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

MGM CHINA HOLDINGS LIMITED

美高梅中國控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2282)

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS
CONSULTANCY SERVICES AGREEMENT**

References are made to the announcements of the Company dated January 13, 2021 and January 22, 2021 in relation to the entering of the Consultancy Services Agreement. As the Consultancy Services Agreement will expire on December 31, 2023, MGMGP and Occasions further entered into the Renewed Consultancy Services Agreement on November 24, 2023 to renew the Consultancy Services Agreement for a term of three years.

The Renewed Consultancy Services Agreement sets out the principal framework upon which any member of the Occasions Group may provide Services to any member of the MGM Group from time to time, for a term commencing from January 1, 2024 and ending on December 31, 2026, subject to the annual caps as set out in this announcement.

Ms. Pansy Ho is the Chairperson, executive Director and a substantial shareholder of the Company and is therefore a connected person of the Company. Since September 2020, Ms. Pansy Ho indirectly holds 50% of the entire issued share capital of Occasions. Therefore, Occasions is an associate of Ms. Pansy Ho and a connected person of the Company. As a result, the transactions contemplated under the Renewed Consultancy Services Agreement will 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 Renewed Consultancy Services Agreement are, on an annual basis, more than 0.1% but less than 5%, the continuing connected transactions contemplated thereunder are subject to reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS – RENEWED CONSULTANCY SERVICES AGREEMENT

(I) INTRODUCTION

References are made to the announcements of the Company dated January 13, 2021 and January 22, 2021 in relation to the entering of the Consultancy Services Agreement. As the Consultancy Services Agreement will expire on December 31, 2023, MGMGP and Occasions further entered into the Renewed Consultancy Services Agreement on November 24, 2023 to renew the Consultancy Services Agreement for a term of three years.

The Renewed Consultancy Services Agreement sets out the principal framework upon which any member of the Occasions Group may provide Services to any member of the MGM Group from time to time, for a term commencing from January 1, 2024 and ending on December 31, 2026, subject to the annual caps as set out in this announcement.

(II) KEY TERMS

Key terms of the Renewed Consultancy Services Agreement are set out below:

Date:	January 1, 2024
Parties:	(1) MGMGP (2) Occasions
Term:	Commencing from January 1, 2024 and ending on December 31, 2026.

Subject to the compliance with the Listing Rules or, alternatively, any waivers obtained from strict compliance with such requirements, upon expiration of the Renewed Consultancy Services 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:	Any member of the Occasions Group may provide Services to any member of the MGM Group from time to time.
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Terms of each specific service are or will be further detailed separately in an agreement which may be constituted by the acceptance of a price quotation, sales order or any other written document and have been or will be determined after arm's length negotiations between the parties and by reference to prevailing market prices.

In respect of the existing Services being provided by the Occasions Group to the MGM Group, all terms and conditions as agreed by the parties in existing written agreements shall, unless stated otherwise, remain in full force and effect and subject to the terms of the Renewed Consultancy Services Agreement. Please refer to the section headed "Historical Transactions" below for further details. Additional agreements to be entered into (if any) pursuant to the terms in the Renewed Consultancy Services Agreement shall be in writing for a fixed term of not more than three years.

Transaction Caps:

The aggregate billings payable during the Term by the MGM Group to the Occasions Group for the Services shall be limited to HK\$250 million for each of the three years ending December 31, 2024, 2025 and 2026.

(III) HISTORICAL TRANSACTIONS

Pursuant to the Consultancy Services Agreement entered into in 2021, Occasions agreed to provide the Services to the MGM Group. The MGM Group and the Occasions Group have also entered into certain ancillary agreements for determined Services with details of the service scope and fees determined after arm's length negotiations between the relevant member(s) of the MGM Group and the relevant member(s) of the Occasions Group by reference to prevailing market prices and on normal commercial terms. Certain existing arrangements for the Services between the MGM Group and Occasions Group will continue under the Renewed Consultancy Services Agreement.

The historical fees paid by the MGM Group to the Occasions Group in respect of the Services were approximately HK\$32.2 million, HK\$39.4 million and HK\$80.1 million for each of the two years ended December 31, 2021, 2022 and the nine months ended September 30, 2023, respectively.

Billings from the Occasions Group included out of pocket expenses paid by Occasions on behalf of the MGM Group when organizing the entertainment or events. The actual fee portion of the above amounts received by Occasions for the two years ended December 31, 2021 and 2022 and the nine months ended September 30, 2023 respectively were around 42%, 65% and 29% of the total billings.

(IV) ANNUAL CAPS

The annual caps for the continuing connected transactions contemplated under the Renewed Consultancy Services Agreement are HK\$250 million for each of the three years ending December 31, 2024, 2025 and 2026,

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

The annual caps under the Renewed Consultancy Services Agreement were determined with reference to, amongst others, (i) the historical fees paid by the MGM Group to the Occasions Group in respect of the Services for the two years ended December 31, 2021, 2022 and the nine months ended September 30, 2023; (ii) the increase in demand for the Services due to the increase in visitation numbers following the easing of travel restrictions in Macau in January 2023 and worldwide, as well as, the positive macroeconomic improvements; (iii) the forecasts on the continued increase in visitation numbers in the upcoming years; and (iv) the undertakings made by MGMGP to the Macau Government to implement the investment projects, including in gaming and non-gaming aspects, pursuant to the Concession Contract.

(V) REASONS FOR AND BENEFITS OF THE ENTERING INTO OF THE RENEWED CONSULTANCY SERVICES AGREEMENT

Occasions is a comprehensive integrated communications group, with offices in Macau, Hong Kong, Beijing and Shanghai. It has an in-depth understanding of MGM's brand positioning, operation, business model, culture, management and team to devise appropriate brand strategies.

The terms of the Renewed Consultancy Services Agreement were determined after arm's length negotiations between the relevant parties. The Directors (including the independent non-executive Directors) consider that the entering into the Renewed Consultancy Services Agreement is in the ordinary and usual course of business of the MGM 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.

(VI) PRICING MECHANISM AND INTERNAL CONTROL PROCEDURES

The MGM Group has in place a purchasing policy that outlines the requirements for procurement of goods and services rendered to the Group through the purchasing/supply chain services, with the aim of ensuring the procurement of quality goods and services at the best overall value from reputable suppliers and that purchasing decisions are made in compliance with different internal controls in place. The MGM Group shall conduct review and evaluation of the fees payable for the transactions contemplated under the Renewed Consultancy Services Agreement with reference to the rates quoted by other independent third party providers of comparable services, in order to ensure that the fees under such agreements are conducted on normal commercial terms. Deviations from the purchasing policy will require an explanation from the user department for approval as an exception to the purchasing policy.

Where it is impracticable to make reference to the rate of the service fees offered by independent third party service providers for comparable services, the MGM Group will take into consideration the service specifications, cost structure, profit margin, transaction amount, market condition, past performance of historical transactions between the MGM Group and the Occasions Group and the MGM Group's development strategy in determining the rate for the fees payable by the MGM Group for the Services contemplated under the Renewed Consultancy Services Agreement.

The Internal Audit team of the MGM Group will monitor and review the price for the Services periodically in order to ensure that the transactions under the Renewed Consultancy Services Agreement are conducted on normal commercial terms.

(VII) IMPLICATIONS UNDER THE LISTING RULES

Ms. Pansy Ho is the Chairperson, executive Director and a substantial shareholder of the Company and is therefore a connected person of the Company. Since September 2020, Ms. Pansy Ho indirectly holds 50% of the entire issued share capital of Occasions. Therefore, Occasions is an associate of Ms. Pansy Ho and a connected person of the Company. As a result, the transactions contemplated under the Renewed Consultancy Services Agreement will 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 Renewed Consultancy Services Agreement are, on an annual basis, more than 0.1% but less than 5%, the continuing connected transactions contemplated thereunder are subject to reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Appropriate disclosures will be made in the annual reports and accounts of the Company in accordance with the Listing Rules.

(VIII) INFORMATION OF PARTIES

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.

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 six concessionaires which holds a concession for the operation of casino games in Macau. The Company holds 100% of the Class A shares in MGMGP, which represent 84.6% of the voting power of the share capital of MGMGP. Ms. Pansy Ho and MGM Resorts International Holdings, Ltd, each owns 97.4% (representing 15% voting power) and 2.6% (representing 0.4% voting power) respectively of the Class B shares in MGMGP. MGMGP is a casino gaming resort developer, owner and operator in the greater China region. It owns and operates MGM Macau and MGM Cotai.

Occasions

Occasions is a company incorporated in Hong Kong that provides public relations, marketing, performing artist sourcing and event management consultancy services. It has become an associate of Ms. Pansy Ho and a connected person of the Company since September 2020.

Occasions is a wholly-owned subsidiary of Trimaran Capital Holding Limited, which is 50% indirectly held by Ms. Pansy Ho, the Chairperson, executive Director and a substantial shareholder of the Company, and 50% held by Ms. Michelle Cheng, a merchant and a third party independent of the Company and its connected persons.

Ms. Pansy Ho

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 Chairperson of the Company and an executive Director.

(IX) GENERAL

By virtue of Ms. Pansy Ho's interests in Occasions as mentioned above, she is deemed to have a material interest in the Renewed Consultancy Services Agreement. Ms. Pansy Ho has thus abstained from voting on the relevant Board resolutions in respect of the Renewed Consultancy Services Agreement.

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

(X) 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
“Board”	the board of Directors
“Company”	MGM China Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability, and the shares of which are listed on the Stock Exchange (stock code: 2282)
“Concession Contract”	The gaming concession contract entered into between MGMGP and the Macau Government on December 16, 2022, for the operation of games of fortune or chance or other games in casino in Macau, for a term of ten years effective from January 1, 2023, as the same may be extended from time to time in accordance with the law following its expiry
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Consultancy Services Agreement”	the consultancy services agreement dated January 13, 2021 entered into between MGMGP and Occasions
“Director(s)”	the director(s) of the Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“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
“MGM Group”	the Company and its subsidiaries
“MGMGP”	MGM Grand Paradise Limited, a company incorporated under the laws of Macau and a subsidiary of the Company and one of the six concessionaires authorised to operate games of fortune or chance or other games in casinos in Macau
“Ms. Pansy Ho”	Ho, Pansy Catilina Chiu King, a substantial shareholder, the Chairperson and an executive Director of the Company
“Occasions”	Occasions Asia Pacific Limited, is a company incorporated in Hong Kong that provides public relations, marketing, perform artist sourcing and event management consultancy services
“Occasions Group”	Occasions, its subsidiaries and/or its associated Companies
“Renewed Consultancy Services Agreement”	the renewed consultancy services agreement dated November 24, 2023, entered into between MGMGP and Occasions
“Services”	certain services to be provided by any member of Occasions Group to any member of MGM Group from time to time pursuant to the Renewed Consultancy Services Agreement, including but not limited to (i) project management and reporting; (ii) brand consultancy and marketing; (iii) public relations and media relations; (iv) KOL and celebrities relationship building; (v) social media campaign creative and execution; (vi) new and current partnership, co-brand opportunities identification and collaboration (brands, tenants, art, retail space, restaurants, spectacle or theatre); (vii) campaign activations; (viii) retail marketing; (ix) casino marketing; and any other services as the MGM Group sees fit
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“substantial shareholder(s)” has the meaning ascribed thereto in the Listing Rules

“%” per cent

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

Hong Kong, November 24, 2023

As at the date of this announcement, the Directors are Pansy Catilina Chiu King HO, William Joseph HORNBUCKLE, John M. MCMANUS, Jeny LAU and Kenneth Xiaofeng FENG as executive Directors, 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.