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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)

**REVISION OF ANNUAL CAPS FOR
CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the December 2013 Announcement in relation to the continuing connected transactions of the Group including the continuing connected transactions entered into between MGMGP and Shun Tak under the Renewed Master Service Agreement.

In view of the expected increase in the business volume and the expected increase in room rate and the amount of room purchases by MGMGP, the aggregate amount paid in this financial year and payable by MGMGP under the Renewed Master Service Agreement to Shun Tak Group for the remaining part of the financial year ending 31 December 2014 and for each of the financial years ending 31 December 2015 and 2016 is expected to be higher than the levels envisaged at the time of entering into the Renewed Master Service Agreement. The Board has therefore revised the amount of the Original Annual Caps.

Ms. Pansy Ho is the managing director and a substantial shareholder of Shun Tak. By virtue of a number of direct and indirect interests in Shun Tak, the Stock Exchange has determined that Shun Tak is an associate of Ms. Pansy Ho and therefore Shun Tak is deemed to be a connected person of the Company under the Listing Rules.

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

INTRODUCTION

Reference is made to the December 2013 Announcement in relation to, amongst others, the continuing connected transactions entered into between MGMGP and Shun Tak under the Renewed Master Service Agreement.

REVISION OF ANNUAL CAPS

In view of the expected increase in the business volume and the expected increase in the room rate and amount of room purchases by MGMGP, the aggregate amount paid in this financial year and payable by MGMGP to Shun Tak Group under the Renewed Master Service Agreement for the remaining part of the financial year ended 31 December 2014 for each of and the financial years ending 31 December 2015 and 2016 is expected to be higher than the levels envisaged at the time of entering into the Renewed Master Service Agreement and, as such, it is expected that the amounts of the Original Annual Caps will be insufficient.

The Directors have agreed to revise the Original Annual Caps for the continuing connected transactions contemplated under the Renewed Master Service Agreement for the three years ending 31 December 2016 as follows:

Payment from the Group to Shun Tak Group

	For the year ending 31 December 2014 (HK\$'000)	For the year ending 31 December 2015 (HK\$'000)	For the year ending 31 December 2016 (HK\$'000)
Original Annual Caps	155,000	155,000	264,000
Revised Annual Caps	270,000	310,000	460,000

The historical fees paid under the Master Service Agreement are set out as follows:

Payment from the Group to Shun Tak Group

	For the year ended 31 December 2011 (HK\$'000)	For the year ended 31 December 2012 (HK\$'000)	For the year ended 31 December 2013 (HK\$'000)
Historical Transaction Amount	106,047	109,140	133,546

Payment from Shun Tak Group to the Group

The annual caps in respect of the payment from the Shun Tak Group to the Group for the continuing connected transactions under the Renewed Master Service Agreement remains unchanged.

As at 30 June 2014, the payments made since 1 January 2014 from the Group to the Shun Tak Group pursuant to the Renewed Master Service Agreement are HK\$100,648,000. The Revised Annual Caps on amounts payable by MGMGP to Shun Tak Group under the Renewed Master Service Agreement were determined by reference to (i) historical amounts paid for services contemplated by the Master Service Agreement for the three years ended 31 December 2011, 2012 and 2013; (ii) the current trend of the business volume with Shun Tak for 2014; (iii) the estimated

quantity of ferry tickets sales and the volume of services in respect of travel agency services including accommodation and transportation, transportation services, laundry services, advertising services and property cleaning services which may be required by the Group during each of the three years ending 31 December 2014, 2015 and 2016; and (iv) the anticipated increase in demand for services from the Shun Tak Group due to the Group's expected increase in business volume and revenue over the next few years and in particular the expected commencement of operation of the Cotai project in early 2016.

FURTHER INFORMATION ON RENEWED MASTER SERVICE AGREEMENT

Key terms of the Renewed Master Service Agreement

Key terms of the Renewed Master Service Agreement were disclosed in the December 2013 Announcement and are set out as below:

Date: 24 December 2013

Parties: 1) Shun Tak
2) MGMGP

Term: The Renewed Master Service Agreement is for a term of three years and effective from 1 January 2014.

Subject to the compliance with the Listing Rules, or alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the Renewed Master Service Agreement, the agreement may be renewed for a three-year term (or such other period permitted under the Listing Rules) upon mutual agreement between the parties in writing.

Principal terms: The services and products provided or to be provided by the Shun Tak Group include sale of ferry tickets at discounted bulk purchase rate, sale of travel products including accommodation and transportation, provision of laundry services, transportation services, advertising services and property cleaning services to the Group.

The services and products provided or to be provided by the Group include provision of rental of hotel rooms at wholesale room rates to the Shun Tak Group.

Terms of each specific service are or will be further detailed separately in an agreement or a service contract which may be constituted by the acceptance of a price quotation, sales order or other written documents and have been or will be negotiated on arm's length negotiations between the parties and by reference to prevailing market price. Existing agreements entered into under the Master Service Agreement shall remain in full force and effect subject to the terms of the Renewed Master Service Agreement.

Agreements or service contracts entered into under the Renewed Master Service Agreement will be in writing for a fixed term of not more than three years.

Reasons for and benefit of the Renewed Master Service Agreement

The Renewed Master Service Agreement provides a framework for the provision of products and services between the Group and the Shun Tak Group. The Renewed Master Service Agreement and the existing transactions enable the Group to foster its hospitality-related business in Macau and enhance its overall revenue. The terms of the Renewed Master Service Agreement and the existing transactions contemplated thereunder were arrived at after arm's length negotiations between the relevant parties. The Directors (including the independent non-executive Directors) consider that (i) the Renewed Master Service 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; and (ii) the Revised Annual Caps are fair and reasonable.

LISTING RULE IMPLICATIONS

Pursuant to the Listing Rules, if the Company proposes to revise the annual caps for continuing connected transaction, the Company is required to re-comply with the provisions of Chapter 14A of the Listing Rules in relation to the relevant continuing connected transaction.

Ms. Pansy Ho is the managing director and a substantial shareholder of Shun Tak. By virtue of a number of direct and indirect interests in Shun Tak, the Stock Exchange has determined that Shun Tak is an associate of Ms. Pansy Ho and therefore Shun Tak is deemed to be a connected person of the Company under the Listing Rules. Accordingly, the Renewed Master Service Agreement constitutes continuing connected transactions of the Company pursuant to Rule 14A.31 of the Listing Rules.

As the applicable percentage ratios (other than the profits ratio) under Rule 14.07 of the Listing Rules in respect of the Revised Annual Caps for the transactions contemplated under the Renewed Master Service Agreement are, on an annual basis, more than 0.1% but less than 5%, such continuing connected transactions are only subject to the reporting and announcement requirements and the annual review requirements and 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.

INFORMATION OF PARTIES TO THE RENEWED MASTER SERVICE AGREEMENT

The Company

The Company is incorporated in the Cayman Islands with limited liability and its shares are listed on the Stock Exchange (stock code: 2282). The Company, through its principal subsidiary, MGMGP, 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 through MGMGP.

MGMGP

MGMGP 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-concessionaries which holds a sub-concession of the operation of casino games in Macau. The Company holds 100% of the Class A shares in MGMGP, which represents 80% of the voting power of the share capital of MGMGP. 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 MGMGP each). MGMGP is a casino gaming resort developer, owner and operator in the greater China region. It owns and operates MGM Macau.

Shun Tak

Shun Tak, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange (stock code: 242), is an investment holding company and its subsidiaries are engaged in a number of business activities including property development, investment and management, hospitality, transportation and investment. Ms. Pansy Ho is the managing director and a substantial shareholder of Shun Tak. By virtue of a number of direct and indirect interests in Shun Tak, the Stock Exchange has determined that Shun Tak is an associate of Ms. Pansy Ho and therefore is deemed a connected person of the Company.

GENERAL

By virtue of Ms. Pansy Ho’s interests in Shun Tak as mentioned above, she is deemed to have a material interest in the Renewed Master Service Agreement. Ms. Pansy Ho has thus abstained from voting on the relevant Board resolutions in respect of the Revised Annual Caps.

Save for the above, none of the other Directors has a material interest in any of the abovementioned continuing connected transactions under the Renewed Master Service Agreement.

DEFINITIONS

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

“associate”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors of the Company
“Company”	MGM China Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange (stock code: 2282)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“December 2013 Announcement”	announcement made by the Company dated 24 December 2013 for the “Renewal of Continuing Connected Transactions”
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Master Service Agreement”	the agreement dated 8 October 2010 entered into between MGMGP and Shun Tak
“MGMGP”	MGM Grand Paradise Limited, a company incorporated under the laws of Macau and a subsidiary of the Company
“MGM Macau”	the sole resort and casino property in Macau owned by MGMGP
“Ms. Pansy Ho”	Ho, Pansy Catilina Chiu King, a substantial Shareholder, the Co-Chairperson and an executive Director of the Company
“MRIH”	MGM Resorts International Holdings, Ltd., a company incorporated in the Isle of Man and the controlling Shareholder of the Company
“Original Annual Caps”	the annual caps for continuing connected transactions under the Renewed Master Service Agreement proposed in the December 2013 Announcement
“Renewed Master Service Agreement”	the renewed agreement dated 24 December 2013 entered into between MGMGP and Shun Tak
“Revised Annual Caps”	the revised annual caps for the continuing connected transactions under the Renewed Master Service Agreement as set out in this announcement
“Shareholder(s)”	the shareholder(s) of the Company
“Shun Tak”	Shun Tak Holdings Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange (stock code: 242)
“Shun Tak Group”	Shun Tak and its subsidiaries/associated companies

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%”

per cent

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

Hong Kong, July 31, 2014

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 A. ROSEVEAR, William M. SCOTT IV and Daniel J. D'ARRIGO as non-executive directors and Zhe SUN, Tommei Mei Kuen TONG, Patricia Sze Wan LAM and Peter Man Kong WONG as independent non-executive directors.