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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2011

The Board of MGM China Holdings Limited (the "Company") is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended June 30, 2011 as follows:—

FINANCIAL HIGHLIGHTS

	For the Six Months Ended June 30,	
	2011	2010
	HK$	*HK$*
	(in thousands)	
Casino revenue	**9,709,958**	4,927,224
Other revenue	**153,100**	135,617
Adjusted EBITDA (unaudited)	**2,472,464**	1,045,195
Profit attributable to owners of the Company [(1)]	**1,906,479**	397,264
Earnings per share — basic and diluted	**HK50.2 cents**	HK10.5 cents

Note:

(1) The amounts presented herein differs from the pro-forma US GAAP amounts presented by MGM Resorts International for its MGM China's segment in its filing with the Securities and Exchange Commission in the United States on August 8, 2011, primarily due to the purchase price allocation resulting from the acquisition of MGM China during the period as well as adjustments for IFRS and US GAAP differences.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the Six Months Ended June 30,	
		2011	2010
	Notes	***HK$'000***	*HK$'000*
OPERATING REVENUE			
Casino revenue	*3*	**9,709,958**	4,927,224
Other revenue	*4*	**153,100**	135,617
		9,863,058	5,062,841
OPERATING COSTS AND EXPENSES			
Special gaming tax and special levy to the Macau Government	*5*	**(5,236,370)**	(2,634,331)
Staff costs		**(677,797)**	(601,181)
Operating and administrative and other expenses	*6*	**(1,559,847)**	(786,064)
Depreciation and amortization		**(366,761)**	(380,919)
		(7,840,775)	(4,402,495)
Operating profit		**2,022,283**	660,346
Interest income		**1,150**	213
Finance costs		**(125,278)**	(246,147)
Net foreign currency gain (loss)		**8,372**	(16,971)
Profit before taxation		**1,906,527**	397,441
Taxation	*7*	**(48)**	(177)
Profit for the period and total comprehensive income attributable to owners of the Company		**1,906,479**	397,264
Earnings per share — basic and diluted	*9*	**HK50.2 cents**	HK10.5 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	As at June 30, 2011 HK$'000	As at December 31, 2010 HK$'000
Non-current assets			
Property and equipment		**5,189,576**	5,351,259
Subconcession premium		**1,111,120**	1,174,048
Land use right premium		**361,405**	370,950
Other assets		**8,623**	6,058
Construction in progress		**26,198**	28,827
		6,696,922	6,931,142
Current assets			
Inventories		**70,155**	63,848
Trade receivables	*10*	**513,324**	1,137,422
Prepayments, deposits and other receivables		**68,161**	77,314
Land use right premium — short term		**19,246**	19,246
Amount due from a related company		**3**	72,471
Bank balances and cash		**3,247,788**	1,922,723
		3,918,677	3,293,024
Current liabilities			
Payables and accrued charges	*11*	**2,938,408**	2,706,145
Deposits and advances		**224,452**	135,103
Construction retention payable			
— due within 12 months		**3,177**	3,433
Amounts due to related companies		**32,285**	11,681
Taxation payable		**273**	225
		3,198,595	2,856,587
Net current assets		**720,082**	436,437
Total assets less current liabilities		**7,417,004**	7,367,579

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at June 30, 2011 *HK$'000*	As at December 31, 2010 *HK$'000*
Non-current liability			
Bank borrowings — due after 12 months	*12*	**4,421,146**	5,886,730
Net assets		**2,995,858**	1,480,849
Capital and reserves			
Share capital		**3,800,000**	194,175
Share premium and reserves	*13*	**(804,142)**	1,286,674
Shareholders' Funds		**2,995,858**	1,480,849

NOTES TO INTERIM FINANCIAL INFORMATION

1. GENERAL

MGM China Holdings Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability on July 2, 2010. The Company's shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on June 3, 2011. The Company's immediate holding company is MGM Resorts International Holdings, Ltd., a company incorporated in Isle of Man. The Company's ultimate holding company is MGM Resorts International, a company incorporated in Delaware, the United States of America and listed on the New York Stock Exchange. The address of the registered office of the Company is Walker House, 87 Mary Street, George Town, Grand Cayman KY1-9005, Cayman Island and its principal place of business is Avenida Dr. Sun Yat Sen, Edificio MGM Macau, NAPE, Macau.

Through a group reorganization to rationalize the structure of the Company, MGM Grand Paradise Limited and its subsidiaries (together with the Company hereinafter collectively referred to as the "Group") in preparation for the listing of the Company's shares (the "Group Reorganization"), the Company became the holding company of the Group on June 2, 2011 upon completion of the Group Reorganization. Details of the Group Reorganization are more fully explained in the section headed "History and Corporate Structure Reorganization" of the prospectus of the Company dated May 23, 2011 (the "Prospectus"). The Group resulting from the Group Reorganization is regarded as a continuing entity. Accordingly, the consolidated financial statements have been prepared using the principles of merger accounting. The consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the six months ended June 30, 2010 and 2011 have been prepared on the basis as if the current group structure had been in existence throughout the periods. The consolidated statement of financial position of the Group as at December 31, 2010 has been prepared to present the assets and liabilities of the companies now comprising the Group as if the current group structure had been in existence as at that date.

The financial statements are presented in Hong Kong dollars ("HK$"), the functional currency of the Company and its subsidiaries.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

In the current period, the Group has applied, for the first time, the following new or revised Standards, Amendments and Interpretations ("new or revised IFRSs"):

IFRSs (Amendments)	Improvements to IFRSs 2010
IAS 24 (Revised)	Related Party Disclosures
IAS 32 (Amendments)	Classification of Rights Issues
IFRIC 14 (Amendments)	Prepayments of a Minimum Funding Requirement
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

The application of the above new or revised IFRSs in the current period has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

Standards and Interpretations in issue not yet adopted

The Group has not early applied the following new or revised IFRSs that have been issued but are not yet effective.

IFRS 7 (Amendments)	Disclosures — Transfer of Financial Assets[1]
IFRS 9	Financial Instruments[4]
IFRS 10	Consolidated Financial Statements[4]
IFRS 11	Joint Arrangements[4]
IFRS 12	Disclosure of Interests in Other Entities[4]
IFRS 13	Fair Value Measurement[4]
IAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[3]
IAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets[2]
IAS 19 (Revised 2011)	Employee Benefits[4]
IAS 27 (Revised 2011)	Separate Financial Statements[4]
IAS 28 (Revised 2011)	Investments in Associates and Joint Ventures[4]

[1] Effective for annual periods beginning on or after July 1, 2011
[2] Effective for annual periods beginning on or after January 1, 2012
[3] Effective for annual periods beginning on or after July 1, 2012
[4] Effective for annual periods beginning on or after January 1, 2013

The directors of the Company anticipate that the application of the new and revised Standards, Amendments and Interpretations will have no material impact on the financial performance and financial position of the Group.

3. CASINO REVENUE

Casino revenue represents the aggregate net difference between gaming wins and losses, net of sales incentives.

	Six months ended June 30,	
	2011	2010
	HK$'000	*HK$'000*
Casino revenue from		
— VIP gaming operations	**6,634,306**	2,944,438
— Main floor table gaming operations	**2,286,943**	1,575,941
— Slot machine operations	**788,709**	406,845
	9,709,958	4,927,224

4. OTHER REVENUE

Other revenue comprises:

	Six months ended June 30,	
	2011	2010
	HK$'000	*HK$'000*
Hotel rooms	**49,757**	43,239
Food and beverages	**85,887**	76,649
Retail goods and other services	**17,456**	15,729
	153,100	135,617

From time to time, the Group provides hotel rooms, food and beverages, retail goods and other services to certain guests and customers without charges (the "Promotional Allowances") and no revenue is recognized for such promotional activities. The retail value of the Promotional Allowances incurred during the period is as follows:

	Six months ended June 30,	
	2011	2010
	HK$'000	*HK$'000*
Hotel rooms	**171,285**	116,019
Food and beverages	**155,640**	116,394
Retail goods and other services	**8,417**	4,478
	335,342	236,891

5. SPECIAL GAMING TAX AND SPECIAL LEVY TO THE MACAU GOVERNMENT

According to the Sub-Concession Contract, MGM Grand Paradise Limited is required to pay to the Macau Government a special gaming tax, gaming premium and special levies annually. The special gaming tax is assessed at the rate of 35% of the gross gaming revenue (being the aggregate net difference between gaming wins and losses before deducting sales incentives) of MGM Grand Paradise Limited. Gaming premium is composed of (i) a fixed portion in an amount equal to MOP30 million (equivalent to approximately HK$29 million) and (ii) a variable portion that is calculated based on the number of gaming tables and gaming machines, including slot machines, operated by MGM Grand Paradise Limited during the period. The special levy includes (i) an amount corresponding to 1.6% of the gross gaming revenue that will be available to a public foundation whose purposes are the promotion, study and development of cultural, social, economic, educative, scientific, academic and philanthropic activities in Macau and (ii) an amount corresponding to 2.4% of the gross gaming revenue for the purposes of urban development, tourism promotion and social security of Macau.

6. OPERATING AND ADMINISTRATIVE AND OTHER EXPENSES

Operating and administrative and other expenses comprise:

	Six months ended June 30,	
	2011	2010
	HK$'000	*HK$'000*
Advertising and promotion	**243,191**	138,232
Allowance for doubtful debts, net	**51,154**	5,682
Cost of food and beverages	**101,345**	79,916
Junket commission	**824,578**	346,920
Listing expenses	**74,631**	—
Operating supplies	**47,461**	45,827
Others	**161,567**	116,173
Utilities and fuel	**55,920**	53,314
	1,559,847	786,064

7. TAXATION

	Six months ended June 30,	
	2011	2010
	HK$'000	*HK$'000*
Current tax		
Macau	**(34)**	(61)
Hong Kong	**(14)**	(116)
	(48)	(177)

Macau Complementary Tax is calculated at progressive rates up to a maximum of 12% of the estimated assessable profits for the current and prior period. Hong Kong profits tax is calculated at 16.5% for the period ended June 30, 2011 of the estimated assessable profit for the current and prior period. These taxes, if any, were provided by one of the Company's subsidiaries, MGM Grand Paradise (HK) Limited on its estimated taxable profit for the period ended June 30, 2011.

However, no provision for Macau Complementary Tax has been provided by MGM Grand Paradise Limited as, pursuant to the approval notice 186/2008 issued by the Macau Government dated June 19, 2008, MGM Grand Paradise Limited is exempted from Macau Complementary Tax for income generated from gaming operations for 5 years from 2007 to 2011. In addition, no provision for taxation has been provided for MGM Grand Paradise Limited's non-gaming operations as it incurred a tax loss for the period.

At the end of the reporting period, the Group has unused tax losses (subject to agreement by the relevant tax authority) and deductible temporary differences as follows:

	As at	
	June 30, 2011	December 31, 2010
	HK$'000	*HK$'000*
Arising from unused tax losses	**3,809,836**	3,689,232
Arising from pre-opening expenses	**240,535**	290,165
	4,050,371	3,979,397

At June 30, 2011, tax losses of approximately HK$3,809.8 million (December 31, 2010: HK$3,689.2 million) will expire in three years from the year of assessment.

The directors of the Group have considered (i) the nature of business of MGM Grand Paradise Limited which is a game of chance with inherent risk that increases the unpredictability of future profit streams; (ii) that pursuant to the approval notice 186/2008 issued by the Macau Government dated June 19, 2008, MGM Grand Paradise Limited is exempted from Macau Complementary Tax for income generated from gaming operations for 2011; and (iii) the fact that tax losses can only be utilized in three years from the year of assessment. After taking into account of the above factors, the directors of the Group are of the view that it may not be probable that taxable profits will be available against which unutilized tax losses and deductible temporary differences can be utilized. As a result, no deferred tax assets have been recognized.

8. DIVIDENDS PAID

On March 23, 2011, prior to the Group Reorganization, dividends of MOP2,450 per share (equivalent to approximately HK$2,379 per share) amounting to approximately MOP490 million (equivalent to approximately HK$476 million) in aggregate were declared and approved by the then shareholders of MGM Grand Paradise Limited. Such dividends were paid to those shareholders on March 24, 2011.

9. EARNINGS PER SHARE

The Company was incorporated on July 2, 2010. The calculation of the basic earnings per share for the period is based on the consolidated net profit attributable to owners of the Company and on the weighted average number of shares in issue during the period on the assumption that the Group Reorganization has been effective on January 1, 2010 and is set out as follows:

	Six months ended June 30,	
	2011	2010
	HK$'000	*HK$'000*
Profit		
Profit for the period and total comprehensive income attributable to owners of the Company for the purpose of basic earnings per share	**1,906,479**	397,264
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000)	**3,800,000**	3,800,000
Earnings per share — basic and diluted	**HK50.2 cents**	HK10.5 cents

The computation of diluted earnings per share does not assume the exercise of the Company's share options because the exercise price of those options was higher than the average market price for shares during the period in which they are outstanding.

10. TRADE RECEIVABLES

	As at June 30, 2011 HK$'000	As at December 31, 2010 HK$'000
Trade receivables	**796,384**	1,369,780
Less: Allowance for doubtful debts	**(283,060)**	(232,358)
	513,324	1,137,422

The Group extended unsecured credit to gaming promoters, in house VIP customers and hotel customer based on pre-approved credit limits. The directors consider the outstanding receivables from gaming promoters are of good credit quality based on their credit histories and subsequent settlements. The average credit granted is generally up to 30 days.

The following is an analysis of trade receivables by age presented based on marker issuance date or invoice date:

	As at June 30, 2011 HK$'000	As at December 31, 2010 HK$'000
Within 30 days	**507,719**	1,071,999
31 — 60 days	**5,310**	62,063
61 — 90 days	**295**	2,668
91 — 120 days	**—**	692
	513,324	1,137,422

The Group assesses the recoverability of trade receivables on an individual basis. Allowance for doubtful debts is recognized against trade receivables based on estimated recoverable amounts taking into account past default experience of the individual counterparty and an ongoing assessment of the counterparty's current financial position. The Group usually recognizes full allowance against receivables due that are long overdue from customers without subsequent settlement as they are generally irrecoverable.

Movement in the allowance for doubtful debts during the period, which are substantially all related to casino customers, is as follows:

	As at June 30, 2011 HK$'000	As at December 31, 2010 HK$'000
At beginning of period/year	**232,358**	151,314
Impairment losses recognized on trade receivables	**81,596**	186,097
Impairment losses reversed upon recovery	**(30,442)**	(104,767)
Amount written off as uncollectible	**(452)**	(286)
At end of period/year	**283,060**	232,358

In determining the recoverability of trade receivables, the Group considers any change in credit quality of the trade receivables from the date credit was initially granted up to the end of the period. Other than as discussed below, the concentration of credit risk is limited due to the debtor base being large and unrelated.

Included in trade receivables as at December 31, 2010 is an aggregate receivable (before allowance) of approximately HK$120 million due from a single debtor that has not been past due. However, after taking into account the determination of the credit worthiness of this debtor, full provision of approximately HK$120 million has been made by management against this receivable as at December 31, 2010.

The allowance recognized during the six months ended June 30, 2011 represents impairment on a number of casino debtors who are individually determined to be impaired as they have defaulted in repayment of their debts.

The directors of the Group are of the opinion that the credit quality of the trade receivables that are neither past due nor impaired at end of the period is good.

11. PAYABLES AND ACCRUED CHARGES

	As at June 30, 2011 HK$'000	As at December 31, 2010 HK$'000
Accrued commission and incentives	**107,930**	82,034
Accrued construction and renovation costs	**25,285**	33,256
Accrued liability for customer loyalty program	**54,532**	43,372
Accrued staff costs	**158,134**	180,843
Other payables and accrued charges	**223,033**	150,256
Outstanding chips liabilities	**1,453,061**	1,301,709
Special gaming tax and special levy payables	**867,616**	865,807
Trade payables	**48,817**	48,868
	2,938,408	2,706,145

12. BANK BORROWINGS

	As at	
	June 30, 2011	December 31, 2010
	HK$'000	*HK$'000*
Bank borrowings represent:		
Secured term bank loan facilities of HK$4,290,000,000	**4,290,000**	4,290,000
Secured revolving credit bank loan facilities of HK$3,120,000,000	**310,000**	1,800,000
	4,600,000	6,090,000
Less: Debt finance costs	**(178,854)**	(203,270)
	4,421,146	5,886,730
Carrying amount repayable:		
More than one year, but not exceeding two years	**429,000**	214,500
More than two years, but not exceeding five years	**3,992,146**	5,672,230
	4,421,146	5,886,730

In July 2010, the Group entered into a credit agreement with a limit of HK$7,410 million with a syndicate of banks. The credit facilities comprise a term loan facility and a revolving facility with a limit of HK$4,290 million and HK$3,120 million, respectively. The term loan facility is denominated in HK$ and bears interest at a percentage rate per annum equals to the aggregate of a margin ranges from 3% to 4.5% and Hong Kong Interbank Offered Rate ("HIBOR"). Currently, the effective rate under the credit agreement is HIBOR plus 3%. On June 30, 2011, the revolving credit facility is denominated in HK$ and bears interest at a percentage rate per annum equal to the aggregate of the same margin and HIBOR. The term loan facility is repayable on a quarterly basis commencing in July 2012 and will be fully repaid in July 2015, while each revolving credit loan will be repaid in full on the last date of the respective term but no later than July 2015. As of December 31, 2010, the Group incurred and paid miscellaneous charges and bank fees of approximately HK$222 million in relation to the credit facilities.

The credit facilities are secured by a charge over the shares of MGM Grand Paradise Limited and its subsidiaries including all its assets and all the assets of its subsidiaries. During the current period, the Company provided a corporate guarantee to the banks to secure the credit facilities.

13. Included in this balance is a debit reserve of HK$14,092 million arising from the Group reorganization undertaken as part of the listing of the Company on The Stock Exchange of Hong Kong Limited, offset by retained earnings, share premium and other reserves. On April 13, 2011, the Company and MGM Grand Paradise Limited entered into a contribution and share issuance agreement with Pansy Ho, Grand Paradise Macau Limited and MGM Resorts International Holdings, Ltd. (the "existing shareholders of MGM Grand Paradise Limited") as part of the Group Reorganization. Pursuant to the agreement, the existing shareholders of MGM Grand Paradise Limited contributed 160,000 Class A shares in MGM Grand Paradise Limited in the manner set out in the section headed "History and Corporate Structure — Reorganization" in the Prospectus and the Company became the holding company of MGM Grand Paradise Limited and its subsidiaries upon completion of the Group Reorganization. As part of the Group Reorganization, MGM Resorts International Holdings, Ltd. contributed a purchase note with a principal amount of HK$583 million (the "Purchase Note") as partial settlement for the purchase of shares in the Company. The Company also issued an acquisition note with a principal amount of HK$11,830 million to Grand Paradise Macau Limited (the "Acquisition Note") as partial consideration in settlement of the transfer of Class A shares in MGM Grand Paradise Limited to the Company. Immediately following the completion of the global offering, the Company used the entire proceeds it received from the global offering and the purchase note to satisfy its obligations under the Acquisition Note. The amount of HK$14,092 million included in the other reserves therefore represents the net amount of the Purchase Note and the Acquisition Note and the debit reserve for issuance of share capital arising on the Group Reorganization. The existing shareholders of MGM Grand Paradise Limited also contributed HK$132 million in cash to the Company to cover certain global offering expenses.

14. RELATED PARTY TRANSACTIONS

Details of transactions between the Group and other related parties are disclosed below.

The Group

During the six months ended June 30, 2011, the Group had the following significant transactions with related companies:

Related parties	**Type of transaction**	**Six months ended June 30,**	
		2011	2010
		HK$'000	*HK$'000*
Companies in which certain directors have non-controlling beneficial interests	Advertising expenses	**2,403**	—
	Commission income	**(1,778)**	(1,201)
	Gift vouchers purchased	**3,647**	—
	Laundry services expenses	**3,958**	4,938
	Rental of premises	**1,092**	1,042
	Travelling and accommodation	**59,539**	39,044
Shareholders	Interest expense	**—**	43,979
	Marketing referral fees	**8,377**	—
	Marketing referral income	**(282)**	—
Company jointly owned by shareholders	License fees	**26,294**	—

Pursuant to the Branding Agreement entered into among the Company, MGM Grand Paradise Limited, MGM Branding and Development Holdings, Ltd., MGM Resorts International, MGM Resorts International Holdings, Ltd. and New Corporate Enterprises Limited on May 17, 2011, the Company has been granted the use of certain trademarks owned by MGM Resorts International and its subsidiaries for a term co-extensive with that of the Sub-Concession Contract, ending on March 31, 2020 (the date upon which the sub-concession in Macau is currently scheduled to expire). In return, the Company will pay a license fee calculated on a basis equal to 1.75% of its consolidated monthly revenue (as determined in accordance with IFRS) and is subject to an annual cap of US$25 million (equivalent to approximately HK$195 million) for the year ending December 31, 2011. However, this cap is pro rated to US$14.5 million (equivalent to approximately HK$113 million) for year 2011 to reflect the company's financial year since IPO date. This annual cap will increase by 20% per annum to US$30 million (equivalent to approximately HK$234 million) in 2012 and for each subsequent financial year during the term of the Branding Agreement. During the six months ended June 30, 2011, total license fee of HK$26,294,000 (2010: Nil) was recognized in the consolidated statement of comprehensive income.

In addition, from time to time, the Group and certain entities in which certain directors of the Company have non-controlling beneficial interests and the group companies of certain shareholder of the Group collect and/or make payment on behalf of each other at no service charge.

MANAGEMENT DISCUSSION AND ANALYSIS

Overview

MGM China, one of the leading casino gaming resort developers, owns and operates MGM Macau, an award-winning, five-star integrated casino and luxury hotel resort located on the Macau Peninsula, the center of gaming activity in the greater China region. The property opened in December 2007 and has a casino floor area of approximately 28,976 square meters, with 1,142 slot machines, 427 gaming tables and multiple VIP and private gaming areas. The hotel comprises a 35-story tower with 587 deluxe rooms, including 468 standard guest rooms, 99 luxury suites, 20 private luxury villas, dedicated leisure areas and 11 restaurants and bars. Our property is directly connected to the One Central complex, which features many of the world's leading luxury retailers and includes a Mandarin Oriental Hotel and serviced apartments.

On June 3, 2011, we completed a reorganization and a global offering and the Company's shares were listed on the Main Board of The Hong Kong Stock Exchange. Through the reorganization and global offering, MGM Resorts International now owns 51% of the overall share capital of our Company and has therefore obtained a controlling interest in our Company.

For the six months ended June 30, 2011, our Company generated HK$9,863.1 million in operating revenue, HK$2,472.5 million in adjusted EBITDA and HK$1,906.5 million in net profit, representing respectively 95%, 136% and 380% increase over the results for the six months ended June 30, 2010. Our operating results were positively impacted by a number of factors, both externally and internally:

Growth of Macau's Gaming and Tourism Markets

Propelled by the vibrant economic development in China, both the Macau gaming market and visitation to Macau have grown significantly in the last few years. Additional capacity has been added with several new hotels and casinos including Encore at Wynn Macau, City of Dreams, and Galaxy Macau. The Macau gaming revenues are now more than 2.5 times the size of Las Vegas Strip and Atlantic City markets combined based on the date from 2010. For the first half of 2011, total casino gross win in Macau market was MOP124.1 billion, up 44.6% over the same period in 2010.

We have benefitted from the rise in visitation to Macau. According to statistics published by the Statistics and Census Service of the Macau Government, visitor arrivals increased 8.3% from prior year and reached 13.2 million in the first half 2011. Gaming customers travelling to Macau typically come from nearby regions in Asia including mainland China, Hong Kong, Taiwan, South Korea and Japan, with approximately 89% of visitors to Macau in the first half of 2011 coming from mainland China, Hong Kong and Taiwan. We are optimistic that visitation levels and gross gaming revenue in Macau will continue to grow. A combination of factors will drive the growth, these factors includes the economic growth of China, which continues to create a large and growing middle class with rising disposable income, infrastructure improvements that are expected to facilitate more convenient travel to and within Macau, and the efforts and investments made by gaming concessionaires to solidify Macau as a destination market with superior integrated resort products.

Competition

Currently, there are six gaming concessionaires in Macau, each of whom has commenced casino operating activities and several of which have expansion plans announced or underway. As of June 30, 2011, there were 34 casinos in the Macau area. We expect competition in the Macau market to continue to increase in the future, as newly opened properties ramp up their business and more capacity is brought on line in the near future.

Our competition is not just limited to the Macau market. We compete with similar business establishments in other parts of Asia as well as elsewhere in the world, including, but not limited to integrated resorts in Singapore and Las Vegas for example.

Our Competitive Strength and Operation Strategies

Our competitive strengths lie principally in our high-end product and service offerings; our ability to access large and established marketing networks of our major shareholders; and our ability to segment and conduct targeted marketing to various customer groups through our Golden Lion Club loyalty program.

Our primary strategies are to continue to build on our core strength by optimizing our products and services, to expand key gaming areas on our property, to strengthen our brand awareness and appeal, and to refine our customer segmentation approach to maximize revenues and profitability.

We have taken full advantage of our strength and executed our strategies throughout our operations. Our casino operations can be divided into three segments:

(1) VIP Casino Gaming Operations

A significant amount of our VIP casino play is brought to us by gaming promoters. Gaming promoters have historically played an important role in the Macau gaming market and are important to the revenues of our casino business. Gaming promoters introduce high-spending VIP players to us and often assist those customers with their travel and entertainment arrangements. In addition, gaming promoters often extend credit to their players. Gaming promoters also rely upon sub-promoters or collaborators who bring in the VIP gaming customers.

VIP gaming is conducted by the use of special purpose gaming chips called "rolling chips." These promoter-specific rolling chips can also be referred to as "dead chips" or "non-negotiable chips". Gaming promoters purchase these rolling chips from us and in turn they sell these chips to their players. These rolling chips allow us to track the amount of wagering conducted by the promoters customers. The amount of rolling chips played at the tables is called the rolling chip turnover. The amount of that turnover that we win or lose is called the win/loss or gross gaming revenue.

In exchange for their services, we compensate the gaming promoters in two ways. Some gaming promoters are paid a percentage of the actual win, plus a monthly allowance based on a percentage of the rolling chip turnover their customers generate, which can be applied to hotel rooms, food and beverage and other discretionary customers-related expenses. Other gaming promoters are paid a percentage of the rolling chip turnover, plus discounted offering on our non-gaming amenities.

The Company has established good business relationships with our gaming promoters. While some have partnered with us since opening, we have been able to add new promoters who have contributed significantly to our growth. Our commission levels have in general remained stable throughout our operating history and consistent with the overall market practice.

In addition to VIP players introduced to us by gaming promoters, we also have in-house VIP players sourced through the Company's own marketing channels. These in-house VIP players typically receive a commission and an allowance for room, food and beverage all based on a percentage of the rolling chip turnover.

Year-to-date through June, our VIP table games experienced strong growth. This segment of our business generated HK$337.9 billion in rolling chip turnover, an increase of 102% over the same period in the prior year.

Operationally, we have successfully increased VIP business volume by maximizing productivity from existing capacity and by making capital improvements to enhance our facilities and to increase capacity for our in-house VIP customers. We have converted a number of high-end villas on top floors of MGM Macau into VIP gaming areas during the period. We plan to expand our VIP operations on Level 2 in the second half of the year. In addition, we constantly review our service processes to meet or exceed our customer expectation. Our efforts to grow the VIP business will continue to center around maintaining our relationship with gaming promoters and strategies aimed at enhancing the gaming experience of our customers.

(2) Main Floor Casino Gaming Operations

The main floor gaming operation in the Macau market is also referred to as the "mass gaming operation". Unlike VIP players, main floor players do not receive commissions from us. The main floor business represents the most profitable segment for us. We also believe that this segment represents the most potential for sustainable growth in the future.

In the six months period ended June 30, 2011, revenue from this segment increased year-over-year by 45.1% to HK$2,286.9 million. The strong growth is in part attributable to the overall market growth, but more importantly due to our successful customer segmentation approach with a product and service focus on the mid to premium main floor business. We have invested capital to improve the gaming experience of our high-end main floor customers by creating dedicated exclusive gaming space for their use. We also leveraged our player club, Golden Lion Club, as a vehicle to attract and retain those high worth main floor players through promotion, host relationship and customized service.

The launch of Supreme Lounge on the main floor in December, 2010 has helped us to target the premium main floor players and grow our revenue and improve our yield. We will continue to implement such market segmentation strategy and introduce the Platinum Lounge on the main floor, another area designed to broaden its appeal to the premier mass market in the second half of 2011.

We also recognize the importance of brand awareness in growing this business segment. As a result, this year, we have enhanced our marketing activities to take advantage of our internationally recognized brand. Brand-building initiatives will be driven through promotions, events, strategic alliances and public relation activities.

(3) Slot Machine Operations

Our slot business generated HK$788.7 million in revenue during the first six months of 2011, up 94% from prior year. The growth is driven by our customer segmentation strategies as described previously, coupled with our focus on superior service and building brand awareness and loyalty. In addition, we also keep our slot product updated with the objective to increase the floor yield and to improve the customer gaming experience.

Discussion of Results of Operations

Financial results for the six months ended June 30, 2011 compared to financial results for the six months ended June 30, 2010

Operating Revenue

The following table sets forth the operating revenue and costs and expenses for the six month ended June 30, 2011 and 2010.

	For the Six Months Ended June 30,	
	2011	2010
	HK$	*HK$*
	(in thousands, except for averages, number of tables and slot machines)	
Casino revenue	**9,709,958**	4,927,224
VIP gaming operations	**6,634,306**	2,944,438
Main floor gaming operations	**2,286,943**	1,575,941
Slot machine gaming operations	**788,709**	406,845
Other Revenue	**153,100**	135,617
Hotel rooms	**49,757**	43,239
Food and beverages	**85,887**	76,649
Retail and other services	**17,456**	15,729
Operating revenues	**9,863,058**	5,062,841
Costs and Expenses		
Special gaming tax and special levy to the Macau Government	**5,236,370**	2,634,331
Staff costs	**677,797**	601,181
Operating and administrative and other expenses	**1,559,847**	786,064
Depreciation and amortization	**366,761**	380,919
Finance costs	**125,278**	246,147
Operating profit	**2,022,283**	660,346
Profit Attributable to owners of the Company	**1,906,479**	397,264

Summary Statistics

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

	For the Six Months Ended June 30,	
	2011	2010
	HK$	*HK$*
	(in thousands, except for averages, number of tables and slot machines)	
Number of VIP gaming tables	**193**	168
VIP table games turnover	**337,921,665**	167,144,951
VIP gross table games win	**10,199,552**	4,619,235
VIP table win percentage	**3.0%**	2.8%
Average daily gross win per gaming table	**292.7**	152.3
Number of Main floor gaming tables	**226**	238
Main floor table games drop	**8,374,034**	6,915,935
Main floor gross table games win	**2,281,952**	1,573,495
Main floor table games win percentage	**27.3%**	22.8%
Average daily gross win per gaming table	**55.8**	36.6
Number of Slot machines	**1,142**	982
Slot machine handle	**13,958,711**	7,633,844
Slot machine gross win	**785,424**	410,346
Slot hold percentage	**5.6%**	5.4%
Average daily win per slot	**3.8**	2.3
Commission and discounts	**(3,567,762)**	(1,675,637)
Room occupancy rate	**95.4%**	93.4%
REVPAR [(1)]	**2,124**	1,531

Notes:

(1) Revenue per room arrived after inclusion of services provided for hotel rooms to certain customers and guests without charges.

Operating Revenues

Total operating revenues increased by 94.8% to HK$9,863.1 million in the six months ended June 30, 2011. We believe this increase was due to a combination of factors, including strong overall Macau market growth, enhanced marketing efforts and property improvements.

Casino Revenue

Casino revenues increased by 97.1% to HK$9,710.0 million in the six months ended June 30, 2011. The components and reasons of this increase were:

- ***VIP Casino Gaming Operations:***

  Revenue from VIP gaming operations increased by 125.3% to HK$6,634.3 million in the six months ended June 30, 2011. VIP table games turnover increased by 102.2% to HK$337,921.7 million in the six months ended June 30, 2011. The increases were primarily resulted from increased levels of VIP business brought to us by gaming promoters, in response to which we adapted new gaming products and areas to cater to the preferences of our VIP patrons. VIP table games win percentage increased from 2.8% to 3.0% over the comparable periods in 2010 and 2011.

  Approximately 80% of the commissions are netted against casino revenue, which corresponds to the amount of the commission returned to the VIP players by the gaming promoters, and approximately 20% of the commissions are included in operating expenses, which corresponds to the amount ultimately retained by gaming promoters for their compensation. The total amounts of commissions netted against casino revenue were HK$3,567.8 million and HK$1,675.6 million for the six month ended June 30, 2011 and 2010, respectively.

- ***Main Floor Casino Gaming Operations:***

  Revenue from main floor gaming operations increased by 45.1% to HK$2,286.9 million in the six months ended June 30, 2011. Main floor table games drop increased by 21.1% to HK$8,374.0 million in the six months ended June 30, 2011. The increases primarily resulted from increases in general foot traffic, continued success of the tiered-loyalty program, and introduction of a new gaming area tailored for the high end segment of the mass market. The main floor table games win percentage increased from 22.8% to 27.3% over the comparable periods in 2010 and 2011.

- ***Slot Machine Gaming Operations:***

  Revenue from slot machine gaming operations increased by 93.8% to HK$788.7 million in the six months ended June 30, 2011. Slot machine handle increased by 82.9% to HKD$13,958.7 million in the six months ended June 30, 2011. The increases primarily resulted from increase in the number of slot machines and improvements to slot machine product mix, continued success of the tiered loyalty program driving performance of the high denomination slot machines, and introduction of the new gaming area tailored for the high end segment of the market. The slot machine win percentage increased from 5.4% to 5.6% over the comparable periods in 2010 and 2011.

Non-Gaming Revenues

Non-casino revenues, which include room, food and beverage and retail revenues, increased by 12.9% to HK$153.1 million in the six months ended June 30, 2011. The increase in revenues was largely due to the increase in our overall casino business volume and foot traffic into the property. The non-gaming facilities and services are critical for MGM Macau to establish its brand and maintain its popularity in Macau and the region, in order to encourage visitation and extend the length of customers' stay within the hotel.

Operating Costs and Expenses

Special Gaming Tax and Special Levy to the Macau Government. Special Gaming Tax and Special Levy to the Macau Government increased by 98.8% to HK$5,236.4 million in the six months ended June 30, 2011. This increase was resulted directly from the increased casino revenue over the comparable periods in 2010 and 2011.

Staff costs. Staff costs increased by 12.7% to HK$677.8 million in the six months ended June 30, 2011. The increase was primarily due to hiring of additional staffs to cater to the increase in casino business volumes as well as a 5% staff salary increment to line level staffs implemented in March 2011.

Operating and administrative and other expenses. Operating and administrative and other expenses increased by 98.4% to HK$1,559.8 million in the six months ended June 30, 2011. The increases were driven by higher commission expense to gaming promoters resulted from the increase in VIP business volume and higher advertising promotion expense consistent with the increase in business volume. Provision for doubtful debts in the previous years include impairment losses reversed upon collection of an amount previously fully reserved. License fees and marketing fees due to related companies of approximately HK$34.7 million were incurred in this period. No such costs were incurred in the six months ended June 30, 2010. There was also an one-off costs incurred associated with the listing of the Company on the Hong Kong Stock Exchange of approximately HK$74.6 million.

Depreciation and amortization. Depreciation and amortization decreased by 3.7% to HK$366.8 million in the six months ended June 30, 2011 due to full depreciation of certain assets.

Finance costs. Finance costs decreased by 49.1% to HK$125.3 million in the six months ended June 30, 2011. The decrease were primarily resulted from refinancing of the loan facility in July 2010, lower average loan balance, and full repayment of the shareholder loan in 2010.

Operating profit. Operating profits rose 206.2% to HK$2,022.3 million in the six months ended June 30, 2011 from HK$660.3 million a year ago.

Profit Attributable to owners of the Company

Profit attributable to owners of the Company increased by 380%, from HK$397.3 million in the six months ended June 30, 2010 to HK$ 1,906.5 million in the six months ended June 30, 2011.

Adjusted EBITDA

The following table sets forth a quantitative reconciliation of Adjusted EBITDA to its most directly comparable IFRS measurement, operating profits, for the six months ended June 30, 2011 and 2010.

	For the Six Months Ended June 30,	
	2011	2010
	HK$'000	*HK$'000*
Profit attributable to owners of the Company	**1,906,479**	397,264
Add/(less):		
Depreciation and amortization	**366,761**	380,919
Interest income	**(1,150)**	(213)
Finance costs	**125,278**	246,147
Net foreign currency difference	**(8,372)**	16,971
Taxation	**48**	177
Share-based payments	**4,574**	—
Property charges and others	**78,846**	3,930
Adjusted EBITDA (unaudited)	**2,472,464**	1,045,195

Note:

(1) Adjusted EBITDA is used by management as the primary measure of our operating performance and to compare our operating performance with that of our competitors. However, adjusted EBITDA should not be considered in isolation, construed as an alternative to profit or operating profit, treated as an indicator of our IFRS operating performance, 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 report may not be comparable to other similarly titled measures of other companies operating in the gaming or other business sectors.

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

Working capital and recurring expenses as well as capital expenditures are funded from equity, bank borrowings, and cash generated from operations.

Our cash balance as at June 30, 2011 was HK$3,247.8 million. This cash was available for operations, new development activities and enhancement to existing properties. Besides, HK$2,810.0 million remains undrawn for all proper corporate purposes under the HK$7,410.0 million total banking facilities available to our Group.

Gearing Ratio

The gearing ratio is an indicator of our Group's capital structure and capacity. The gearing ratio is calculated as net debt divided by total capital plus net debt. The table below presents the calculation of our gearing ratio as at June 30, 2011 and December 31, 2010.

	As at	
	June 30, 2011	December 31, 2010
	HK$	*HK$*
	(in thousands)	
Debt [(i)]	**4,421,146**	5,886,730
Cash and bank balances	**(3,247,788)**	(1,922,723)
Net debt	**1,173,358**	3,964,007
Equity [(ii)]	**2,995,858**	1,480,849
Total Capital	**4,169,216**	5,444,856
Gearing ratio (Net debt/Total capital)	**28.1%**	72.8%

(i) Debt is defined as long and short-term bank borrowings.

(ii) Equity includes all capital and reserves of the MGM China Group that are defined as capital.

The following table presents a summary of the Group's cash flows for the six months ended June 30, 2011 and 2010.

Group Cash Flows

	For the Six Months Ended June 30,	
	2011	2010
	HK$	*HK$*
	(in thousands)	
Net cash generated by operating activities	**3,451,368**	679,614
Net cash used in investing activities	**(139,306)**	(81,903)
Net cash used in financing activities	**(1,986,997)**	(522,936)
Net increase in cash and cash equivalents	**1,325,065**	74,775
Cash and cash equivalents at the beginning of the period	**1,922,723**	1,975,711
Cash and cash equivalents at the end of the period	**3,247,788**	2,050,486

Net cash generated by operating activities

Our net cash generated from operating activities is primarily affected by operating income generated by MGM Grand Paradise Limited as a result of increased casino revenues. Net cash from operating activities was HK$3,451.4 million in the six months ended June 30, 2011 compared to HK$679.6 million in the six months ended June 30, 2010.

Net cash used in investing activities

Net cash used in investing activities was HK$139.3 million in the six months ended June 30, 2011, compared to net cash used in investing activities of HK$82.0 million in the six months ended June 30, 2010. The major components of the cash flow used in investing activities relates to payment for the construction in progress and purchases of property and equipment. Payment for the construction in progress relates mostly to the renovation works carried throughout the property. It included but not limited to conversion of gaming villas, renovation and reconfiguration of gaming area on the main floor. They were part of our ongoing effort to maintain and upgrade our property to better fit the taste of our customers

Net cash used in financing activities

Net cash used in financing activities was HK$1,987.0 million during the six months ended June 30, 2011 compared to net cash used in financing activities of HK$523.0 million during the six months ended June 30, 2010.

The increase in the net cash used in financing activities reflected the repayment of our bank borrowings due to the improved cash flow from operations.

Indebtedness

The following table presents a summary of our indebtedness as at June 30, 2011 and December 31, 2010.

	As at	
	June 30, 2011	December 31, 2010
	HK$	*HK$*
	(in thousands)	
Secured revolving credit facility	**310,000**	1,800,000
Secured term loan facility	**4,290,000**	4,290,000
Total	**4,600,000**	6,090,000

The group had approximately HK$2,810.0 million available to draw under the MGM Grand Paradise Limited credit facilities as at June 30, 2011.

Subsequent to June 30, 2011, the revolving credit facility has been fully paid.

Contingent Liabilities

As at June 30, 2011, the Group has given bank guarantees totalling HK$300.0 million in relation to our gaming subconcession.

Term Loan Facility and Revolving Facility

Overview

On July 27, 2010, MGM Grand Paradise Limited entered into a new HK$7,410.0 million credit agreement with a syndicate of lenders and repaid the outstanding amounts under its prior credit facility in full on July 30, 2010.

The new credit facilities include a HK$4,290.0 million term loan facility and a HK$3,120.0 million revolving credit facility. The credit facilities are secured by a charge over the share and substantially all the assets of MGM Grand Paradise Limited and its subsidiaries.

Principal and Interest

The loans under the revolving facility may be redrawn up to June 2015. The principal amount of the term loans is required to be repaid in quarterly installments, commencing in July 2012, and in one lump sum of HK$2,145.0 million upon final maturity in July 2015.

MGM Grand Paradise pays interest at HIBOR plus an initial margin of 4.5% per annum. Depending on MGM Grand Paradise Limited's adjusted leverage ratio, the margin may decrease to a minimum of 3.0% per annum. As of June 30, 2011, MGM Grand Paradise Limited paid interest at HIBOR plus a margin of 3.0%.

General Covenants

The facilities contain general covenants restricting the ability of the obligor group (MGM Grand Paradise Limited and certain of its subsidiaries, but not our Company) to, among other things, enter into, dispose of or amend to certain commitments and/or investments. With the approval of the lenders, there are certain permitted exceptions to these restrictions.

Financial Covenants

MGM Grand Paradise Limited is required to maintain a specified adjusted leverage ratio at the end of each quarter while the loans are outstanding. For the year 2011, the specified adjusted leverage ratio is to be no greater than 4.00 to 1.00 for each quarter. The adjusted leverage ratio is required to be no greater than 3.50 to 1.00 for each quarter thereafter. In addition, MGM Grand Paradise Limited is required to maintain a debt service coverage ratio of no less than 1.50 to 1.00 at each quarter end.

Compliance with Covenants

MGM Grand Paradise Limited has complied with the general and financial covenants contained in the credit facilities as set forth above.

Mandatory Prepayments

The facilities contain mandatory prepayment provisions which include, among other things, prepayment of all outstanding loans, together with accrued interest and all other amounts due thereunder, upon a change of control, a revocation, repudiation, termination or otherwise the unenforceability of the Subconcession Contract or the land concession contract or a sale of MGM Grand Paradise Limited business.

Dividend Restrictions

MGM Grand Paradise Limited is not allowed to declare, make or pay any dividends if its adjusted leverage ratio exceeds 4.00:1.00 and, to the extent its adjusted leverage ratio exceeds 3.50:1.00, may only pay dividends if it concurrently prepays the loans outstanding under the credit agreement. Our current leverage ratio is less than 3.5.

Events of Default

The facilities contain certain events of default, and certain insolvency-related proceedings relating to our Group.

Security and Guarantees

Collateral for the term loan and revolving credit facility consists of substantially all of the assets of the MGM Grand Paradise Limited group and the shares of MGM Grand Paradise Limited. Our Company and certain of MGM Grand Paradise Limited's direct and indirect subsidiaries (where applicable) have executed guarantees as security.

BUSINESS OUTLOOK

We believe in the long term growth prospect of Macau market. While the level of competition will continue to increase as more capacity is introduced into the market, we believe we can grow our business by focusing on our highlighted competitive strengths.

In terms of existing operation, our competitive advantages lie principally in our global brand high-end products and service offerings, our relationship with gaming promoters as well as main floor high-end players and the accessibility to vast marketing networks afforded to us by our major shareholders. We will continue to leverage our competitive advantages in the process of executing and refining our operation strategies as described in earlier sections.

In terms of development, we have identified a site of approximately 17.8 acres in Cotai and have submitted an application to the Macau Government to obtain the right to lease this parcel of land for the purpose of constructing an integrated casino hotel and entertainment complex. There is currently no definitive timetable for finalizing the application process with the Macau Government. We are currently working towards finalising the concept and design of the project and will be prepared to commence the project upon approval by the Macau Government.

DIVIDENDS

The Board does not recommend the payment of an interim dividend in respect of the six months period ended June 30, 2011.

PURCHASE, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES

There was no purchase, sale or redemption of the Company's listed securities by the Company or any of its subsidiaries during the six months period ended June 30, 2011.

CORPORATE GOVERNANCE

The directors of the Company recognise the importance of good corporate governance in the management of the Group. During the period ended June 30, 2011, the Company has complied with the code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules.

REVIEW OF AUDITED INTERIM RESULTS

The Group's audited interim results for the reporting period have been reviewed by the Audit Committee of the Company which comprises of Tommei Mei Kuen Tong (Chairman), Kenneth A. Rosevear and Zhe Sun and have been audited by the Company's auditor in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants.

DEFINITIONS AND GLOSSARY USED IN THIS ANNOUNCEMENT

"Board"	The board of directors of our Company
"Casino"	a gaming facility that provides casino games consisting of table games, slot machines and other electronic games and other games of chance
"casino revenue"	revenue from casino gaming activities (gross table games win and gross slot win), calculated net of commissions and discounts and in accordance with IFRS.
"China" or "Mainland China"	The People's Republic of China and, except where the context requires, reference in this announcement to China do not include Taiwan, Hong Kong or Macau
"chips"	tokens, usually in the form of plastic discs issued by a casino to patrons in exchange for cash or credit, which may be used (in lieu of cash) to place bets on gaming tables
"Company", "our", "we", "us" or "MGM China"	MGM China Holdings Limited, a company incorporated in the Cayman Islands on July 2, 2010 as an exempted company with limited liability
"drop"	the sum of markers exchanged for chips at the gaming table and the amount of cash deposited in a gaming table's drop box
"EBITDA"	earnings before interest, tax, depreciation and amortization
"gaming promoters"	individuals or corporations licensed by and registered with the Macau Government to promote games of fortune and chance or other casino games to patrons, through the arrangement of certain services, including the extension of credit, transportation, accommodation, dining and entertainment, whose activity is regulated by the Gaming Promoters Regulation
"gross gaming revenue" or "gross gaming win"	the total win generated by all casino gaming activities combined, calculated before deduction of commissions and discounts
"gross slot win"	the amount of slot handle that is retained as winnings. We record this amount and gross table games win as casino revenue after deduction of a portion of commissions and discounts

“gross table games win”	the amount of drop (in our main floor casino segment) or turnover (in our VIP casino segment) that is retained as winnings. We record this amount and gross slot win as casino revenue after deduction of a portion of commissions and discounts
“Group,” “we,” “us” or “our”	Our company and its subsidiaries, or any of them, and the businesses carried on by such subsidiaries, except where the context makes it clear that the reference is only to the Company itself and not to the Group
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“In-house VIP Program”	an internal marketing program wherein we directly market our casino resorts to gaming clients, including to high-end or premium players. These players are invited to qualify for a variety of gaming rebate programs whereby they earn cash commissions and room, food and beverage and other complimentary allowances based on their turnover level. We often extend credit to these players based upon knowledge of the players, their financial background and payment history
“Las Vegas Strip”	the group of resort hotels and casinos located on Las Vegas Boulevard South in Clark County, Nevada. The Las Vegas Strip is home to the majority of the large-scale casinos and the source of the majority of gaming revenues in Las Vegas metropolitan area
“Listing Rules”	The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (as amended from time to time)
“Macau”	The Macau Special Administrative Region of The People’s Republic of China
“main floor”	consists of the full range of our gaming products offered to our mass market players
“main floor player”	non-rolling chip players or cash chip players
“marker”	evidence of indebtedness by a player to the casino or gaming operator
“MGM Macau”	our sole resort and casino property in Macau owned by MGM Grand Paradise Limited
“occupancy rate”	the number of total hotel room nights occupied as a percentage of the number of total hotel room nights available

"premium main floor player"	consists of predominantly walk-in, day-trip visitors to Macau from China. Our premium mass market clients generally do not take advantage of our luxury amenities to the same degree as VIP clients, but they are offered a variety of premium mass market amenities and loyalty programs, such as reserved space on the regular gaming floor and various other services, that are unavailable to the general mass market
"promotional allowance"	the retail value of rooms, food and beverage and retail and other services furnished to guests (typically VIP clients) without charge
"rolling chip" or "non- negotiable chip"	a physically identifiable chip that is used to track VIP wagering volume for purposes of calculating commissions and other allowances payable to gaming promoters and individual VIP players
"Share(s)"	Ordinary share(s) with a nominal value of HK$1 each in the share capital of our Company
"Shareholders(s)"	Holder(s) of Shares(s) of the Company from time to time
"slot handle"	the total value of slot machine credits wagered resulting from coins and bank notes in the drop box, plus the value of any electronic money transfers made to the slot machine through the use of a cashless wagering system
"slot machines"	gaming machines operated by a single player and electronic multiple-player gaming machines
"table games"	typical casino games, including card games such as baccarat, blackjack and sic bo as well as craps and roulette
"turnover"	the sum of all rolling chip wagers which represents wagers won by our relevant subsidiary (non-negotiable chip purchase plus non- negotiable chip exchange minus non-negotiable chip return)
"US GAAP"	Generally Accepted Accounting Principles as in effect from time to time in the United States
"VIP client" or "VIP patron"	patrons or players who participate in our In-house VIP Program or in the VIP program of any of our gaming promoters

"visits" or "visitations"	with respect to visitation of our property, the number of times our property is entered during a fixed time period. Estimates of the number of visits to our property are based on information collected from digital cameras placed above every entrance to our property capable of counting visitors (including repeat visitors) to our property on a given day

By Order of the Board

Pansy Catilina Chiu King Ho	**James Joseph Murren**
Chairperson and Executive Director	*Co-chairperson and Executive Director*

Hong Kong, August 19, 2011

As at the date of this announcement, our directors are Pansy Catilina Chiu King HO, James Joseph MURREN, 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 and Patricia Sze Wan LAM as independent non-executive directors.