

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

INSIDE INFORMATION

**UNAUDITED RESULTS FOR THE FIRST QUARTER
ENDED MARCH 31, 2018 OF MGM RESORTS INTERNATIONAL,
OUR CONTROLLING SHAREHOLDER**

This is an announcement made pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Our controlling shareholder, MGM Resorts International, has, on or about April 26, 2018 (8:55 a.m., New York time), released its unaudited results for the first quarter ended March 31, 2018 which contain financial information about MGM China Holdings Limited prepared and presented herein under Generally Accepted Accounting Principles of the United States.

This is an announcement made by MGM China Holdings Limited (“we” or “MGM China”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) and Rule 13.09 of the Rules Governing the Listing of 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 April 26, 2018 (8:55 a.m., New York time), released its unaudited results for the first quarter ended March 31, 2018 (the “Earnings Release”). If you wish to review the Earnings Release prepared by MGM Resorts International and as filed with the United States Securities and Exchange Commission, please visit <http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000789570&owner=exclude&count=40&hidefilings=0>. The Earnings Release contains financial information about MGM China which is available in the public domain.

The unaudited consolidated financial results of MGM Resorts International, including those contained in the Earnings Release, have been prepared in accordance with the Generally Accepted Accounting Principles of the United States (“US GAAP”), which are different from International Financial Reporting Standards (“IFRS”), which, as a company listed on the Main Board of HKSE, we use to prepare and present the financial information of MGM China.

The unaudited consolidated financial results of MGM Resorts International for the first quarter ended March 31, 2018 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 MGM China in accordance with US GAAP. As such, the financial information of MGM China in the Earnings Release is not directly comparable to the unaudited consolidated financial results of MGM China 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 our Company and there is no indication or assurance from our Company that the financial results of our Group will be the same as that presented in the Earnings Release.

The following table summarizes the financial information of MGM China under IFRS for the first quarter ended March 31, 2018.

	Three Months Ended	
	March 31	
	2018	2017
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Revenue:		
MGM Macau ⁽¹⁾	3,998,839	3,689,979
MGM Cotai	665,657	—
	<hr/>	<hr/>
Total revenue ⁽¹⁾	4,664,496	3,689,979
	<hr/> <hr/>	<hr/> <hr/>
Adjusted EBITDA ⁽²⁾:		
MGM Macau	1,211,588	1,224,600
MGM Cotai	64,770	—
	<hr/>	<hr/>
Total Adjusted EBITDA	1,276,358	1,224,600
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- ⁽¹⁾ The Company adopted the new revenue recognition accounting standard (“IFRS 15”), effective January 1, 2018. The prior period amount has been retrospectively adjusted under IFRS 15.
- ⁽²⁾ Adjusted EBITDA is profit before finance costs, income tax expense, depreciation and amortization, interest income, net foreign currency difference, share-based payments, pre-opening costs, corporate expenses which mainly include administrative expenses of the corporate office and license fee paid to a related company, property charges and other non-recurring expenses. 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 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”))	2018 <i>HK\$’000</i> (unaudited)	2017 <i>HK\$’000</i> (unaudited)
VIP table games turnover	75,505,162	61,076,899
VIP gross table games win ⁽²⁾	2,577,570	2,072,530
VIP table games win percentage (calculated before commissions and incentives)	3.41%	3.39%
Average daily gross win per VIP gaming table	202.1	154.2
Main floor table games drop	10,729,516	9,738,971
Main floor gross table games win ⁽²⁾	2,093,836	2,157,335
Main floor table games win percentage	19.5%	22.2%
Average daily gross win per main floor gaming table	96.3	88.4
Slot machine handle	9,315,354	7,434,527
Slot machine gross win ⁽²⁾	385,899	340,058
Slot hold percentage	4.1%	4.6%
Average daily win per slot	4.1	3.7
Commissions and incentives ⁽¹⁾⁽²⁾	(1,302,746)	(1,088,820)
Room occupancy rate	97.2%	94.3%
REVPAR ⁽¹⁾	1,934	1,972

	As At	
	March 31	
	2018	2017
	(unaudited)	(unaudited)
Gaming Units:		
Tables ⁽³⁾	342	427
Slot machines	1,067	1,073
MGM Cotai ⁽⁴⁾		Three Months Ended
		March 31
		2018
		HK\$'000
(in thousands, except for number of gaming units, percentage and REVPAR)		(unaudited)
VIP table games turnover		2,009,076
VIP gross table games win ⁽²⁾		38,673
VIP table games win percentage (calculated before commissions and incentives)		1.92%
Average daily gross win per VIP gaming table		68.6
Main floor table games drop		2,722,471
Main floor gross table games win ⁽²⁾		491,883
Main floor table games win percentage		18.1%
Average daily gross win per main floor gaming table		64.5
Slot machine handle		2,607,419
Slot machine gross win ⁽²⁾		92,861
Slot hold percentage		3.6%
Average daily win per slot		1.7
Commissions and incentives ⁽²⁾		(76,849)
Room occupancy rate		89.9%
REVPAR		1,211

As At
March 31
2018
(unaudited)

Gaming Units:

Tables ⁽³⁾	185
Slot machines	1,172

Notes:

- ⁽¹⁾ The Company adopted the new revenue recognition accounting standard (“IFRS 15”), effective January 1, 2018. The prior period amount has been retrospectively adjusted under IFRS 15.
- ⁽²⁾ The total of “VIP gross table games win”, “main floor 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.
- ⁽³⁾ Table count as at March 31, 2018 and 2017.
- ⁽⁴⁾ MGM Cotai opened on February 13, 2018.

With a view to ensuring that all shareholders and potential investors of MGM China have equal and timely access to the information pertaining to MGM China, set forth below are the key highlights of financial information relevant to MGM China published by MGM Resorts International in the Earnings Release. On January 1, 2018, MGM Resorts International adopted the new revenue recognition accounting standard. As such, certain previously reported 2017 numbers have been retrospectively adjusted under the new standard. (Unless otherwise provided, all dollar amounts in the Earnings Release are denominated in United States dollars):

MGM Resorts International (hereafter the “Company”) First Quarter Results

MGM China

Key first quarter results for MGM China include:

- Net revenues of \$596 million, a 25% increase compared to the prior year quarter. The current quarter benefited from the opening of MGM Cotai on February 13, 2018, which contributed \$85 million of net revenues;
- Main floor table games win increased 20% compared to the prior year quarter due to the opening of MGM Cotai;
- VIP table games win increased 26% compared to the prior year quarter due primarily to a 24% increase in turnover at MGM Macau;
- Operating income was \$55 million compared to \$75 million in the prior year quarter;
- Adjusted Property EBITDA increased 5% to \$152 million compared to \$145 million in the prior year quarter, due primarily to the opening of MGM Cotai. The current quarter included \$10 million of license fee expense compared to \$9 million in the prior year quarter; and
- Operating margin was 9.2% in the current year quarter, and Adjusted Property EBITDA margin was 25.5% in the current quarter compared to 30.5% in the prior year quarter.

The following table shows key gaming statistics for MGM China:

	Three Months Ended	
	March 31	
	2018	2017
	<i>(Dollars in millions)</i>	
VIP Table Games Turnover	\$9,903	\$7,803
VIP Table Games Win %	3.4%	3.4%
Main Floor Table Games Drop	\$1,719	\$1,244
Main Floor Table Games Win %	19.2%	22.2%

MGM Resorts International and Subsidiaries

Supplemental Data — Net Revenues

(In thousands)

(Unaudited)

	Three Months Ended	
	March 31	
	2018	2017
MGM Macau	510,870	475,416
MGM Cotai	84,991	—
	<hr/>	<hr/>
MGM China	595,861	475,416
	<hr/> <hr/>	<hr/> <hr/>

MGM Resorts International and Subsidiaries

Supplemental Data — Adjusted Property EBITDA

(In thousands)

(Unaudited)

	Three Months Ended	
	March 31	
	2018	2017
MGM Macau ⁽¹⁾	145,835	145,197
MGM Cotai	5,916	—
	<hr/>	<hr/>
MGM China	151,751	145,197
	<hr/> <hr/>	<hr/> <hr/>

⁽¹⁾ In 2017, MGM Macau included certain expenses classified as corporate expense in 2018.

MGM Resorts International and Subsidiaries
Reconciliation of Operating Income (Loss) to Adjusted Property EBITDA
and Adjusted EBITDA

(in thousands)

(Unaudited)

Three Months Ended March 31, 2018

	Operating income (loss)	Preopening and start-up expenses	Property transactions, net	Depreciation and amortization	Adjusted Property EBITDA
MGM Macau	127,772	—	751	17,312	145,835
MGM Cotai	(72,743)	51,387	—	27,272	5,916
	<u>55,029</u>	<u>51,387</u>	<u>751</u>	<u>44,584</u>	<u>151,751</u>

Three Months Ended March 31, 2017

	Operating income	Preopening and start-up expenses	Property transactions, net	Depreciation and amortization	Adjusted EBITDA
MGM China	75,405	9,824	149	59,819	145,197
	<u>75,405</u>	<u>9,824</u>	<u>149</u>	<u>59,819</u>	<u>145,197</u>

Non-GAAP financial measures

“Adjusted EBITDA” is earnings before interest and other non-operating income (expense), taxes, depreciation and amortization, preopening and start-up expenses, and property transactions, net. “Adjusted Property EBITDA” is Adjusted EBITDA before corporate expense and stock compensation expense, which are not allocated to each property. “Adjusted Property EBITDA margin” is Adjusted Property EBITDA divided by net revenues. Adjusted EBITDA information is presented solely as a supplemental disclosure to reported GAAP measures because management believes these measures are 1) widely used measures of operating performance in the gaming industry, and 2) a principal basis for valuation of gaming companies.

Management believes that while items excluded from Adjusted EBITDA and Adjusted Property EBITDA may be recurring in nature and should not be disregarded in evaluation of the Company's earnings performance, it is useful to exclude such items when analyzing current results and trends compared to other periods because these items can vary significantly depending on specific underlying transactions or events that may not be comparable between the periods being presented. Also, management believes excluded items may not relate specifically to current operating trends or be indicative of future results. For example, pre-opening and start-up expenses will be significantly different in periods when the Company is developing and constructing a major expansion project and will depend on where the current period lies within the development cycle, as well as the size and scope of the project(s). Property transactions, net includes normal recurring disposals, gains and losses on sales of assets related to specific assets within the Company's resorts, but also includes gains or losses on sales of an entire operating resort or a group of resorts and impairment charges on entire asset groups or investments in unconsolidated affiliates, which may not be comparable period over period.

In addition, capital allocation, tax planning, financing and stock compensation awards are all managed at the corporate level. Therefore, management uses Adjusted Property EBITDA as the primary measure of the Company's operating resorts' performance.

Our shareholders and potential investors are advised not to place undue reliance on the Earnings Release and are reminded that certain financial information of MGM China presented herein has not been audited or reviewed by MGM China's 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, April 26, 2018

As at the date of this announcement, our directors are James Joseph MURREN, Pansy Catilina Chiu King HO, Chen Yau WONG, William Joseph HORNBUCKLE and Grant R. BOWIE as executive directors, William M. SCOTT IV and Daniel J. D'ARRIGO as non-executive directors and Zhe SUN, Sze Wan Patricia LAM, Peter Man Kong WONG and Russell Francis BANHAM as independent non-executive directors.