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

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(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2282)

INSIDE INFORMATION
FORM 8-K FILING BY MGM RESORTS INTERNATIONAL, OUR
CONTROLLING SHAREHOLDER

This announcement is made by MGM China Holdings Limited (the “**Company**” or “**MGM China**”) pursuant to Rules 13.09 and 37.47B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571).

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 the Company.

MGM Resorts International has, on or about April 23, 2020, filed a Form 8-K report (the “**Form 8-K**”) with the United States Securities and Exchange Commission (“**SEC**”) in relation to a registered offering of senior unsecured notes. The Form 8-K made by MGM Resorts International contains certain operational and financial information for the three months ended March 31, 2020 about the Company. If you wish to review the Form 8-K prepared by MGM Resorts International and as filed with the SEC, please visit <https://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000789570&owner=exclude&count=40&hidefilings=0>

Unless otherwise stated, capitalised terms used in this announcement shall have the meaning as defined in the Form 8-K.

To ensure that all of the Company’s shareholders and potential investors have equal and timely access to the information pertaining to the Company and its Macau operations, set forth below are extracts from the Form 8-K, some of which may constitute material inside information of the Company (unless otherwise provided, all dollar amounts extracted below are denominated in United States dollars):

Extracts from the Form 8-K:

“International Operations. As previously disclosed, in January 2020, China implemented a temporary suspension of its visa scheme that permits mainland Chinese to travel to Macau, and on February 4, 2020 the Hong Kong SAR government temporarily closed the Hong Kong Macau Ferry Terminal in Hong Kong, until further notice. The government of Macau also asked that all casino operators in Macau suspend operations for a 15-day period commencing on February 5, 2020. As a result, MGM Macau and MGM Cotai suspended all operations at their properties other than operations that are necessary to provide sufficient non-gaming facilities to serve any remaining hotel guests during that period. While the properties have since re-opened, several travel and entry restrictions in Macau, Hong Kong and certain cities and regions in mainland China remain in place (including the temporary suspension of the visa scheme, the temporary suspension of ferry services and other modes of transportation and bans on entry or enhanced quarantine requirements), significantly impacting visitation to our Macau properties, which continues to have a material impact on MGM China’s results of operations. Our Macau properties are incurring cash operating expenses, exclusive of rent, interest, variable gaming taxes, corporate expense and expected capital expenditures, of approximately \$1.5 million per day, which is significantly in excess of amounts being earned at those properties. This estimate is based on current expectations and assumptions, and MGM China’s actual level of cash operating expenses could be impacted by unanticipated developments or by events beyond MGM China’s control.

Due to the continued impact of the outbreak of COVID-19, MGM China entered into a further amendment to its credit agreement, effective April 9, 2020 that provided for a waiver of its maximum leverage ratio extending through the second quarter of 2021, and a waiver of its minimum interest coverage ratio beginning in the second quarter of 2020 through the second quarter of 2021.

Preliminary First Quarter Financial and Operating Results

- Net Revenues at MGM China of \$272 million, a 63% decrease from the prior year quarter;*
- Adjusted Property EBITDAR loss at MGM China of \$22 million, compared to Adjusted Property EBITDAR of \$193 million in the prior year quarter;*
- Cash and cash equivalents at March 31, 2020 was \$381 million at MGM China;*
- At March 31, 2020, principal amount of indebtedness outstanding was \$2.3 billion at MGM China;*
- At March 31, 2020, \$826 million was drawn on the \$1.25 billion MGM China revolving credit facility.*

Risks Related to Our Business

The global spread of the COVID-19 pandemic has been, and continues to be, complex and rapidly evolving, with governments, public institutions and other organizations imposing or recommending, and businesses and individuals implementing, restrictions on various activities or other actions to combat its spread, such as restrictions and bans on travel or transportation, stay-at-home directives, limitations on the size of gatherings, closures of work facilities, schools, public buildings and businesses, cancellation of events, including sporting events, concerts, conferences and meetings, and quarantines and lock-downs. The pandemic and its consequences have dramatically reduced travel and demand for hotel rooms and other casino resort amenities, which has had a negative impact on our results for the three months ended March 31, 2020. In particular, all of our domestic properties have been required to close for an undetermined period of time pursuant to various state and local government regulations. While our properties in Macau resumed operations on February 20, 2020, the properties are still subject to limitations on the number of tables allowed to operate and the number of seats available at each table. In addition, the temporary suspension of the visa scheme and ferry service remain in place, significantly impacting visitation to our Macau properties, which continues to have a material impact on MGM China's results of operations.

The extent to which the COVID-19 pandemic impacts our business, operations, and financial results, including the duration and magnitude of such effects, will depend on numerous evolving factors that we may not be able to accurately predict or assess, including the duration and scope of the pandemic (and whether there is a, or multiple, resurgences in the future); the negative impact it has on global and regional economies and economic activity, including the duration and magnitude of its impact on unemployment rates and consumer discretionary spending; its short and longer-term impact on the demand for travel, transient and group business, and levels of consumer confidence even after travel advisories and restrictions are lifted; the ability of us and our business partners to successfully navigate the impacts of the pandemic; actions governments, businesses and individuals take in response to the pandemic, including limiting or banning travel and limiting or banning leisure, casino and entertainment (including sporting events) activities; and how quickly economies, travel activity, and demand for gaming, entertainment and leisure activities recovers after the pandemic subsides.

Furthermore, our operations in Macau may be impacted by competition for limited labor resources and our ability to retain and hire employees. We compete with a large number of casino resorts for a limited number of employees and we anticipate that such competition will grow in light of the opening of new developments in Macau. While we seek employees from outside of Macau to adequately staff our resorts, certain Macau government policies limit our ability to import labor in certain job classifications (for instance, the Macau government requires that we only hire Macau residents as dealers in our casinos) and any future government policies that freeze or cancel our ability to import labor could cause labor costs to increase (including limitations on our ability

to import labor as a result of temporary travel restrictions adopted as part of the COVID-19 mitigation efforts). Finally, because additional casino projects have commenced operations and other projects are under construction, the existing transportation infrastructure may need to be expanded to accommodate increased visitation to Macau. If transportation facilities to and from Macau are inadequate to meet the demands of an increased volume of gaming customers visiting Macau, the desirability of Macau as a gaming destination, as well as the results of operations at our developments in Macau, could be negatively impacted.”

Non-GAAP financial measures

The financial information of MGM International Resorts is prepared in accordance with Generally Accepted Accounting Principles of the United States (“**U.S. GAAP**”), which are different from International Financial Reporting Standards (“**IFRS**”). The Company uses IFRS to prepare and present its financial information. As such, the financial information presented by MGM Resorts International in the Form 8-K is not directly comparable to the financial information the Company discloses as a company listed on the Main Board of The Stock Exchange of Hong Kong Limited.

For the purposes of the Form 8-K, “**Adjusted EBITDAR**” is earnings before interest and other non-operating income (expense), taxes, depreciation and amortization, preopening and start-up expenses, gain on REIT transactions, net, CEO transition expense, restructuring costs (which represents costs related to severance, accelerated stock compensation expense, and consulting fees directly related to the operating model component of the MGM 2020 Plan), rent expense associated with triple net operating and ground leases, income from unconsolidated affiliates related to investments in REITs, and property transactions, net. We utilize “**Adjusted Property EBITDAR**” as the primary profit measures for our reportable segments and underlying operating segments. Adjusted Property EBITDAR is a measure defined as Adjusted EBITDAR before corporate expense and stock compensation expense, which are not allocated to each operating segment, and before rent expense related to the master lease with MGP that eliminates in consolidation. We manage capital allocation, tax planning, stock compensation, and financing decisions at the corporate level.

Adjusted EBITDAR information is a valuation metric, should not be used as an operating metric, and is presented solely as a supplemental disclosure to reported GAAP measures because we believe these measures are widely used by analysts, lenders, financial institutions, and investors as a principal basis for the valuation of gaming companies. We believe that while items excluded from Adjusted EBITDAR and Adjusted Property EBITDAR may be recurring in nature and should not be disregarded in evaluation of our 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, we believe excluded items may not relate specifically to current trends or be indicative of future results. For example, preopening and start-up expenses will be significantly different in periods when we are 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 our 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, we changed our non-GAAP measures as a result of the Bellagio real estate transaction in the fourth quarter of 2019, including recasting prior periods, to exclude rent expense associated with triple net operating leases and ground leases. We believe excluding rent expense associated with triple net operating leases and ground leases provides useful information to analysts, lenders, financial institutions, and investors when valuing us, as well as comparing our results to other gaming companies, without regard to differences in capital structure and leasing arrangements since the operations of other gaming companies may or may not include triple net operating leases or ground leases. However, as discussed herein, Adjusted EBITDAR and Adjusted Property EBITDAR should not be viewed as a measure of overall operating performance, considered in isolation, or as an alternative to net income, because this measure is not presented on a GAAP basis and excludes certain expenses, including the rent expense associated with our triple net operating and ground leases, and is provided for the limited purposes discussed herein.

Adjusted EBITDAR and Adjusted Property EBITDAR should not be construed as an alternative to operating income or net income, as indicators of our performance; or as alternatives to cash flows from operating activities, as measures of liquidity; or as any other measure determined in accordance with generally accepted accounting principles. We have significant uses of cash flows, including capital expenditures, interest payments, taxes, real estate triple net lease and ground lease payments, and debt principal repayments, which are not reflected in Adjusted EBITDAR or Adjusted Property EBITDAR. Also, other companies in the gaming and hospitality industries that report Adjusted EBITDAR or Adjusted Property EBITDAR information may calculate Adjusted EBITDAR or Adjusted Property EBITDAR in a different manner and such differences may be material.

The shareholders and potential investors of the Company are reminded that information contained in the Form 8-K was prepared by MGM Resorts International and not by the Company. The shareholders and potential investors of the Company are advised not to place undue reliance on either the information in the Form 8-K and this announcement. There is no indication or assurance from the Company that the information presented by MGM Resorts International with respect to its Macau operations will be the same (or presented identically) as in the Company's disclosures.

The shareholders and potential investors of the Company are advised to exercise caution in dealing in securities in our Company.

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

Hong Kong, April 23, 2020

As at the date of this announcement, our directors are William Joseph HORNBUCKLE, Pansy Catilina Chiu King HO, Chen Yau WONG, Grant R. BOWIE and John M. MCMANUS as executive directors; Kenneth Xiaofeng FENG, James Armin FREEMAN and Daniel J. TAYLOR as non-executive directors; and Zhe SUN, Sze Wan Patricia LAM, Russell Francis BANHAM and Simon MENG as independent non-executive directors.