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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 and Debt Stock Codes: 6026, 6028, 40258, 40634)

## **RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

Reference is made to the announcement of the Company dated (i) September 30, 2019 (the “**First Renewed Deed of Non-Compete Undertakings Announcement**”) in relation to the renewal of the deed of non-compete undertakings entered into by and among the Company and Ms. Pansy Ho and MGM Resorts International, (ii) December 27, 2019 (the “**Third Renewed Marketing, Development and Master Service Agreement Announcement**”) in relation to the renewal of continuing connected transactions entered into by and among the Company and/or MGMGP and the respective Counterparties under the Third Renewed Development Agreement, the Third Renewed Master Service Agreement, the Third Renewed MGM Marketing Agreement and the Third BEH Marketing Agreement, (iii) June 26, 2022 (the “**Second Renewed Branding Agreement Announcement**”) in relation to the continuing connected transaction entered into by and among the Company, MGMGP, MGM Branding, MGM Resorts International, MRIH and NCE under the Second Renewed Branding Agreement and (iv) August 21, 2022 (the “**New Gaming Concession Announcement**”) in relation to the tender by MGMGP for a new gaming concession (the “**New Gaming Concession**”) upon the forthcoming expiry of the Sub-Concession Further Extension Contract and the arrangements made for the compliance with new requirements under the Revised Gaming Law and Revised Tender Regulation and (v) November 27, 2022 (the “**Provisional Award Announcement**”) in relation to the provisional award of the new gaming concession (the “**New Gaming Concession**”) upon the forthcoming expiry of the Sub-Concession Further Extension Contract.

As set out in the Announcements, the First Renewed Deed of Non-Compete Undertakings is due to expire on December 31, 2022, being the last day of the term of the Sub-Concession. The term of each of the Third Renewed Development Agreement, the Third Renewed Master Service Agreement and the Second Renewed Branding Agreement is also due to expire on December 31, 2022.

As the term of the Third Renewed MGM Marketing Agreement and the Third Renewed BEH Marketing Agreement has expired on December 31, 2020. The Company and the respective Counterparties have entered into the Fourth Renewed MGM Marketing Agreement and the Fourth Renewed BEH Marketing Agreement on January 7, 2021, and the Fifth Renewed MGM Marketing Agreement and the Fifth Renewed BEH Marketing Agreement on June 26, 2022. The term of each of the Fifth Renewed MGM Marketing Agreement and the Fifth Renewed BEH Marketing Agreement is due to expire on December 31, 2022.

As the Company and/or MGMGP and the respective Counterparties wish to continue the continuing connected transactions thereafter, on December 8, 2022, the Company and/or MGMGP and the respective Counterparties entered into the New Deed of Non-Compete Undertakings, the Fourth Renewed Development Agreement, the Fourth Renewed Master Service Agreement, the Third Renewed Branding Agreement, the Sixth Renewed MGM Marketing Agreement and the Sixth Renewed BEH Marketing Agreement to replace and renew the First Renewed Deed of Non-Compete Undertakings, the Third Renewed Development Agreement, the Third Renewed Master Service Agreement, the Second Renewed Branding Agreement, the Fifth Renewed MGM Marketing Agreement and the Fifth Renewed BEH Marketing Agreement respectively. Each of the New Deed of Non-Compete Undertakings, the Fourth Renewed Development Agreement, the Fourth Renewed Master Service Agreement, the Third Renewed Branding Agreement, the Sixth Renewed MGM Marketing Agreement and the Sixth Renewed BEH Marketing Agreement will be effective from January 1, 2023.

## **LISTING RULES IMPLICATIONS**

As each of the transactions contemplated under the New Deed of Non-Compete Undertakings, the Fourth Renewed Development Agreement, the Fourth Renewed Master Service Agreement, the Third Renewed Branding Agreement, the Sixth Renewed MGM Marketing Agreement and the Sixth Renewed BEH Marketing Agreement are entered into by the Company and/or MGMGP and 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.

#### **A. PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS**

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 respective monetary cap for each year under the Fourth Renewed Development Agreement, the Fourth Renewed Master Service Agreement, the Third Renewed Branding Agreement and the Sixth Renewed MGM Marketing Agreement is more than 0.1% but less than 5%, such continuing connected transaction is subject to reporting, announcement and annual review requirements but is exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

#### **B. FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS**

As all the applicable percentage ratios (other than profits ratio) under Rule 14.07 of the Listing Rules in respect of the respective monetary cap for each year under the Sixth Renewed BEH Marketing Agreement are less than 0.1%, such continuing connected transaction is fully exempt from reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As the value of the transactions contemplated under the New Deed of Non-Compete Undertakings cannot be quantified in monetary terms and there are no substantial changes in the key terms of the New Deed of Non-Compete Undertakings, as compared with the key terms of the First Renewed Deed of Non-Compete Undertakings, the transactions contemplated under the New 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 (i) the First Renewed Deed of Non-Compete Undertakings Announcement in relation to the renewal of the Deed of Non-Compete Undertakings, (ii) the Third Renewed Marketing, Development and Master Service Agreement Announcement in relation to the renewal of continuing connected transactions under the Third Renewed Development Agreement, the Third Renewed Master Service Agreement, the Third Renewed MGM Marketing Agreement and the Third Renewed BEH Marketing Agreement, (iii) the Second Renewed Branding Agreement Announcement in relation to the continuing connected transactions under the Second Renewed Branding Agreement, (iv) the New Gaming Concession Announcement in relation to the tender by MGMGP for the New Gaming Concession and the arrangements made for the compliance with new requirements under the Revised Gaming Law and Revised Tender Regulation and (v) the Provisional Award Announcement in relation to the provision award of the New Gaming Concession.

As set out in the Announcements, the First Renewed Deed of Non-Compete Undertakings is due to expire on December 31, 2022, being the last day of the term of the Sub-Concession. As MGMGP has been provisionally granted the New Gaming Concession, on December 8, 2022, the Company and the respective Counterparties entered into the New Deed of Non-Compete Undertakings. The New Deed of Non-Compete Undertakings contains changes to its “restricted period” to reflect the amendments under the Revised Gaming Law and the Revised Tender Regulation for Ms. Pansy Ho, the managing director of the concessionaire, to hold at least 15% (previously 10%) of the capital in the concessionaire. The term of each of the Third Renewed Development Agreement, the Third Renewed Master Service Agreement and the Second Renewed Branding Agreement is also due to expire on December 31, 2022.

As the term of the Third Renewed MGM Marketing Agreement and the Third Renewed BEH Marketing Agreement has expired on December 31, 2020. The Company and the respective Counterparties have entered into the Fourth Renewed MGM Marketing Agreement and the Fourth Renewed BEH Marketing Agreement effective January 7, 2021, and the Fifth Renewed MGM Marketing Agreement and the Fifth Renewed BEH Marketing Agreement effective June 26, 2022. The term of each of the Fifth Renewed MGM Marketing Agreement and the Fifth Renewed BEH Marketing Agreement is due to expire on December 31, 2022.

As the Company and/or MGMGP and the respective Counterparties wish to continue the continuing connected transactions thereafter, on December 8, 2022, the Company and/or MGMGP and the respective Counterparties entered into the Renewed Agreements to replace and renew Existing Agreements. Each of the Renewed Agreements will be effective from January 1, 2023.

The key terms of the Fourth Renewed Development Agreement, the Fourth Renewed Master Service Agreement, the Third Renewed Branding Agreement and the Sixth Renewed MGM Marketing Agreement are substantially similar to those of the Third Renewed Development Agreement, the Third Renewed Master Service Agreement, the Second Renewed Branding Agreement, and the Third Renewed MGM Marketing Agreement, respectively, as disclosed in the Announcements, except that:

- (i) the monetary cap of the development fees payable by the Group to MGM Branding under the Fourth Renewed Development Agreement has been set at US\$15,000,000 for each of the years ending December 31, 2023, 2024, 2025;
- (ii) the scope of products and services to be provided by the Group and/or the Shun Tak Group under the Fourth Renewed Master Service Agreement has been reduced to the provision of dry cleaning and laundry services and property cleaning services from the Shun Tak Group to the Group, the sale of cash vouchers from the Shun Tak Group to the Group, the provision of rental rooms from Shun Tak Group to the Group at intercompany rates and the provision of rental rooms from the Group to Shun Tak Group at wholesale room rate;
- (iii) the monetary cap of the aggregate consideration payable by the Group to the Shun Tak Group under the Fourth Renewed Master Service Agreement has been set at HK\$180,000,000 for each of the years ending December 31, 2023, 2024 and 2025;
- (iv) the monetary cap of the aggregate consideration payable by the Shun Tak Group to the Group under the Fourth Renewed Master Service Agreement has been set at HK\$2,500,000 for each of the years ending December 31, 2023, 2024 and 2025;
- (v) the monetary cap of the license fee payable to MGM Macau and MGM Cotai under the Third Renewed Branding Agreement has been set at US\$55,600,000, US\$57,600,000 and US\$60,000,000 for the years ending December 31, 2023, 2024, 2025 respectively, in respect to MGM Macau, MGM Cotai and any other Project, and the cap for any such other Project has been set at US\$10,000,000 for the initial financial year for each such Project, which amount shall increase each financial year by 20% per annum for each succeeding financial year; and
- (vi) the monetary cap of the aggregate consideration payable by the Group to the MGM Group under the Sixth Renewed MGM Marketing Agreement has been set at HK\$65,000,000, HK\$75,000,000 and HK\$85,000,000 for the years ending December 31, 2023, 2024, 2025, respectively.

Details of the Renewed Agreements subject to disclosure requirements under Chapter 14A of the Listing Rules are set out below:

## **I. Fourth Renewed Development Agreement**

### **1. Background**

As disclosed in the Third Renewed Marketing, Development and Master Service Agreement Announcement, MGM Branding, MGMGP, MGM Resorts International, MRIH, NCE and the Company entered into the Third Renewed Development Agreement on December 27, 2019. As the term of the Third Renewed Development Agreement will expire on December 31, 2022, the parties entered into the Fourth Renewed Development Agreement on December 8, 2022 to replace and renew the Third Renewed Development Agreement. The Fourth Renewed Development Agreement will be effective from January 1, 2023 and will expire on December 31, 2025. Pursuant to the Fourth Renewed Development Agreement, the Company has agreed to appoint MGM Branding to provide certain development services, either directly by itself or through any of its affiliates, to the Group in connection with future expansion of the existing project and development of future resort gaming projects.

### **2. Key terms of the Fourth Renewed Development Agreement**

**Date:** December 8, 2022

**Parties:**

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

**Term:** The Fourth Renewed Development Agreement will be effective from January 1, 2023 and will expire on December 31, 2025.

Subject to the compliance with the Listing Rules, or alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the Fourth Renewed Development Agreement, it 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.

The Third Renewed Development Agreement will expire and will be without further force or effect as of January 1, 2023.

**Principal terms:** MGM Branding has agreed to provide certain development services to the Group in connection with future expansion of the existing project and development of future resort gaming projects.

“Development services” shall include:

- (a) advice and assistance in connection with the selection of professionals to design, develop and construct any project;
- (b) coordination and liaison services associated required to assure that the above professionals work together in a coordinated and cooperative function;
- (c) construction supervisory services;
- (d) consultation in respect of pre-opening activities, such as personnel hiring, marketing, restaurant set-up, purchasing, information technology, insurance, government relation and compliance; and
- (e) assistance in the coordination of all such pre-opening activities

and all other needful advisory services reasonably required by the Company in connection with any project to the extent reasonably consistent with the past practices of MGMGP and/or industry standards.

MGM Branding may provide the development services directly or through any of its Affiliates. Each of MGM Resorts International and NCE has severally agreed that it shall use reasonable efforts to cooperate with, facilitate and support the provision of development services by MGM Branding to the Group in accordance with the Fourth Renewed Development Agreement.

The Group has agreed to pay development fees to MGM Branding in consideration for the development services provided. The development fee payable is equal to 2.625% of the Project Costs incurred during the term of the Fourth Renewed Development Agreement for each Project commenced or continuing in the territory during the term of the Fourth Renewed Development Agreement (whether or not completed during the term).

The Group is entitled to terminate the appointment of MGM Branding as provider of development services if it fails to comply with its obligations to provide the services. MGM Branding is entitled to terminate the provision of development services if the Group fails to comply with its obligations under the Fourth Renewed Development Agreement, including the payment of development fee.

**Payment of fees:**

The development fees payable by the Group during the term, in respect of each Project, shall be limited to US\$15,000,000 for each of the years ending December 31, 2023, 2024 and 2025.

The development fees shall be paid in instalments as certain benchmarks set out under the Fourth Renewed Development Agreement are achieved.



### 3. *Annual caps*

The annual caps for each Project contemplated under the Fourth Renewed Development Agreement for each of the years ending December 31, 2023, 2024 and 2025 are as follows:

	<b>For the year ending December 31, 2023 <i>(US\$ '000)</i></b>	<b>For the year ending December 31, 2024 <i>(US\$ '000)</i></b>	<b>For the year ending December 31, 2025 <i>(US\$ '000)</i></b>
<b>Annual caps</b>	15,000	15,000	15,000

The historical development fees paid by the Group to MGM Branding under the Third Renewed Development Agreement are set out as follows:

	<b>For the year ended December 31, 2020 <i>(US\$ '000)</i></b>	<b>For the year ended December 31, 2021 <i>(US\$ '000)</i></b>	<b>For the nine months ended September 30, 2022 <i>(US\$ '000)</i></b>
<b>Historical transaction amount</b>	nil	nil	nil

The development fees payable under the Fourth Renewed Development Agreement were determined based on, amongst others, the potential projects that the Company may undertake and the assumption that there will be no significant increase in the aggregate costs and expenses. The annual caps under the Fourth Renewed Development Agreement were determined based on the Group's expected future developments under the Third Renewed Development Agreement.

#### **4. *Reasons for and benefit of renewal of the Third Renewed Development Agreement***

The major purpose of the Fourth Renewed Development Agreement is that, through the development services provided, the Company will have access to the expertise of MGM Resorts International and NCE (a company wholly-owned by Ms. Pansy Ho) in the design, construction, management and operation of high quality casino projects. The terms of the Fourth Renewed Development 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 Fourth Renewed Development 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. *Listing Rules Implications***

MGM Resorts International, through its wholly-owned subsidiaries, holds approximately 55.95% of the entire 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. According to the Listing Rules, MGM Resorts International, MRIH, Ms. Pansy Ho, NCE and MGM Branding are connected persons of the Company. As such, the transactions contemplated under the Fourth Renewed Development 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 of each Project contemplated under the Fourth Renewed Development 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. Fourth Renewed Master Service Agreement

### 1. *Background*

As disclosed in the Third Renewed Marketing, Development and Master Service Agreement Announcement, Shun Tak and MGMGP entered into the Third Renewed Master Service Agreement on December 27, 2019. As the term of the Third Renewed Master Service Agreement will expire on December 31, 2022, the parties entered into the Fourth Renewed Master Service Agreement on December 8, 2022 to replace and renew the Third Renewed Master Service Agreement. The Fourth Renewed Master Service Agreement will be effective from January 1, 2023, and will expire on December 31, 2025, and it governs the terms for the provision of products and services, including but not limited to, the provision of dry cleaning and laundry services, the provision of property cleaning services and the rental of hotel rooms between the Group and the Shun Tak Group.

### 2. *Key terms of the Fourth Renewed Master Service Agreement*

**Date:** December 8, 2022

**Parties:** (i) Shun Tak  
(ii) MGMGP

**Term:** The Fourth Renewed Master Service Agreement will be effective from January 1, 2023, and will expire on December 31, 2025.

Subject to the compliance with the Listing Rules, or alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the Fourth Renewed Master Service Agreement, it 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 the sale of cash vouchers and the provision of laundry 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 and intercompany 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, the First Renewed Master Service Agreement, the Second Renewed Master Service Agreement and the Third Renewed Master Service Agreement shall, unless stated otherwise, remain in full force and effect and subject to the terms of the Fourth Renewed Master Service Agreement. Please refer to the section headed "Existing Transactions" below for further details. Agreements or service contracts entered into under the Fourth Renewed Master Service Agreement will be in writing for a fixed term of not more than three years.

**Payment of fees:**

The aggregate consideration payable during the term by the Group to the Shun Tak Group for the products and services provided shall be limited to HK\$180,000,000 for each of the years ending December 31, 2023, 2024 and 2025.

The aggregate consideration payable during the term by the Shun Tak Group to the Group for the products and services provided shall be limited to HK\$2,500,000 for each of the years ending December 31, 2023, 2024 and 2025.

### 3. *Existing Transactions*

In accordance with the dry cleaning and laundry services agreement effective October 31, 2022, between Clean Living (Macau) Limited (“**Clean Living**”, an indirect subsidiary of Shun Tak) and MGMGP, Clean Living was appointed as a primary laundry service provider to clean linen items and garments used in MGM Macau and MGM Cotai. MGMGP will pay Clean Living a monthly fee based on predetermined unit prices for the number of items cleaned. The unit prices were determined on normal commercial basis, with reference to market prices and expected cleaning cost. Proposals were collected from multiple suppliers and agreements were awarded to three suppliers. Business was split based on pricing, quality of work on product type (flat sheets, terry, uniform dry cleaning, uniform laundry, etc). Prices negotiated with the three suppliers are generally in the same range and represent fair market value for the Company’s volume of business.

In accordance with the letter agreement dated September 7, 2022 entered into between Mandarin Oriental Macau (a subsidiary of Shun Tak), as the hotel manager on behalf of its owner Properties Sub F, Limited with MGMGP, rental of hotel rooms at intercompany rates were agreed during the period from October 1, 2022 to December 31, 2022. The room rates were agreed after arms’ length negotiation based on the type of rooms, market demand and seasonality. Mandarin Oriental Hotel is the only non-gaming hotel in immediate proximity to MGM Macau to use for overflow guests. Rates negotiated with Mandarin Oriental Macau are comparable to 5-star resorts and generally consistent with rates charged by the Group to Shun Tak Travel Services Limited (an associate of Shun Tak) for MGM Macau guestrooms. Shun Tak Group has indirect beneficial interests of 51% in Properties Sub F, Limited while the remaining interests are held by an independent third party.

In accordance with the wholesale agreement dated June 20, 2022 entered into between Turbojet Travel Services Limited and MGMGP, rental of MGM Macau’s hotel rooms at wholesale contract rates were agreed during the period from July 1, 2022 to December 31, 2022. The room rates were agreed after arms’ length negotiation based on the type of rooms, market demand and seasonality. Rates negotiated with Turbojet Travel Services Limited are comparable to rates offered to other travel agencies of similar sales volume.

In accordance with the marketing agreement entered into between MGMGP and Hongkong Land (One Central) Retail Property Management Limited, the agent of Properties Sub F, Limited, for the period from January 1, 2022 to December 31, 2022, MGMGP agrees to purchase cash vouchers from Hongkong Land (One Central) Retail Property Management Limited issued in respect of One Central Macau. The cash vouchers are redeemable by customers at participating merchants located at One Central Macau and MGMGP will be entitled to a rebate based on the total amount reimbursed to the participating merchants. The rate of rebatement negotiated with Hongkong Land (One Central) Retail Property Management Limited were agreed after arms' length negotiations and are comparable to rate of rebatement for similar cash vouchers.

#### 4. *Annual caps*

The annual caps for the continuing connected transactions contemplated under the Fourth Renewed Master Service Agreement for each of the years ending December 31, 2023, 2024 and 2025 are as follows:

##### *Payment from the Group to the Shun Tak Group*

	<b>For the year ending December 31, 2023 (HK\$'000)</b>	<b>For the year ending December 31, 2024 (HK\$'000)</b>	<b>For the year ending December 31, 2025 (HK\$'000)</b>
<b>Annual caps</b>	180,000	180,000	180,000

##### *Payment from the Shun Tak Group to the Group*

	<b>For the year ending December 31, 2023 (HK\$'000)</b>	<b>For the year ending December 31, 2024 (HK\$'000)</b>	<b>For the year ending December 31, 2025 (HK\$'000)</b>
<b>Annual caps</b>	2,500	2,500	2,500

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

*Payment from the Group to the Shun Tak Group*

	<b>For the year ended December 31, 2020 (HK\$'000)</b>	<b>For the year ended December 31, 2021 (HK\$'000)</b>	<b>For the nine months ended September 30, 2022 (HK\$'000) (unaudited)</b>
<b>Historical transaction amount</b>	44,459	39,497	25,367

*Payment from the Shun Tak Group to the Group*

	<b>For the year ended December 31, 2020 (HK\$'000)</b>	<b>For the year ended December 31, 2021 (HK\$'000)</b>	<b>For the nine months ended September 30, 2022 (HK\$'000) (unaudited)</b>
<b>Historical transaction amount</b>	12	20	13

The Group and the Shun Tak Group have entered into, and may continue to enter into, agreements or service contracts with details of the service scope and fees determined or to be determined at arm's length negotiations between the relevant member(s) of the Group and the relevant member(s) of the Shun Tak Group by reference to prevailing market prices and on normal commercial terms.

The annual caps on amounts payable by the Group to the Shun Tak Group under the Fourth Renewed Master Service Agreement were determined by reference to (i) historical amounts paid for services contemplated by the Third Renewed Master Service Agreement for the two years ended December 31, 2020 and 2021 and the nine months ended September 30, 2022 (unaudited); (ii) the estimated quantity of laundry services, property cleaning services, and provision of rental of hotel rooms at agreed rates which may be required by the Group during each of the years ending December 31, 2023, 2024 and 2025; and (iii) 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.

The annual caps on amounts payable by the Shun Tak Group to the Group under the Fourth Renewed Master Service Agreement were determined by reference to (i) historical amounts of revenues received for services contemplated by the Third Renewed Master Service Agreement for the two years ended December 31, 2020 and 2021 and the nine months ended September 30, 2022 (unaudited); (ii) the anticipated demand for the relevant products and services; (iii) the increase of the Group's capacity to provide services to the Shun Tak Group; and (iv) the anticipated room rates for hotel rooms during each of the years ending December 31, 2023, 2024 and 2025.

**5. *Reasons for and benefit of renewal of the Third Renewed Master Service Agreement***

The Fourth Renewed Master Service Agreement shall continue to provide a framework for the provision of products and services between the Group and the Shun Tak Group. The Fourth Renewed Master Service Agreement and the existing transactions shall continue to enable the Group to foster its hospitality-related business in Macau and enhance its overall revenue. The terms of the Fourth Renewed Master Service Agreement and the existing transactions 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 Fourth 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.



## **6. *Listing Rules Implications***

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 transactions contemplated under the Fourth Renewed Master Service 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 Fourth 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, announcement and the 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.

## **III. Third Renewed Branding Agreement**

### **1. *Background***

As disclosed in the Second Renewed Branding Agreement Announcement, the Company, MGMGP, MGM Branding, MGM Resorts International, MRIH and NCE entered into the Second Renewed Branding Agreement on June 26, 2022. As the term of the Second Renewed Branding Agreement will expire on December 31, 2022, the parties entered into the Third Renewed Branding Agreement on December 8, 2022 to replace and renew the Second Renewed Branding Agreement. Pursuant to the Third 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 Third Renewed Branding Agreement*

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

**Date:** December 8, 2022

**Parties:**

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

**Term:** The Third Renewed Branding Agreement will be effective from January 1, 2023 and will expire on December 31, 2025.

The Second Renewed Branding Agreement will expire and will be without further force or effect as of January 1, 2023.

**Principal terms:** Under the Third Renewed Branding Agreement, the Group has 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 Third 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 gaming laws and sanction laws.

On December 8, 2022, MGM Resorts International has licensed the Subject Marks to MRIH under the second renewed trademark license agreement (the “**Second Renewed License**”), which in turn, on December 8, 2022 has sub-licensed the Subject Marks to MGM Branding under the second renewed sublicense agreement (the “**Second Renewed Sublicense**”). MGM Branding has in turn sublicensed the Subject Marks to the Company pursuant to the Third 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 Second Renewed License or the Second Renewed Sublicense are terminated for any reason other than in circumstances involving a default by the Company under the Third 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 gross 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 Third Renewed Branding Agreement:** MGM Branding and MGM Resorts International can terminate the license granted to the Company under the Third Renewed Branding Agreement if, among other things:

- (i) any member of the Group breaches in any material respect any of its obligations under the Third 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 New Gaming Concession, or any gaming license or permit of any casino, casino hotel, hotel, integrated resort or other similar properties 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 Third 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 Third Renewed Branding Agreement is not terminable prior to the end of its term at will or on notice by any party.

### 3. *Annual cap*

The annual cap for the continuing connected transaction contemplated under the Third Renewed Branding Agreement for the years ending December 31, 2023, 2024 and 2025 are as follows:

	<b>For the year ending December 31, 2023 (US\$ '000)</b>	<b>For the year ending December 31, 2024 (US\$ '000)</b>	<b>For the year ending December 31, 2025 (US\$ '000)</b>
<b>Annual cap of license fees payable for:</b>			
<i>MGM Macau and MGM Cotai and additional properties the Group may develop</i>	55,600	57,600	60,000

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

	<b>For the year ended December 31, 2020 (US\$ '000)</b>	<b>For the year ended December 31, 2021 (US\$ '000)</b>	<b>For the nine months ended September 30, 2022 (US\$ '000) (unaudited)</b>
<b>Historical transaction amount</b>	11,492	21,188	8,730

The license fees payable under the Third 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 Second Renewed Branding Agreement. The annual cap under the Third Renewed Branding Agreement was 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, 2020 and 2021, and the nine months ended September 30, 2022 under the Second Renewed Branding Agreement; (ii) the anticipated revenues of the Company; (iii) an increase of US\$ 10 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 after the term of the Third 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 Third 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 Third Renewed Branding Agreement aligns the term of such license with the term of the New Gaming Concession. The terms of the Third 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 Third 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. *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 transaction contemplated under the Third Renewed Branding Agreement constitutes continuing connected transaction 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 cap for the period from January 1, 2023 to December 31, 2025 for the transaction contemplated under the Third Renewed Branding Agreement are more than 0.1% but less than 5%, such continuing connected transaction is only subject to the reporting, announcement and annual review requirements but is 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.



## IV. Sixth Renewed MGM Marketing Agreement

### 1. *Background*

As disclosed in the Third Renewed Marketing, Development and Master Service Agreement Announcement, the Company, MGM Resorts International, MGM Resorts International Marketing, Ltd., MGM Grand International Pte, Ltd., MGMGP entered into the Third Renewed MGM Marketing Agreement on December 27, 2019. The parties entered into the Fourth Renewed MGM Marketing Agreement on January 7, 2021 to replace and renew the Third Renewed MGM Marketing Agreement, and the Fifth Renewed MGM Marketing Agreement on June 26, 2022 to replace and renew the Fourth Renewed MGM Marketing Agreement. As the term under the Fifth Renewed MGM Marketing Agreement will expire on December 31, 2022, the parties entered into the Sixth Renewed MGM Marketing Agreement on December 8, 2022 to replace and renew the Fifth Renewed MGM Marketing Agreement. Pursuant to the Sixth Renewed MGM Marketing Agreement, MGM Resorts International and its designated affiliates will be entitled to receive marketing fees in consideration of referrals of gaming customers made to resort, hotel and casino properties owned or operated by the Group.

### 2. *Key terms of the Sixth Renewed MGM Marketing Agreement*

Key terms of the Sixth Renewed MGM Marketing Agreement are set out as below:

**Date:** December 8, 2022

**Parties:**

- (i) MGM Resorts International
- (ii) MGM Resorts International Marketing, Ltd
- (iii) MGM Grand International Pte, Ltd.
- (iv) MGMGP
- (v) the Company

**Term:** The Sixth Renewed MGM Marketing Agreement will be effective from January 1, 2023 and will expire on December 31, 2025.

The Fifth Renewed MGM Marketing Agreement will expire and will be without further force or effect as of January 1, 2023.

**Principal terms:**

Under the Sixth Renewed MGM Marketing Agreement, the Company has agreed to cause each Macau Group member to pay marketing fees to MGM Resorts International and its designated affiliates in consideration of the referrals of gaming customers made to resort, hotel and casino properties owned or operated by the members of the Macau Group.

The marketing fees payable are equal to 3% of the Theoretical Win associated with gaming play by customers referred (excluding any play with gaming promoters).

“Theoretical Win” means, in respect of any customer (i) in the case of cash chip play, the total amount wagered multiplied by the game house advantage; and (ii) in the case of rolling chip, the turnover amount multiplied by the theoretical rolling chip win percentage of 2.7%, in each case ignoring the actual win or loss experienced as a result of that customer’s play, provided in each case that “theoretical win” shall not exceed, as to any customer, 12.5% of the available credit line for that customer on the related visit.

**Payment of fees:**

The marketing fees payable by the Group during the term shall be limited to HK\$65,000,000, HK\$75,000,000 and HK\$85,000,000 for the years ending December 31, 2023, 2024 and 2025, respectively.

The marketing fees of each visit shall be paid on or prior to the twenty-fifth day of the month following receipt of payment by the Macau Group for the amounts owed to it by the customer in relation to a visit.

### 3. *Annual cap*

The annual cap for the continuing connected transaction contemplated under the Sixth Renewed MGM Marketing Agreement for the years ending December 31, 2023, 2024 and 2025 are as follows:

	<b>For the year ending December 31, 2023 (HK\$'000)</b>	<b>For the year ending December 31, 2024 (HK\$'000)</b>	<b>For the year ending December 31, 2025 (HK\$'000)</b>
<b>Annual caps</b>	65,000	75,000	85,000

The historical marketing fees paid by the Group to the MGM Group under the Fifth Renewed MGM Marketing Agreement are set out as follows:

	<b>For the year ended December 31, 2020 (HK\$'000)</b>	<b>For the year ended December 31, 2021 (HK\$'000)</b>	<b>For the nine months ended September 30, 2022 (HK\$'000) (unaudited)</b>
<b>Historical transaction amount</b>	4,165	3,363	826

The marketing fees payable under the Sixth Renewed MGM Marketing Agreement were determined based on, amongst others, the assessment of the incremental costs that the Group would have to incur to attract gaming customers and the historical fee arrangement under the Fifth Renewed MGM Marketing Agreement. The annual caps under the Sixth Renewed MGM Marketing Agreement were determined by reference to, amongst others, (i) the amount to be paid to properly compensate for the services of the marketing executives; (ii) sufficient additional fee capacity to address the expected growth of the Group's business through referrals and in particular the trend of the gaming revenue growth in the operation of MGM Cotai; (iii) the conclusion of the infrastructure developments facilitating more convenient travel to Macau, leading to an anticipated increase in marketing expenses to attract more potential gaming customers; and (iv) the fact that the marketing fee rates payable in respect of the fees are similar to those payable to independent agents in connection with referrals of gaming business.

Moreover, the historical marketing fees paid by the Group to the MGM Group for the two years ended December 31, 2020 and 2021 and the nine months ended September 30, 2022 (unaudited) under the Fifth Renewed MGM Marketing Agreement have been greatly affected by the recent pandemic and that the proposed caps reflect the post-pandemic market forecast in line with the annual caps in 2019, as well as the undertakings of international market expansion made by the MGMGP to the government of Macau as part of the tender process for the awarding of a new gaming concession.

#### **4. *Reasons for and benefit of renewal of the Sixth Renewed MGM Marketing Agreement***

The Sixth Renewed MGM Marketing Agreement entitles MGM Resorts International to continue to have a marketing presence at MGM Macau and MGM Cotai during the term of the Sixth Renewed MGM Marketing Agreement. The purpose of the Sixth Renewed MGM Marketing Agreement is to continue to utilize the established international marketing network of MGM Resorts International to direct additional gaming customers to the Company's properties. The terms of the Sixth Renewed MGM Marketing 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 Sixth Renewed MGM Marketing 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. *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. MGM Resorts International Marketing, Ltd. and MGM Grand International Pte, Ltd. are both wholly-owned subsidiaries of MGM Resorts International and are therefore also connected persons of the Company. As MGM Resorts International, MGM Resorts International Marketing, Ltd. and MGM Grand International Pte, Ltd. are connected persons, the transactions contemplated under the Sixth Renewed MGM Marketing 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 cap for the period from January 1, 2023 to December 31, 2025 for the transaction contemplated under the Sixth Renewed Branding Agreement are more than 0.1% but less than 5%, such continuing connected transaction is only subject to the reporting, announcement and annual review requirements but is 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.

## V. Information of Parties to the Renewed Agreements

### *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, 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 and MGM Cotai 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-concessionaires which holds a sub-concession for 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 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 55.95% 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 Resorts International Marketing, Ltd.***

MGM Resorts International Marketing, Ltd. is a company incorporated in Hong Kong. It is a wholly-owned subsidiary of MGM Resorts International. It is an investment holding company.

### ***MGM Grand International Pte, Ltd.***

MGM Grand International Pte, Ltd. is a company incorporated in Singapore. It is a wholly-owned subsidiary of MGM Resorts International. It is an investment holding company.

### ***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.

### ***Shun Tak***

Shun Tak is 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 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 group executive chairman and 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.

### ***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.

## VI. General

By virtue of Ms. Pansy Ho's interests in BEH, NCE and Shun Tak as mentioned above, and as Ms. Pansy Ho is a party to the New Deed of Non-Compete Undertakings, she is deemed to have a material interest in the Fourth Renewed Development Agreement, the Fourth Renewed Master Service Agreement, the Third Renewed Branding Agreement, the Sixth Renewed BEH Marketing Agreement and the New Deed of Non-Compete Undertakings. Ms. Pansy Ho has thus abstained from voting on the relevant Board resolutions in respect of the Fourth Renewed Development Agreement, the Fourth Renewed Master Service Agreement, the Third Renewed Branding Agreement, the Sixth Renewed BEH Marketing Agreement and the New Deed of Non-Compete Undertakings.

Save for the above, none of the other Directors has a material interest in the abovementioned continuing connected transaction under the Fourth Renewed Development Agreement, the Fourth Renewed Master Service Agreement, the Third Renewed Branding Agreement, the Sixth Renewed BEH Marketing Agreement and the New Deed of Non-Compete Undertakings.

## DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Affiliate(s)”	with respect to any person or entity, any other person or entity that, directly or indirectly, controls, is controlled by, or is under common control with, such entity. As used herein, the term “control” (including the terms “controlled by” and “under common control with”) means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of any entity, or the power to veto major policy decisions of any entity, whether through the ownership of voting securities, by agreement, or otherwise



“Announcements”	the First Renewed Deed of Non-Compete Undertakings Announcement, the Third Renewed Marketing, Development and Master Service Agreement Announcement, the Second Renewed Branding Agreement Announcement, the New Gaming Concession Announcement and the Provisional Award Announcement
“BEH”	Bright Elite Holdings Limited, a company incorporated under the laws of the British Virgin Islands, and which is wholly-owned by Ms. Pansy Ho
“BEH Marketing Agreement”	the marketing agreement effective from the Listing Date entered into between BEH, the Company and MGMGP
“Board”	the board of Directors of the Company
“Branding Agreement”	the branding agreement effective from the Listing Date entered into among our Company, MGMGP, 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, pai 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 holds a gaming license in any jurisdiction or which, directly or indirectly, is an owner, operator or developer of resort hotels or similar facilities, other than the Group or the MGM Group
“Concessionaires”	the holder(s) of a concession for the operation of casino games in Macau
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Counterparties”	the counterparties to the Company and/or MGMGP in each of the Fourth Renewed Development Agreement and/or the Fourth Renewed Master Service Agreement and/or the Third Renewed Branding Agreement and/or the Sixth Renewed MGM Marketing Agreement and/or the Sixth Renewed BEH Marketing Agreement
“Deed of Non-Compete Undertakings”	the deed of non-compete undertakings effective from the Listing Date entered into among the Company, MGM Resorts International and Ms. Pansy Ho
“Directors”	the director(s) of our Company
“Existing Agreements”	the First Renewed Deed of Non-Compete Undertakings, the Third Renewed Development Agreement, the Third Renewed Master Service Agreement, the Second Renewed Branding Agreement, the Fifth Renewed MGM Marketing Agreement and the Fifth Renewed BEH Marketing Agreement
“Fifth Renewed BEH Marketing Agreement”	the fifth renewed BEH Marketing Agreement effective June 26, 2022, entered into among BEH, the Company and MGMGP

“Fifth Renewed MGM Marketing Agreement”	the fifth renewed MGM Marketing Agreement effective June 26, 2022, entered into among MGM Resorts International, MGM Resorts International Marketing Ltd., MGM Grand International Pte, Ltd., MGMGP and the Company
“First Renewed Deed of Non-Compete Undertakings”	the first renewed Deed of Non-Compete Undertakings effective April 1, 2020, entered into among the Company, MGM Resorts International and Ms. Pansy Ho
“Fourth Renewed BEH Marketing Agreement”	the fourth renewed BEH Marketing Agreement effective January 7, 2021, entered into among BEH, the Company and MGMGP
“Fourth Renewed Development Agreement”	the fourth renewed Development Agreement effective from January 1, 2023 entered into among MGM Branding, MGMGP, MGM Resorts, MRIH, NCE and the Company
“Fourth Renewed Master Service Agreement”	the fourth renewed Master Service Agreement effective from January 1, 2023 entered into between MGMGP and Shun Tak
“Fourth Renewed MGM Marketing Agreement”	the fourth renewed MGM Marketing Agreement effective from January 7, 2021, entered into among MGM Resorts International, MGM Resorts International Marketing Ltd., MGM Grand International Pte, Ltd., MGMGP and the Company
“Governmental Authority”	means the government of any nation, state, city, locality or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, and any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing

“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
“Law”	means any foreign, federal, state or local law (including common law), statute, code, ordinance, rule, regulation, Order or other requirement
“Listing Date”	the date, June 3, 2011, on which the Shares were listed and from which dealings in the Shares were permitted to take place on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“Macau Government”	the government of Macau
“Macau Group”	collectively, the Company, MGMGP and their respective controlled affiliates which carry on the casino gaming business
“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 hotel and casino of that name in the Macau S.A.R. and all contiguous additions

“MGMGP”	MGM Grand Paradise S.A., a private company limited by shares (“ <b>sociedade anónima</b> ”) incorporated on June 17, 2004 under the laws of Macau, one of three Sub-Concessionaires and one of our subsidiaries
“MGM Group”	MGM Resorts International and its Affiliates, excluding MGM Branding, the Group, the Macau Group
“MGM Macau”	the hotel and casino of that name in the Macau S.A.R. and all contiguous additions
“MGM Marketing Agreement”	the marketing agreement effective from the Listing Date entered into among MGM Resorts International, MGM Resorts International Marketing Ltd., MGM Grand International Pte, Ltd., MGMGP and the Company
“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
“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 wholly-owned by Ms. Pansy Ho
“New Deed of Non-Compete Undertakings”	the new Deed of Non-Compete Undertakings effective from January 1, 2023, entered into among the Company, MGM Resorts International and Ms. Pansy Ho

“New Gaming Concession”	the concession for the operation of games of fortune or chance or other games in casino in the Macau Special Administrative Region of the People’s Republic of China, awarded by the Macau Government to MGMGP, for a term of 10 years effective from January 1, 2023, as the same may be extended from time to time in accordance with Law, following the expiry of the current gaming sub-concession on December 31, 2022
“Order”	means any order, injunction, judgment, doctrine, decree, ruling, writ, assessment, or arbitration award of a Governmental Authority
“Person”	any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted
“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
“Project”	the design, development and construction of any casino, casino hotel, integrated resort or other similar project or any Properties developed or acquired by the Group
“Project Costs”	the total costs incurred by the Group for the design, development and construction of the casino, casino hotel, integrated resort and other related projects associated with that project, including costs of construction, fixtures and fittings and equipment, signage, gaming and other supplies and equipment and all costs associated with the opening for business of casino, casino hotel and other resort facilities at such sites and the reasonably allocated costs of the project team, but excluding the cost in respect of the acquisition of the applicable land, gaming concessions, financing charges and licence fees

“Properties”	MGM Macau, MGM Cotai and any future casino, casino hotel, hotel, integrated resort or other similar properties developed or acquired by the Group
“Renewed Agreements”	the New Deed of Non-Compete Undertakings, the Fourth Renewed Development Agreement, the Fourth Renewed Master Service Agreement, the Third Renewed Branding Agreement, the Sixth Renewed MGM Marketing Agreement and the Sixth Renewed BEH Marketing Agreement
“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
“Revised Gaming Law”	Macau Law No. 7/2022 (Amendment to Macau Law No. 16/2001 Revised Legal Framework for the Operations of Games of Fortune and Chance in a Casino)
“Revised Tender Regulation”	Macau Administrative Regulation No. 28/2022 (Amendment to Macau Administrative Regulation No. 26/2001 Regulation on Public Tender and Concession Contract for Games of Fortune and Chance in a Casino and the Suitability and Financial Capability of Tenderers and Concessionaires)
“Second Renewed Branding Agreement”	the second renewed Branding Agreement effective June 26, 2022, entered into among the Company, MGMGP, MGM Branding, MGM Resorts International, MRIH and NCE
“Second Renewed License”	the trademark license agreement effective from January 1, 2023, entered into between MGM Resorts International and MRIH in respect of the Subject Marks
“Second Renewed Sublicense”	the trademark sublicense agreement effective from January 1, 2023, entered into between MRIH and MGM Branding in respect of the Subject Marks

“Share(s)”	ordinary share(s) with a nominal value of HK\$1.00 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)
“Shun Tak Group”	Shun Tak and its subsidiaries/associated companies
“Sixth Renewed BEH Marketing Agreement”	the sixth renewed BEH Marketing Agreement effective from January 1, 2023, entered into among BEH, the Company and MGMGP
“Sixth Renewed MGM Marketing Agreement”	the sixth renewed MGM Marketing Agreement effective from January 1, 2023, entered into among MGM Resorts International, MGM Resorts International Marketing Ltd., MGM Grand International Pte, Ltd., MGMGP and the Company
“SJM”	SJM Resorts, S. A., formerly Sociedade de Jogos de Macau, S. A.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, MGMGP and the Macau Government on April 19, 2005
“Sub-Concession Further Extension Contract”	the addendum to the Sub-Concession Contract between SJM and MGMGP executed on June 23, 2022 for further extension of the Sub-Concession Contract from June 26, 2022 to December 31, 2022
“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
“subsidiary”	has the meaning ascribed thereto in the Listing Rules
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules
“Third Renewed Branding Agreement”	the third renewed Branding Agreement effective from January 1, 2023 entered into among the Company, MGMGP, MGM Branding, MGM Resorts International, MRIH and NCE
“Third Renewed BEH Marketing Agreement”	the third renewed BEH Marketing Agreement effective January 1, 2020 entered into between BEH, the Company and MGMGP
“Third Renewed Development Agreement”	the third renewed Development Agreement effective January 1, 2020 entered into among MGM Branding, MGMGP, MGM Resorts International, MRIH, NCE and the Company
“Third Renewed Master Service Agreement”	the third renewed Master Service Agreement effective January 1, 2020 entered into between MGMGP and Shun Tak
“Third Renewed MGM Marketing Agreement”	the third renewed MGM Marketing Agreement effective January 1, 2020 entered into among MGM Resorts International, MGM Resorts International Marketing Ltd., MGM Grand International Pte, Ltd., MGMGP and the Company
“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, December 8, 2022

*As at the date of this announcement, our directors are William Joseph HORNBUCKLE, Pansy Catilina Chiu King HO, Chen Yau WONG and John M. MCMANUS as executive directors; Kenneth Xiaofeng FENG, 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.*