International will receive \$69 million, representing its 51% share of the dividend.

Key second quarter results for MGM China include the following:

- MGM China earned net revenue of \$828 million, a 1% decrease compared to the prior year quarter;
- Main floor table games revenue increased 41% compared to the prior year quarter;
- VIP table games revenue decreased 18% due to a decrease in VIP table games turnover of 10% compared to the prior year quarter and lower hold percentage of 2.7% in the current year quarter compared to 2.9% in the prior year quarter;
- MGM China’s Adjusted EBITDA was \$210 million, a 3% increase compared to the prior year quarter, including \$14 million of branding fee expense in the current quarter;
- MGM China’s Adjusted EBITDA margin increased by 90 basis points compared to the prior year quarter; and
- Operating income was \$134 million compared to \$126 million in the prior year quarter.

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 certain financial information of MGM China presented herein has been prepared in accordance with US GAAP and is not the same as that presented in the announcement of interim results of MGM China for the six months ended 30 June 2014 published on 5 August 2014 which contains unaudited consolidated financial results of MGM China under IFRS, and are reminded that the interim results has not been audited by MGM China's auditor. Our shareholders and potential investors are advised to read this announcement in conjunction with the announcement of interim results of MGM China for the six months ended 30 June 2014 and exercise caution in dealing in securities in MGM China.

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

Hong Kong, 5 August 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.