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MGM CHINA HOLDINGS LIMITED
美高梅中國控股有限公司

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(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2282 and Debt Stock Codes: 6026, 6028, 40258, 40634)

INSIDE INFORMATION

UNAUDITED RESULTS FOR THE SECOND QUARTER AND THE FIRST HALF OF FISCAL 2023 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 Rules 13.09 and 37.47B 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 August 2, 2023 (4:15 p.m., New York time), released its unaudited results for the second quarter and the first half of fiscal 2023 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 (“MGM China” or the “Company”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rules 13.09 and 37.47B of the Rules Governing the Listing of 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 approximately 56% of the issued share capital of MGM China.

MGM Resorts International has, on or about August 2, 2023 (4:15 p.m., New York time), released its unaudited results for the second quarter and the first half of fiscal 2023 (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 and its subsidiaries (“we”, “our” or “Group”) 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 our financial information.

The unaudited consolidated financial results of MGM Resorts International for the second quarter and the first half of fiscal 2023 included in the Earnings Release include the effect of its consolidation of MGM China, including purchase price adjustments and certain other adjustments to reflect the financial information of the Group in accordance with US GAAP. As such, our financial information in the Earnings Release is not directly comparable to our unaudited consolidated financial results prepared in accordance with IFRS.

Our shareholders and potential investors are advised that the financial results in the Earnings Release are unaudited and have not been prepared or presented by MGM China and there is no indication or assurance from MGM China that our financial results will be the same as that presented in the Earnings Release.

The following table summarizes the Group's financial information under IFRS for the second quarter and the first half of fiscal 2023.

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue:				
MGM Macau	2,578,143	662,346	4,920,487	1,842,395
MGM Cotai	<u>3,230,606</u>	<u>459,734</u>	<u>5,728,952</u>	<u>1,373,461</u>
Total Revenue	<u>5,808,749</u>	<u>1,122,080</u>	<u>10,649,439</u>	<u>3,215,856</u>
Adjusted EBITDA⁽¹⁾:				
MGM Macau ⁽²⁾	770,950	(107,661)	1,465,730	45,585
MGM Cotai	<u>976,265</u>	<u>(274,772)</u>	<u>1,694,351</u>	<u>(382,272)</u>
Total Adjusted EBITDA	<u>1,747,215</u>	<u>(382,433)</u>	<u>3,160,081</u>	<u>(336,687)</u>
Profit/(loss) attributable to owners of the Company	<u>669,630</u>	<u>(1,374,669)</u>	<u>820,914</u>	<u>(2,404,173)</u>

(1) Adjusted EBITDA is profit/loss before finance costs, income tax expense, depreciation and amortization, gain/loss on disposal/write-off of property and equipment and other assets, interest income, net foreign currency difference, share-based payments, pre-opening costs and corporate expenses which mainly include administrative expenses of the corporate office and license fee paid to a related company. Adjusted EBITDA is used by management as the primary measure of the Group's operating performance and to compare our operating performance with that of our competitors. Adjusted EBITDA should not be considered in isolation, construed as an alternative to profit or operating profit as reported under IFRS or other combined operations or cash flow data, or interpreted as an alternative to cash flow as a measure of liquidity. Adjusted EBITDA presented in this announcement may not be comparable to other similarly titled measures of other companies operating in the gaming or other business sectors.

(2) During the six months ended June 30, 2022, the Group reached a final settlement of certain litigation related to the Group's joint liability with gaming promoters and made a reversal of the liability of HK\$60.6 million disclosed in MGM China's 2021 annual report.

Our shareholders and potential investors are advised to read the financial information presented herein in conjunction with the interim results announcement to be published by MGM China for the six months ended June 30, 2023 and are reminded that our financial information under IFRS presented herein relating to the Group has not been audited or reviewed by our auditor.

Summary Statistics

The following tables present certain selected income statement line items and certain other data of MGM Macau and MGM Cotai.

MGM Macau	Three Months Ended		Six Months Ended	
	June 30		June 30	
(in thousands, except for number of gaming units, percentage and revenue per available room (“REVPAR”))	2023 HK\$’000 (Unaudited)	2022 HK\$’000 (Unaudited)	2023 HK\$’000 (Unaudited)	2022 HK\$’000 (Unaudited)
Main floor table games drop	11,725,611	2,201,303	21,016,340	7,386,584
Main floor gross table games win ⁽¹⁾	2,358,610	517,073	4,408,884	1,586,444
Main floor table games win percentage	20.1%	23.5%	21.0%	21.5%
Average daily gross win per main floor gaming table	88.5	25.0	86.3	38.4
VIP table games turnover	8,459,861	2,355,922	15,891,857	5,904,045
VIP gross table games win ⁽¹⁾	236,132	75,541	526,372	156,267
VIP table games win percentage (calculated before commissions, complimentaries and other incentives)	2.8%	3.2%	3.3%	2.6%
Average daily gross win per VIP gaming table	45.6	27.4	51.5	23.1
Slot machine handle	5,581,852	2,140,796	9,880,674	5,021,927
Slot machine gross win ⁽¹⁾	223,473	87,275	410,861	219,266
Slot hold percentage	4.0%	4.1%	4.2%	4.4%
Average daily win per slot	2.7	1.1	2.5	1.4
Commissions, complimentaries and other incentives ⁽¹⁾	(461,641)	(114,169)	(844,000)	(358,263)
Room occupancy rate	94.0%	45.7%	93.8%	59.3%
REVPAR	1,626	661	1,581	886

	As At June 30			
	2023		2022	
Gaming Units:	(Unaudited)		(Unaudited)	
Tables ⁽²⁾	354		294	
Slot machines ⁽³⁾	892		895	
MGM Cotai	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
(in thousands, except for number of gaming units, percentage and REVPAR)	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Main floor table games drop	10,792,141	1,131,479	18,568,823	4,503,237
Main floor gross table games win ⁽¹⁾	2,549,437	308,204	4,601,921	1,106,369
Main floor table games win percentage	23.6%	27.2%	24.8%	24.6%
Average daily gross win per main floor gaming table	82.3	16.1	78.1	28.8
VIP table games turnover	23,990,173	3,008,285	35,255,834	6,974,571
VIP gross table games win ⁽¹⁾	882,222	113,230	1,338,772	209,164
VIP table games win percentage (calculated before commissions, complimentary and other incentives)	3.7%	3.8%	3.8%	3.0%
Average daily gross win per VIP gaming table	191.5	56.6	157.7	43.8
Slot machine handle	5,297,422	1,271,870	9,192,995	3,997,582
Slot machine gross win ⁽¹⁾	182,092	54,744	342,746	117,026
Slot hold percentage	3.4%	4.3%	3.7%	2.9%
Average daily win per slot	2.1	0.7	1.9	0.8
Commissions, complimentary and other incentives ⁽¹⁾	(720,504)	(92,932)	(1,183,521)	(283,579)
Room occupancy rate	92.2%	16.7%	90.8%	28.0%
REVPAR	1,276	235	1,241	389

	As At June 30	
	2023	2022
	(Unaudited)	(Unaudited)
Gaming Units:		
Tables ⁽²⁾	396	258
Slot machines ⁽³⁾	1,028	848

Note: MGM MACAU and MGM COTAI operated at a reduced capacity during the first half of fiscal 2022 due to COVID-related travel restrictions and tightened safeguard measures. Travel restrictions were substantially eased from December 2022, with mandatory isolated quarantine for all inbound visitors and nucleic acid test requirement for visitors from mainland China, Hong Kong and Taiwan no longer required.

- (1) The total of “main floor gross table games win”, “VIP gross table games win” and “slot machine gross win” is different to the casino revenue because casino revenue is reported net of commissions and certain sales incentives including the allocation of casino revenue to hotel rooms, food and beverage and other revenue for services provided to casino customers on a complimentary basis.
- (2) Permanent table count as at June 30, 2023 and 2022. The Group is entitled to operate a total of 750 gaming tables starting from January 1, 2023.
- (3) Gaming machines operated by a single player and electronic multiple-player gaming machines.

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

Extracts from the Earnings Release:

“Second Quarter 2023 Financial Highlights:

MGM China

- *Net revenues of \$741 million in the current quarter compared to \$143 million in the prior year quarter, an increase of 418%, and an increase of 5% compared to the second quarter of 2019. The current quarter was positively affected by the removal of COVID-19 related travel and entry restrictions and an increase in visitation;*
- *Adjusted Property EBITDAR of \$209 million in the current quarter compared to Adjusted Property EBITDAR loss of \$52 million in the prior year quarter, and an increase of 21% compared to the second quarter of 2019; and*
- *Adjusted Property EBITDAR margin of 28.3% in the current quarter compared to 24.5% in the second quarter of 2019.*

MGM China

The following table shows key gaming statistics for MGM China:

	Three Months Ended		
	June 30		
	2023	2022	% change
	<i>(Dollars in millions)</i>		
Casino revenue	670	121	454%
Main floor table games drop	2,872	425	576%
Main floor table games win	626	105	495%
Main floor table games win %	21.8%	24.8%	

License fee expense was \$13 million in the current quarter and \$3 million in the prior year quarter.

MGM Resorts International and Subsidiaries
Supplemental Data – Net Revenues and Adjusted Property EBITDAR
(In thousands)
(Unaudited)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2023	2022	2023	2022
MGM China net revenues	740,955	143,012	1,358,547	411,387
MGM China Adjusted Property EBITDAR	209,389	(52,091)	378,337	(77,747)

MGM China corporate expense was \$7 million and \$4 million for the three months ended June 30, 2023 and 2022, respectively, and \$15 million and \$8 million for the six months ended June 30, 2023 and 2022, respectively.

“Adjusted Property EBITDAR” is the Company’s reportable segment GAAP measure, which management utilizes as the primary profit measure for its reportable segments and underlying operating segments. Adjusted Property EBITDAR is a measure defined as earnings before interest and other non-operating income (expense), taxes, depreciation and amortization, preopening and start-up expenses, gain on REIT transactions, net, property transactions, net, rent expense related to triple-net operating leases and ground leases, income from unconsolidated affiliates related to investments in real estate ventures, and also excludes corporate expense and stock compensation expense, which are not allocated to each operating segment, and rent expense related to the master lease with MGM Growth Properties, LLC (“MGP”) that eliminated in consolidation.”

Our shareholders and potential investors are advised not to place undue reliance on the Earnings Release and are reminded that certain financial information of the Group presented herein has not been audited or reviewed by our auditor. Our shareholders and potential investors are advised to read this announcement in conjunction with the interim results announcement to be published by MGM China for the six months ended June 30, 2023 and to exercise caution in dealing in securities in MGM China.

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

Hong Kong, August 3, 2023

As at the date of this announcement, our directors are Pansy Catilina Chiu King HO, William Joseph HORNBUCKLE, John M. MCMANUS, Jeny LAU and Kenneth Xiaofeng FENG as executive directors, Daniel J. TAYLOR, Ayesha Khanna MOLINO and Jonathan S. HALKYARD as non-executive directors and Sze Wan Patricia LAM, Russell Francis BANHAM, Simon MENG and Chee Ming LIU as independent non-executive directors.