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

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美高梅中國控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2282)

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

Reference is made to the prospectus of the Company published on May 23, 2011 in connection with the Listing (the “**Prospectus**”) in relation to (i) the continuing connected transactions entered into by and among the Company, MGM Grand Paradise, MGM Branding, MGM Resorts International, MRIH, and NCE under the Branding Agreement; and (ii) the Deed of Non-Compete Undertakings entered into by and among the Company and Ms. Pansy Ho and MGM Resorts International.

Reference is also made to the announcement of the Company dated March 15, 2019 (“**Sub-Concession Extension Contract Announcement**”) in relation to the extension of the gaming sub-concession of MGM Grand Paradise under the Sub-Concession Contract for a further period up to June 26, 2022 pursuant to the Sub-Concession Extension Contract.

As set out in the Prospectus, the term of both the Branding Agreement and the Deed of Non-Compete Undertakings is due to expire on March 31, 2020, being the date of the expiry of the original Sub-Concession. Following the extension of the Sub-Concession pursuant to the Sub-Concession Extension Contract and in order to align the expiry dates of the Branding Agreement and the Deed of Non-Compete Undertakings with that of the Sub-Concession, the Company and the respective Counterparties have entered into the First Renewed Branding Agreement and the First Renewed Deed of Non-Compete Undertakings on September 30, 2019 to replace and renew the Branding Agreement and the Deed of Non-Compete Undertakings, respectively.

As each of the transactions contemplated under the First Renewed Branding Agreement and the First Renewed Deed of Non-Compete Undertakings is entered into by the Company and the respective Counterparties which are connected person(s) of the Company under the Listing Rules, such transactions constitute continuing connected transactions of the Company pursuant to Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules in respect of the annual caps under the First Renewed Branding Agreement are, on an annual basis, more than 0.1% but less than 5%, such continuing connected transactions are subject to reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As (i) the value of the transactions contemplated under the First Renewed Deed of Non-Compete Undertakings cannot be quantified in monetary terms; and (ii) there are no substantial changes in the key terms of the First renewed Deed of Non-Compete Undertakings, as compared with the key terms of the Deed of Non-Compete Undertakings, the transactions contemplated under the First Renewed Deed of Non-Compete Undertakings shall continue to qualify for the *de minimis* exemption and shall be exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

INTRODUCTION

Reference is made to the Prospectus of the Company published on May 23, 2011 in connection with the Listing in relation to (i) the continuing connected transactions entered into by and among the Company, MGM Grand Paradise, MGM Branding, MGM Resorts International, MRIH, and NCE under the Branding Agreement; and (ii) the Deed of Non-Compete Undertakings entered into by and among the Company and Ms. Pansy Ho and MGM Resorts International.

Reference is also made to the Sub-Concession Extension Contract Announcement in relation to the extension of the gaming sub-concession of MGM Grand Paradise under the Sub-Concession Contract for a further period up to June 26, 2022 pursuant to the Sub-Concession Extension Contract.

As set out in the Prospectus, the term of both the Branding Agreement and the Deed of Non-Compete Undertakings is due to expire on March 31, 2020, being the date of the expiry of the original Sub-Concession. Following the extension of the Sub-Concession pursuant to the Sub-Concession Extension Contract and in order to align the expiry dates of the Branding Agreement and the Deed of Non-Compete Undertakings with that of the Sub-Concession, the Company and the respective Counterparties have entered into the First Renewed Branding Agreement and the First Renewed Deed of Non-Compete Undertakings on September 30, 2019 to replace and renew the Branding Agreement and the Deed of Non-Compete Undertakings, respectively. Each of the First Renewed Branding Agreement and the First Renewed Deed of Non-Compete Undertakings has a term of less than three years and will be effective from April 1, 2020.

The key terms of the First Renewed Branding Agreement and the First Renewed Deed of Non-Compete Undertakings are substantially similar to those of the Branding Agreement and the Deed of Non-Compete Undertakings, respectively, as previously disclosed in the Prospectus, except that the annual cap under the First Renewed Branding Agreement for the year ending December 31, 2020 has been reduced by approximately US\$75.5 million. The reason for the decrease in the annual cap is due to the historical figures of the amounts paid under the Branding Agreement.

As one or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules in respect of the annual caps under the First Renewed Branding Agreement are, on an annual basis, more than 0.1% but less than 5%, such continuing connected transactions are subject to reporting, announcement and annual review requirements but are exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As (i) the value of the transactions contemplated under the First Renewed Deed of Non-Compete Undertakings cannot be quantified in monetary terms; and (ii) there are no substantial changes in the key terms of the First renewed Deed of Non-Compete Undertakings, as compared with the key terms of the Deed of Non-Compete Undertakings, the transactions contemplated under the First Renewed Deed of Non-Compete Undertakings shall continue to qualify for the *de minimis* exemption and shall be exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

Details of the First Renewed Branding Agreement and the First Renewed Deed of Non-Compete Undertakings are set out below:

I. First Renewed Branding Agreement

1. Background

As disclosed in the Prospectus, the Company, MGM Grand Paradise, MGM Branding, MGM Resorts International, MRIH, and NCE entered into the Branding Agreement on May 17, 2011, pursuant to which 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, ending on March 31, 2020, i.e. the original expiry date of the Sub-Concession under the Sub-Concession Contract.

Following the extension of the Sub-Concession pursuant to the Sub-Concession Extension Contract and in order to align the expiry dates of the Branding Agreement with that of the Sub-Concession, the Company, MGM Grand Paradise, MGM Branding, MGM Resorts International, MRIH, and NCE entered into the First Renewed Branding Agreement on September 30, 2019 to replace and renew the Branding Agreement. Pursuant to the First Renewed Branding Agreement, the Company agrees to pay MGM Branding license fees in consideration of the license granted to the Company to use certain trademarks owned by MGM Resorts International and its subsidiaries.

2. Key terms of the First Renewed Branding Agreement

Key terms of the First Renewed Branding Agreement are set out as below:

Date: September 30, 2019

Parties:

- (i) the Company
- (ii) MGM Grand Paradise
- (iii) MGM Branding
- (iv) MGM Resorts International
- (v) MRIH
- (vi) NCE

Term: The First Renewed Branding Agreement will be effective from April 1, 2020 and will expire on June 26, 2022.

The Branding Agreement will expire and will be without further force or effect as of March 31, 2020.

Principal terms:

Under the First Renewed Branding Agreement, the Company and the Group have been granted a revocable, non-assignable and non-transferable sublicense to use the marks “MGM”, “MGM Grand”, “MGM Grand Macau” and the MGM lion and other MGM-related service marks, trademarks, registrations and domain names owned by MGM Resorts International and its subsidiaries (the “**Subject Marks**”) in connection with the marketing and operation of the Group’s casino resort businesses within the Restricted Zone, excluding certain reserved zones within the PRC in which MGM Resorts International will not licence the parties to conduct casino gaming business within the Restricted Zone and will only create reserved zones if it permits the Company to either use MGM Resort International’s alternative proprietary branding or permits us to develop and use the Group’s intellectual property.

The grant of the sublicense for the Group’s casino gaming business is exclusive within the Restricted Zone, the grant of the sublicense for the Group’s resort business is exclusive within Macau and the grant of the sublicense in respect of the resort business in portions of the Restricted Zone other than Macau is non-exclusive. The First Renewed Branding Agreement requires the Company to utilize only the Subject Marks for the branding of the Group’s property.

In addition to any expansion of MGM Macau and MGM Cotai, any future resort and casino projects or sites that the Group may develop in the Restricted Zone will use the MGM brand.

The Company has agreed to establish a compliance committee for each operating member of the Group, pursuant to a written charter reasonably acceptable to MGM Resorts International. MGM Resorts International and NCE shall each have the right to nominate one person to each compliance committee and if such person ceases to be a member of such compliance committee, then

MGM Resorts International or NCE (as applicable) shall have the right to nominate a replacement person in each case provided that such nomination rights shall cease upon the failure of the relevant nominator's ultimate owner to also own, directly or indirectly, at least 20% of the Shares. Each compliance committee shall consist of persons knowledgeable in the area of casino gaming laws and sanction laws, which (unless MGM Resorts International otherwise consents) will have not less than two of which shall be former U.S. gaming regulators. Each compliance committee shall report directly to the board of directors or other governing body of the relevant member of the Group, and the Group shall comply with the requests of each compliance committee for information concerning the Group's position in respect to matters relating to U.S. state gaming laws and regulations applicable to MGM Resorts International.

MGM Resorts International has concurrently renewed its license of the Subject Marks to MRIH (the "**Renewed Head License**"), which in turn has renewed its sub-license of the Subject Marks to MGM Branding (the "**Renewed Sublicense**"). MGM Branding has in turn sublicensed the Subject Marks to the Company pursuant to the First Renewed Branding Agreement. The Company has a right to enter into a direct license in respect of the Subject Marks with MGM Resorts International, and MGM Resorts International is obliged to enter into such direct license with our Company, in the event that the Renewed Head License or the Renewed Sublicense are terminated for any reason other than in circumstances involving a default by the Company under the First Renewed Branding Agreement.

Payment of license fees: The Company has agreed that it shall pay MGM Branding monthly license fees calculated on a basis equal to 1.75% of the Company's consolidated reported monthly revenues (determined in accordance with IFRS), subject to the annual cap as set out below in this announcement.

The license fees in respect of each month shall be paid to MGM Branding on or prior to the 15th day of the immediately following month.

Termination of the license granted under the First Renewed Branding Agreement: MGM Branding and MGM Resorts International can terminate the license granted to the Company under the First Renewed Branding Agreement if, among other things:

- (i) any member of the Group breaches in any material respect any of its obligations under the First Renewed Branding Agreement, including a failure to maintain quality standards applicable to the MGM brand, or a failure to comply with applicable law or regulations;
- (ii) the Sub-Concession, or any gaming license or permit of any casino, casino hotel, hotel, integrated resort or other similar parties developed or acquired by the Group is denied, revoked, or suspended for a period in excess of ten Business Days;
- (iii) any competitor of MGM Resorts International acquires more than 15% of the voting Shares or the voting shares of any other member of the Group, unless MGM Resorts International is a larger direct or indirect shareholder of the Company or such member of the Group; or

- (iv) MGM Resorts International is directed by any regulator to cease doing business with us or if MGM Resorts International reasonably determines that (a) the Group is engaging in any activities or relationships which could or does jeopardize any licenses, permits or similar approvals required by MGM Resorts International to conduct its business, or (b) any member of the Group is not conducting its respective businesses to meet the standards set out in U.S. federal and state laws regulating corruption, money laundering and the financing of terrorism or complying with the standards of U.S. state gaming laws and regulations applicable to MGM Resorts International.

The First Renewed Branding Agreement is only terminable by MGM Branding and MGM Resorts International in circumstances involving a breach by the Group, and in particular where the activities of the Group may impact its own or the wider MGM group's business interests as a result of resulting regulatory action taken under relevant gaming laws and regulations to which any of them are subject. The First Renewed Branding Agreement is not terminable prior to the end of its term at will or on notice by any party.

3. Annual caps

The annual caps for the continuing connected transactions contemplated under the First Renewed Branding Agreement for the two years ending December 31, 2021 and the period ending June 26, 2022 are as follows:

	For the year ending December 31, 2020 (US\$ '000)	For the year ending December 31, 2021 (US\$ '000)	For the period ending June 26, 2022 (US\$ '000)
Annual cap of license fees payable for:			
<i>MGM Macau and MGM Cotai</i>	82,300	88,200	45,600
<i>Additional properties the Group may develop</i>	20,000	24,000	28,800
Total	102,300	112,200	74,400

The historical license fees paid by the Group to MGM Branding under the Branding Agreement are set out as follows:

	For the year ended December 31, 2017 (US\$ '000)	For the year ended December 31, 2018 (US\$ '000)	For the six months ended June 30, 2019 (US\$ '000)
Historical transaction amount	34,485	42,855	25,199

The license fees payable under the First Renewed Branding Agreement were determined based on, amongst others, the intellectual property licensing fees charged by comparable market peers and the historical fee arrangements under the Branding Agreement. The annual caps under the First Renewed Branding Agreement were determined by reference to, amongst others, (i) the historical license fees paid by the Group to MGM Branding for the two years ended December 31, 2017 and 2018, and

the six months ended June 30, 2019 under the Branding Agreement; (ii) the anticipated revenues of the Company; (iii) an increase of US\$20 million in the annual caps during the calendar year in which an additional property is opened for business and an increase in the respective annual caps by 20% for each calendar year during the term of the First Renewed Branding Agreement; and (iv) the Group's expected future developments of resort and casino projects.

4. *Reasons for and benefit of renewal of the Branding Agreement*

The First Renewed Branding Agreement enables MGM Macau, MGM Cotai and any future resort and casino projects or sites we may develop in the Restricted Zone to use the MGM brand, and grants a license to the Company to use the Subject Marks, which is critical to the success of the business of the Group, given that the Subject Marks are integral to the Group's corporate identity. The renewal of the Branding Agreement pursuant to the First Renewed Branding Agreement aligns the term of such license with the extended term of the Sub-Concession. The terms of the First Renewed Branding Agreement were arrived at after arm's length negotiations between the relevant parties. The Directors (including the independent non-executive Directors) consider that the entry into the First Renewed Branding Agreement is in the ordinary and usual course of business of the Group and on normal commercial terms, and that the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. *Branding Agreement Side Letter*

In connection with the First Renewed Branding Agreement, the Company, MGM Grand Paradise, MGM Branding, MGM Resorts International, MRIH, and NCE entered into the Branding Agreement Side Letter on September 30, 2019.

Pursuant to the Branding Agreement Side Letter, MGM Grand Paradise undertook that, if: (a) there is an extension of the term of the Sub-Concession; and (b) MGM Grand Paradise notifies the Company, MGM Branding, MGM Resorts International, MRIH, and NCE in writing that it desires to enter into a replacement branding agreement in connection with an extension of the term of the Sub-Concession, subject to compliance with the Listing Rules requirements or, alternatively, any waivers obtained from strict compliance with such requirements, it would enter into such replacement branding agreement on the basis that any such replacement branding agreement will be on similar terms and conditions to the First Renewed Branding Agreement (as amended and/or modified).

6. *Listing Rules Implications*

MGM Resorts International is a connected person of the Company as it holds, through its wholly-owned subsidiaries, approximately 55.95% of the issued share capital of the Company and is the controlling shareholder of the Company. MRIH is an indirect wholly-owned subsidiary of MGM Resorts International. Ms. Pansy Ho holds directly and indirectly approximately 22.49% of the entire issued share capital of the Company and is a substantial shareholder of the Company. She is also the Co-Chairperson and an Executive Director of the Company. NCE is wholly owned by Ms. Pansy Ho. MGM Branding is held 50% by MRIH and 50% by NCE. As MGM Branding, MGM Resorts International, MRIH and NCE are connected persons, the transactions contemplated under the First Renewed Branding Agreement constitute continuing connected transactions of the Company pursuant to Rule 14A.31 of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules in respect of the annual caps for the transactions contemplated under the First Renewed Branding Agreement are, on an annual basis, more than 0.1% but less than 5%, such continuing connected transactions are only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Appropriate disclosure will be made in the annual reports and accounts of the Company in accordance with the Listing Rules.

II. First Renewed Deed of Non-Compete Undertakings

1. *Background*

As disclosed in the Prospectus, the Company, MGM Resorts International and Ms. Pansy Ho entered into a Deed of Non-Compete Undertakings on May 17, 2011, pursuant to which MGM Resorts International and Ms. Pansy Ho had agreed to certain non-competition undertakings in respect of the MRI Group and the PH Group in favour of the Group. The Deed of Non-Compete Undertakings will cease to have effect on March 31, 2020.

Following the extension of the Sub-Concession pursuant to the Sub-Concession Extension Contract and in order to align the expiry dates of the Deed of Non-Compete Undertakings with that of the Sub-Concession, the Company, MGM Resorts International and Ms. Pansy Ho entered into the First Renewed Deed of Non-Compete Undertakings on September 30, 2019 to replace and renew the Deed of Non-Compete Undertakings.

2. *Key terms of the First Renewed Deed of Non-Compete Undertakings*

Key terms of the First Renewed Deed of Non-Compete Undertakings are set out as below:

Date: September 30, 2019

Parties:

- (i) the Company
- (ii) MGM Resorts International
- (iii) Ms. Pansy Ho

Term: The First Renewed Deed of Non-Compete Undertakings will be effective from April 1, 2020 and will expire on the earlier of (i) the date on which the Shares cease to be listed in the Stock Exchange; (ii) the last day of the term of the Sub-Concession; and (iii) in respect of either of the PH Group or the MRI Group, following the date upon which their shareholding represents less than 20% of the Company's then issued share capital.

The Deed of Non-Compete Undertakings will expire and will be without further force or effect as of March 31, 2020.

**Non-competes
undertakings given:** MGM Resorts International and Ms. Pansy Ho have unconditionally, irrevocably and severally undertaken with our Group that they shall not, and shall procure that all members of the MRI Group and the PH Group, respectively, shall not (except through the Group) directly or indirectly, (i) engage in any casino gaming business in the Restricted Zone, or (ii) invest in the debt or equity securities of or provide financial support in the form of guarantees or other material financial assistance to any Person which engages in any casino gaming business in the Restricted Zone.

MGM Resorts International and Ms. Pansy Ho have also undertaken to, and for the benefit of the Group that, they shall procure that no Person which is a Non-Controlled JV as to the MRI Group and PH Group, respectively, shall engage in any of the foregoing activities (except through the Group).

The First Renewed Deed of Non-compete Undertakings also restricts each of the PH Group and the MRI Group from holding directly or indirectly (whether as beneficial or registered owner), any shares or other securities or interest in any company which engages or is involved in, directly or indirectly, any casino gaming business in the Restricted Zone, unless such shares or securities are listed on a Recognized Stock Exchange as of the date of the making of the investment and continues to be so listed, the shareholding held in such company (when aggregated with all shares held by the PH Group or the MRI Group and their related Non-Controlled JV, as the case may be), directly or indirectly, does not exceed 5% of the issued voting share capital of such listed company, and neither the PH Group nor the MRI Group have the right to control the composition of a majority of the directors of such listed company or any of its subsidiaries. The foregoing shall not prohibit either of the PH Group or the MRI Group from having invested, whether through any debt and equity investment, in any company in an aggregate amount of less than US\$1,000,000.

Notwithstanding the foregoing, each of the PH Group and the MRI Group may:

- (i) perform or receive any of the benefits provided under any of the Connected Party Agreements or any extensions, amendments or supplements to or replacements of the Connected Party Agreements agreed from time to time;

- (ii) engage in internet gaming operations; and
- (iii) engage in marketing activities within the Restricted Zone for their facilities engaged in casino gaming business outside of the Restricted Zone or for any business which the First Renewed Deed of Non-compete Undertakings does not prohibit within the Restricted Zone.

Pursuant to the First Renewed Deed of Non-compete Undertakings, it has been agreed that:

- (i) any member of the MRI Group or the PH Group shall not be obliged to dispose of any securities or other interests in any Person which are acquired before the date on which such Person becomes a Competitor provided that this clause is without prejudice to the continuing obligations of a party to procure that such Person does not engage in the activities prohibited by the First Renewed Deed of Non-compete Undertakings;
- (ii) the PH Group may hold any interest in the shares and securities of Shun Tak and Ms. Pansy Ho may be a director and/or officer of Shun Tak and any of its subsidiaries as long as Shun Tak does not (otherwise than by virtue of any direct or indirect interest in shares of SJM and provided SJM remains a listed company and is managed independently of Shun Tak) engage or hold any interest in any casino gaming business in the Restricted Zone, subject to the exceptions set out above;
- (iii) the PH Group may hold any interest in the shares and securities of STDM (as long as the PH Group does not Control, directly or indirectly, STDM and STDM's engagement or interest in the casino gaming business within the Restricted Zone is solely through SJM and SJM's shares remain listed on the Stock Exchange);

- (iv) Ms. Pansy Ho may hold office as a director of STDM provided that procedures are adopted by Ms. Pansy Ho and/or STDM which ensure that Pansy Ho is not subject to any conflicts of interest or other restrictions which are not managed appropriately and would or would be likely to cause her to limit her ability, to any material extent, to participate in the business of the Group without restriction; and
- (v) any Person which Controls MGM Resorts International and its subsidiaries (other than MGM, any MGM Holding Company and their respective subsidiaries) may engage in the casino gaming business in the Restricted Zone, and continue any involvement or holding of any financial or business interest that would otherwise be prohibited by the First Renewed Deed of Non-compete Undertakings (“**Permitted Activity**”), provided that such Permitted Activity is not carried out under any trademark or other intellectual property which is subject to the First Renewed Branding Agreement.

In the event that circumstances arise which amount to a breach by Ms. Pansy Ho of her obligations under the foregoing paragraphs by virtue of the interests or activities of Shun Tak, STDM, SJM or any of their respective subsidiaries, Ms. Pansy Ho shall have a period of 30 days to cure such breach, during which period she shall not be involved in the management or operation of the Group. Ms. Pansy Ho shall be deemed to have cured such breach if, during such period, either (i) she procures the disposal of such number of shares in us which reduces the aggregate direct and indirect shareholding of the PH Group in us to less than 20% of our then issued share capital or (ii) she procures that the interests or activities of Shun Tak, SJM or STDM and their respective subsidiaries no longer cause a breach or she procures the reduction of the direct and indirect interests of the PH Group in Shun Tak, SJM or STDM to a level which no longer causes a breach.

3. *Reasons for and benefit of renewal of the Deed of Non-Compete Undertakings*

The renewal of the Deed of Non-Compete Undertakings pursuant to the First Renewed Deed of Non-Compete Undertakings aligns the term of such undertakings with the extended term of the Sub-Concession. The terms of the First Renewed Deed of Non-Compete Undertakings were arrived at after arm's length negotiations between the relevant parties, and are substantially the same as the Deed of Non-Compete Undertakings. The Directors (including the independent non-executive Directors) consider that the entry into the First Renewed Deed of Non-Compete Undertakings is in the ordinary and usual course of business of the Group and on normal commercial terms, and that the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. *Listing Rules Implications*

MGM Resorts International is a connected person of the Company as it holds, through its wholly-owned subsidiaries, approximately 56% of the issued share capital of the Company and is the controlling shareholder of the Company. Ms. Pansy Ho holds directly and indirectly approximately 22.49% of the entire issued share capital of the Company and is a substantial shareholder of the Company. She is also the Co-Chairperson and an Executive Director of the Company. As MGM Resorts International and Ms. Pansy Ho are connected persons, the transactions contemplated under the First Renewed Deed of Non-Compete Undertakings constitute continuing connected transactions of the Company pursuant to Rule 14A.31 of the Listing Rules.

As (i) the value of the transactions contemplated under the First Renewed Deed of Non-Compete Undertakings cannot be quantified in monetary terms; and (ii) there are no substantial changes in the key terms of the First renewed Deed of Non-Compete Undertakings, as compared with the key terms of the Deed of Non-Compete Undertakings, the transactions contemplated under the First Renewed Deed of Non-Compete Undertakings shall continue to qualify for the *de minimis* exemption and shall be exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

III. Information of Parties to the First Renewed Branding Agreement and the First Renewed Deed of Non-Compete Undertakings

The Company

The Company is incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange (stock code: 2282). The Company, through its principal subsidiary, MGM Grand Paradise, is engaged in the development and operation of casino games of chance and other casino games, where permitted by applicable laws, and the related hotel and resort facilities in Macau and/or in other parts in Asia. It owns and operates MGM Macau and MGM Cotai through MGM Grand Paradise.

MGM Grand Paradise

MGM Grand Paradise is a private company limited by shares (“*sociedade anónima*”) incorporated in Macau, and one of the subsidiaries of the Company and one of the sub-concessionaires which holds a sub-concession for the operation of casino games in Macau. The Company holds 100% of the Class A shares in MGM Grand Paradise, which represents 80% of the voting power of the share capital of MGM Grand Paradise. Ms. Pansy Ho and MRIH each owns one half of the Class B shares (or 10% of the voting power of the share capital of MGM Grand Paradise each). MGM Grand Paradise is a casino gaming resort developer, owner and operator in the greater China region. It owns and operates MGM Macau and MGM Cotai.

MGM Resorts International

MGM Resorts International is a company incorporated in Delaware and listed on the New York Stock Exchange under the ticker symbol MGM. MGM Resorts International, through its wholly-owned subsidiaries, holds approximately 55.95% of the issued share capital of the Company and is the controlling shareholder of the Company. The MGM Resorts International group is engaged in the business of owning, operating, developing and managing resort properties on a global basis including the casino gaming business where permitted by applicable laws. For more information on MGM Resorts International, please visit MGM Resorts International website at <http://www.mgmresorts.com> (the information appearing in the website does not form part of this announcement).

MRIH

MRIH is a company incorporated in the Isle of Man. It is a wholly-owned subsidiary of MGM International, LLC, a Nevada limited liability company. MGM International, LLC is a wholly-owned subsidiary of MGM Resorts. MRIH holds directly approximately 56% of the issued share capital of the Company and is the controlling shareholder of the Company. It also owns 50% of the issued share capital of MGM Branding. The MGM Resorts International group (including MRIH) is primarily engaged in the ownership and operation of casino resorts, which offer gaming, hotel, convention, dining, entertainment, retail and other resort amenities. For more information on MRIH, please visit MGM Resorts International website at <http://www.mgmresorts.com> (the information appearing in the website does not form part of this announcement).

MGM Branding

MGM Branding is a company incorporated in the British Virgin Islands which is jointly wholly owned, directly or indirectly, by MGM Resorts International and Ms. Pansy Ho in equal portions. It holds certain intellectual property rights and is engaged in development services.

NCE

NCE is a company incorporated in the British Virgin Islands. It is wholly owned by Ms. Pansy Ho and it holds 50% of the issued share capital of MGM Branding. It is an investment holding company.

Ms. Pansy Ho

Ms. Pansy Catilina Chiu King Ho is a recognized business leader in the greater China region. She holds directly and indirectly approximately 22.49% of the entire issued share capital of the Company and is a substantial shareholder of the Company. She is also the Co-Chairperson and an Executive Director of the Company.

IV. General

By virtue of Ms. Pansy Ho's interests in NCE as mentioned above, and as Ms. Pansy Ho is a party to the First Renewed Deed of Non-Compete Undertakings, she is deemed to have a material interest in the First Renewed Branding Agreement and the First Renewed Deed of Non-Compete Undertakings. Ms. Pansy Ho has thus abstained from voting on the relevant Board resolutions in respect of the First Renewed Branding Agreement and the First Renewed Deed of Non-Compete Undertakings.

Save for the above, none of the other Directors has a material interest in any of the abovementioned continuing connected transactions under the First Renewed Branding Agreement and the First Renewed Deed of Non-Compete Undertakings.

DEFINITIONS

Unless the context requires otherwise, the following terms shall have the following meanings in this announcement:

- “associates” has the meaning ascribed thereto in the Listing Rules, except:
- (a) in relation to Ms. Pansy Ho, means (i) her spouse or any person cohabiting as a spouse and any child or step-child (natural or adopted) (together Ms. Pansy Ho “**family’s interests**”); (ii) (A) the trustees, acting in their capacity as such trustees, of any trust which is established or settled by Ms. Pansy Ho, or (B) in respect of which the trustees are accustomed or required to act in accordance with Ms. Pansy Ho’s directions, instructions or wishes; and (iii) any company Controlled by any of Ms. Pansy Ho, her family’s interests and/or any of the trustees referred to in (ii) above, acting as such trustees, individually or taken together; and any other company which is its subsidiary, provided that no member of the Group shall be deemed an associate of Ms. Pansy Ho; and
 - (b) in relation to MGM Resorts International, means any company which is Controlled by MGM Resorts International, any MGM Holding Company and any company which is controlled by an MGM Holding Company, provided that no member of our Group shall be deemed to be an associate of MGM Resorts International

“Board”	the board of Directors of the Company
“Branding Agreement Side Letter”	the side letter to the First Renewed Branding Agreement dated September 30, 2019 entered into among the Company, MGM Grand Paradise, MGM Branding, MGM Resorts International, MRIH, and NCE
“Branding Agreement”	the branding agreement dated May 17, 2011 entered into among our Company, MGM Grand Paradise, MGM Branding, MGM Resorts International, MRIH and NCE
“Business Days”	any day upon which commercial banks are open for business in Hong Kong
“BVI”	British Virgin Islands
“casino gaming business”	the design, development, construction, ownership, management and/or operation of casinos or gaming areas (including those casinos or gaming areas which form part of a hotel or an integrated resort) and other similar facilities in which customers are able to gamble by playing games of fortune or chance or other similar games, games of skill, including all card wagering games such as poker, parpai gow and blackjack including, but not limited to facilities offering VIP, premium direct or gaming promoter operated gaming rooms, mass gaming floors, slot machine operations or other designated areas where games of fortune or chance are operated or played
“Company”	MGM China Holdings Limited, a company incorporated in the Cayman Islands on July 2, 2010 as an exempted company with limited liability
“Competitor”	any Person which directly or indirectly engages in the casino gaming business in the Restricted Zone (other than a member of our Group)

“Connected Party Agreements” any of the following:

- (a) the First Renewed Branding Agreement;
- (b) the second renewed MGM Marketing Agreement dated December 12, 2016 entered into among MGM Resorts International, MGM Resorts International Marketing, Ltd., MGM Grand International Pte, Ltd., MGM Grand Paradise and the Company;
- (c) the second renewed BEH Marketing Agreement dated December 12, 2016 entered into among Bright Elite Holdings Limited, MGM Grand Paradise and the Company;
- (d) the second renewed Macau Marketing Agreement dated December 12, 2016 entered into among MGM Resorts International, MGM Grand Paradise and the Company;
- (e) the second renewed Development Agreement dated December 12, 2016 entered into among MGM Branding, MGM Resorts International, MRIH, NCE, MGM Grand Paradise and the Company;
- (f) the first renewed Corporate Support Agreement dated June 3, 2017 entered into among the Company, MGM Resorts International and Grand Paradise Macau Limited;
- (g) the second renewed Master Service Agreement dated December 12, 2016 entered into among MGM Grand Paradise and Shun Tak, and related arrangements; and
- (h) any additional agreements which may be entered into between any member of our Group and any member of either of the MGM Group or the PH Group from time to time

“connected person(s)” has the meaning ascribed thereto in the Listing Rules

“Concessionaires”	the holder(s) of a concession for the operation of casino games in Macau
“Control”	a direct or indirect interest in the equity capital of any company so as to exercise or control the exercise of more than 50% of the voting power at general meetings or to control the composition of the majority of the board of directors or the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies (whether through ownership of voting securities, representation on any board or governing body, contract or otherwise) of any Person
“Cotai”	an area of reclaimed land located between the islands of Taipa and Coloane in Macau
“Counterparties”	the counterparties of the Company in each of the First Renewed Branding Agreement and/or the First Renewed Deed of Non-Compete Undertakings
“Deed of Non-Compete Undertakings”	the non-competition deed, dated May 17, 2011, entered into among MGM Resorts International, Ms. Pansy Ho and the Company
“Directors”	the director(s) of our Company
“First Renewed Branding Agreement”	the first renewed Branding Agreement dated September 30, 2019 entered into among the Company, MGM Grand Paradise, MGM Branding, MGM Resorts International, MRIH, and NCE
“First Renewed Deed of Non-Compete Undertakings”	the first renewed Deed of Non-Compete Undertakings dated September 30, 2019 entered into among the Company, MGM Resorts International and Ms. Pansy Ho
“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”	the Hong Kong Special Administrative Region of The People’s Republic of China
“IFRS”	International Financial Reporting Standards
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Listing”	the initial listing of the Shares on the Main Board of the Stock Exchange on June 3, 2011
“Macau”	the Macau Special Administrative Region of The People’s Republic of China
“MGM Branding”	MGM Branding and Development Holdings, Ltd., a company incorporated in the BVI and jointly wholly-owned, directly or indirectly, by MGM Resorts International and Ms. Pansy Ho in equal portions
“MGM Cotai”	the resort and casino property in Cotai owned by MGM Grand Paradise
“MGM Grand Paradise”	MGM Grand Paradise Limited, a private company limited by shares (“ <i>sociedade anónima</i> ”) incorporated on June 17, 2004 under the laws of Macau, one of three Sub-Concessionaires and one of our subsidiaries
“MGM Holding Company”	any company which at any time after the date of the First Renewed Deed of Non-Compete Undertakings achieves Control of MGM Resorts International other than by way of a Qualifying Transaction
“MGM Macau”	the resort and casino property in Macau owned by MGM Grand Paradise
“MGM Resorts International”	MGM Resorts International, a company incorporated in Delaware and listed on the New York Stock Exchange under the ticker symbol “MGM”, and our controlling Shareholder

“MRI Group”	MGM Resorts International and its associates
“MRIH”	MGM Resorts International Holdings, Ltd, a company incorporated in the Isle of Man and an indirect wholly owned subsidiary of MGM Resorts International
“Ms. Pansy Ho”	Ho, Pansy Catilina Chiu King, a substantial Shareholder, the Co-Chairperson and an Executive Director of the Company
“NCE”	New Corporate Enterprises Limited, a company incorporated in the BVI and a wholly-owned by Ms. Pansy Ho
“Non-Controlled JV”	(a) as to Ms. Pansy Ho and the PH Group; and (b) as to MGM Resorts International and the MRI Group, respectively, any Person in which they participate through or by means of a joint venture arrangement or any investment which is in the nature of a joint venture (howsoever called) or other similar business association (including for the avoidance of doubt a participation by means of a management contract), but which is not Controlled by them
“Person”	any company, partnership, trust or other business entity, and includes any testamentary or inter vivos trust
“PH Group”	Ms. Pansy Ho and her associates
“PRC”	the People’s Republic of China excluding, for the purpose of this announcement for geographical and statistical references only and except where the context otherwise requires, Hong Kong, Macau and Taiwan
“Prospectus”	the prospectus of the Company published on May 23, 2011 in connection with the Listing
“Qualifying Transaction”	in respect of MGM Resorts International, a bona fide third party acquisition or merger transaction (however structured) involving a significant change in the ultimate beneficial ownership of MGM Resorts International

“Recognized Stock Exchange”	the Stock Exchange, the New York Stock Exchange, NASDAQ, the London Stock Exchange, the Tokyo Stock Exchange, the Singapore Exchange, and any other stock exchange recognized by the Commissioner of the Inland Revenue for the purposes of Section 16(2)(f)(i) of the Inland Revenue Ordinance of Hong Kong
“Renewed Head License”	the trademark license agreement to be entered into between MGM Resorts International and MRIH in respect of the Subject Marks and to become effective on April 1, 2020
“Renewed Sublicense”	the trademark sublicense agreement to be entered into between MRIH and MGM Branding in respect of the Subject Marks and to become effective on April 1, 2020
“resort business”	the conduct of business (other than the casino gaming business) consisting of gaming, lodging and entertainment venues
“Restricted Zone”	the PRC, Macau, Hong Kong and Taiwan
“Share(s)”	ordinary share(s) with a nominal value of HK\$1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s) of the Company from time to time
“Shun Tak”	Shun Tak Holdings Limited, a company incorporated under the laws of Hong Kong with limited liability and the shares of which are listed on the Stock Exchange (stock code: 242)
“SJM”	Sociedade de Jogos de Macau, S.A., one of three Concessionaires
“STDM”	Sociedade de Turismo e Diversoes de Macau, S.A., a joint stock company incorporated under the laws of Macau
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sub-Concession Extension Contract Announcement”	the announcement of the Company dated March 15, 2019 in relation to the extension of the gaming sub-concession of MGM Grand Paradise

“Sub-Concession Extension Contract”	the addendum of the Sub-Concession Contract between SJM and MGM Grand Paradise executed on March 15, 2019 for extension of the Sub-Concession Contract from March 31, 2020 to June 26, 2022
“Sub-Concession” or “Sub-Concession Contract”	the tripartite sub-concession contract for the exploitation of games of fortune and chance or other games in casino in Macau entered into among SJM, MGM Grand Paradise and the local government of Macau on April 19, 2005
“Sub-Concessionaires”	the holder(s) of a sub-concession for the operation of casino games in Macau
“Subject Marks”	the marks “MGM”, “MGM Grand”, “MGM Grand Macau” and the MGM lion and other MGM-related service marks, trademarks, registrations and domain names owned by MGM Resorts International and its subsidiaries
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“U.S.”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of United States
“%”	per cent

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

Hong Kong, September 30, 2019

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, Kenneth Xiaofeng FENG, James Armin FREEMAN and John M. MCMANUS as non-executive directors, Zhe SUN, Sze Wan Patricia LAM and Russell Francis BANHAM as independent non-executive directors.