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MGM CHINA HOLDINGS LIMITED
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 and Debt Stock Codes: 6028, 40258, 40634, 5036)

INSIDE INFORMATION

UNAUDITED RESULTS FOR THE SECOND QUARTER AND THE FIRST HALF OF FISCAL 2024 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 July 31, 2024 (4:15 p.m., New York time), released its unaudited results for the second quarter and the first half of fiscal 2024 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 July 31, 2024 (4:15 p.m., New York time), released its unaudited results for the second quarter and the first half of fiscal 2024 (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 2024 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 2024.

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenue:				
MGM Macau	3,260,244	2,578,143	6,755,319	4,920,487
MGM Cotai	4,699,438	3,230,606	9,462,663	5,728,952
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Revenue	<u>7,959,682</u>	<u>5,808,749</u>	<u>16,217,982</u>	<u>10,649,439</u>
Adjusted EBITDA⁽¹⁾:				
MGM Macau	984,200	770,950	2,117,861	1,465,730
MGM Cotai	1,459,111	976,265	2,830,141	1,694,351
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Adjusted EBITDA	<u>2,443,311</u>	<u>1,747,215</u>	<u>4,948,002</u>	<u>3,160,081</u>

⁽¹⁾ Adjusted EBITDA is profit 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.

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, 2024 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”))	2024	2023	2024	2023
	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>	<i>HK\$’000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Main floor table games drop	14,331,276	11,725,611	28,774,734	21,016,340
Main floor gross table games win ⁽¹⁾	2,945,296	2,358,610	6,266,701	4,408,884
Main floor table games win percentage	20.6%	20.1%	21.8%	21.0%
Average daily gross win per main floor gaming table	105.8	88.5	112.2	86.3
VIP table games turnover	8,312,779	8,459,861	20,462,837	15,891,857
VIP gross table games win ⁽¹⁾	285,180	236,132	506,204	526,372
VIP table games win percentage (calculated before commissions, complimentarys and other incentives)	3.4%	2.8%	2.5%	3.3%
Average daily gross win per VIP gaming table	111.2	45.6	94.3	51.5
Slot machine handle	7,386,172	5,581,852	14,459,947	9,880,674
Slot machine gross win ⁽¹⁾	290,042	223,473	578,682	410,861
Slot hold percentage	3.9%	4.0%	4.0%	4.2%
Average daily win per slot	3.3	2.7	3.3	2.5
Commissions, complimentarys and other incentives ⁽¹⁾	(643,415)	(461,641)	(1,380,735)	(844,000)
Room occupancy rate	94.8%	94.0%	94.1%	93.8%
REVPAR	2,580	1,626	2,822	1,581
			As At June 30	
			2024	2023
Gaming Units:			(Unaudited)	(Unaudited)
Tables ⁽²⁾			341	354
Slot machines ⁽³⁾			982	892

MGM Cotai	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2024	2023	2024	2023
(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	15,646,556	10,792,141	31,094,555	18,568,823
Main floor gross table games win ⁽¹⁾	4,394,264	2,549,437	8,503,970	4,601,921
Main floor table games win percentage	28.1%	23.6%	27.3%	24.8%
Average daily gross win per main floor gaming table	135.7	82.3	132.6	78.1
VIP table games turnover	23,619,919	23,990,173	76,621,083	35,255,834
VIP gross table games win ⁽¹⁾	592,447	882,222	1,870,358	1,338,772
VIP table games win percentage (calculated before commissions, complimentary and other incentives)	2.5%	3.7%	2.4%	3.8%
Average daily gross win per VIP gaming table	125.4	191.5	193.6	157.7
Slot machine handle	7,315,067	5,297,422	14,075,196	9,192,995
Slot machine gross win ⁽¹⁾	285,006	182,092	519,533	342,746
Slot hold percentage	3.9%	3.4%	3.7%	3.7%
Average daily win per slot	3.2	2.1	2.9	1.9
Commissions, complimentary and other incentives ⁽¹⁾	(1,181,542)	(720,504)	(2,702,480)	(1,183,521)
Room occupancy rate	94.2%	92.2%	93.8%	90.8%
REVPAR	2,227	1,276	2,429	1,241

	As At June 30	
	2024	2023
Gaming Units:	(Unaudited)	(Unaudited)
Tables ⁽²⁾	409	396
Slot machines ⁽³⁾	984	1,028

⁽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, 2024 and 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:

- *“Record 2Q MGM China Adjusted Property EBITDAR; increase of 40% year over year as market share remained in the mid-teens.*

Second Quarter 2024 Financial Highlights:

MGM China

- *Net revenues of \$1.0 billion in the current quarter compared to \$741 million in the prior year quarter, an increase of 37%. The current quarter was positively affected by the continued ramp up of operations after the removal of COVID-19 related travel and entry restrictions in the first quarter of 2023; and*
- *Adjusted Property EBITDAR of \$294 million in the current quarter compared to \$209 million in the prior year quarter, an increase of 40%.*

MGM China

The following table shows key gaming statistics for MGM China:

	Three Months Ended		% change
	June 30		
	2024	2023	
	(Dollars in millions)		
<i>Casino revenue</i>	891	670	33%
<i>Main floor table games drop</i>	3,835	2,872	33%
<i>Main floor table games win</i>	939	626	50%
<i>Main floor table games win %</i>	24.5%	21.8%	

Intercompany branding license fee expense, which eliminates in consolidation, was \$18 million in the current quarter and \$13 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,	
	2024	2023	2024	2023
<i>MGM China net revenues</i>	1,018,191	740,955	2,074,208	1,358,547
<i>MGM China Adjusted Property EBITDAR</i>	293,863	209,389	595,049	378,337

MGM China corporate expense was \$12 million and \$7 million for the three months ended June 30, 2024 and 2023, respectively, and \$24 million and \$15 million for the six months ended June 30, 2024 and 2023, 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, 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.”

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, 2024 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 1, 2024

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.