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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: 6026, 6028, 40258, 40634)

INSIDE INFORMATION

UNAUDITED RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 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 May 1, 2024 (4:15 p.m., New York time), released its unaudited results for the first quarter ended March 31, 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 May 1, 2024 (4:15 p.m., New York time), released its unaudited results for the first quarter ended March 31, 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 first quarter ended March 31, 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 first quarter ended March 31, 2024.

	Three Months Ended	
	March 31	
	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Revenue:		
MGM Macau	3,495,075	2,342,344
MGM Cotai	4,763,225	<u>2,498,346</u>
Total Revenue	<u>8,258,300</u>	<u>4,840,690</u>
Adjusted EBITDA⁽¹⁾:		
MGM Macau	1,133,661	694,780
MGM Cotai	1,371,030	<u>718,086</u>
Total Adjusted EBITDA	<u>2,504,691</u>	<u>1,412,866</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 that the financial information of MGM China prepared under IFRS presented herein relating to MGM China has not been audited or reviewed by MGM China's 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	
	March 31	
(in thousands, except for number of gaming units, percentage and revenue per available room (“REVPAR”))	2024 <i>HK\$’000</i> (Unaudited)	2023 <i>HK\$’000</i> (Unaudited)
Main floor table games drop	14,443,458	9,290,729
Main floor gross table games win ⁽¹⁾	3,321,405	2,050,274
Main floor table games win percentage	23.0%	22.1%
Average daily gross win per main floor gaming table	118.6	83.9
VIP table games turnover	12,150,058	7,431,996
VIP gross table games win ⁽¹⁾	221,024	290,240
VIP table games win percentage (calculated before commissions, complimentaries and other incentives)	1.8%	3.9%
Average daily gross win per VIP gaming table	78.8	57.7
Slot machine handle	7,073,775	4,298,822
Slot machine gross win ⁽¹⁾	288,640	187,388
Slot hold percentage	4.1%	4.4%
Average daily win per slot	3.3	2.2
Commissions, complimentaries and other incentives ⁽¹⁾	(737,320)	(382,359)
Room occupancy rate	93.5%	93.5%
REVPAR	3,061	1,535
	As At March 31	
	2024	2023
Gaming Units:	(Unaudited)	(Unaudited)
Tables ⁽²⁾	338	354
Slot machines ⁽³⁾	948	934

MGM Cotai	Three Months Ended	
	March 31	
	2024	2023
(in thousands, except for number of gaming units, percentage and REVPAR)	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Main floor table games drop	15,447,999	7,776,682
Main floor gross table games win ⁽¹⁾	4,109,706	2,052,484
Main floor table games win percentage	26.6%	26.4%
Average daily gross win per main floor gaming table	129.4	73.4
VIP table games turnover	53,001,164	11,265,661
VIP gross table games win ⁽¹⁾	1,277,911	456,550
VIP table games win percentage (calculated before commissions, complimentaries and other incentives)	2.4%	4.1%
Average daily gross win per VIP gaming table	258.8	117.5
Slot machine handle	6,760,129	3,895,573
Slot machine gross win ⁽¹⁾	234,527	160,654
Slot hold percentage	3.5%	4.1%
Average daily win per slot	2.7	1.8
Commissions, complimentaries and other incentives ⁽¹⁾	(1,520,938)	(463,017)
Room occupancy rate	93.4%	89.3%
REVPAR	2,631	1,205
	As At March 31	
	2024	2023
Gaming Units:	(Unaudited)	(Unaudited)
Tables ⁽²⁾	412	396
Slot machines ⁽³⁾	956	956

(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 March 31, 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:

- “MGM China achieved record quarterly results with Adjusted Property EBITDAR up 78% year over year and resumed its dividend.

First Quarter 2024 Financial Highlights:

MGM China

- Net revenues of \$1.1 billion in the current quarter compared to \$618 million in the prior year quarter, an increase of 71%. 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 prior year quarter; and
- Adjusted Property EBITDAR of \$301 million in the current quarter compared to \$169 million in the prior year quarter, an increase of 78%.

MGM China

The following table shows key gaming statistics for MGM China:

	Three Months Ended		
	March 31		
	2024	2023	% change
	<i>(Dollars in millions)</i>		
<i>Casino revenue</i>	920	555	66%
<i>Main floor table games drop</i>	3,822	2,177	76%
<i>Main floor table games win</i>	950	523	82%
<i>Main floor table games win %</i>	24.9%	24.0%	

Intercompany branding license fee expense, which eliminates in consolidation, was \$18 million in the current quarter and \$11 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	
	March 31,	March 31,
	2024	2023
<i>MGM China net revenues</i>	1,056,017	617,592
<i>MGM China Adjusted Property EBITDAR</i>	301,186	168,948

MGM China corporate expense was \$12 million and \$8 million for the three months ended March 31, 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 exercise caution in dealing in securities in MGM China.

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

Hong Kong, May 2, 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.