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

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(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2282)

VOLUNTARY ANNOUNCEMENT

FURTHER EXTENSION OF GAMING SUB-CONCESSION BY WAY OF AMENDMENT TO THE GAMING SUB-CONCESSION CONTRACT AND EXECUTION OF REVERSION UNDERTAKINGS

This announcement is made by the Company on a voluntary basis.

THE SUB-CONCESSION FURTHER EXTENSION CONTRACT

On April 19, 2005, as approved and authorised by the Macau Government, our subsidiary, MGM Grand Paradise, was granted a 15-year gaming sub-concession under the Sub-concession Contract, beginning on April 20, 2005 and expiring on March 31, 2020, to operate games of fortune and chance and other games in casino in Macau. As disclosed in the Prospectus, the gaming sub-concession is separate from SJM's gaming concession, and MGM Grand Paradise does not have any obligations to SJM pursuant to the Sub-concession Contract. The gaming sub-concession will not be affected by any modification, suspension, redemption, termination or rescission of the SJM's gaming concession and SJM is not entitled to unilaterally terminate the Sub-concession Contract.

As disclosed in the announcement of the Company on March 15, 2019, the Sub-concession Extension Contract was approved and authorized by the Macau Government and executed between SJM and MGM Grand Paradise, pursuant to which the gaming sub-concession of MGM Grand Paradise, which was due to expire on March 31, 2020, was extended for a further period up to June 26, 2022.

The Board is pleased to announce that on June 23, 2022, the Sub-concession Further Extension Contract has been approved and authorized by the Macau Government and executed between SJM and MGM Grand Paradise, pursuant to which the gaming sub-concession of MGM Grand Paradise, which is due to expire on June 26, 2022, would be extended for a further period up to December 31, 2022.

MGM Grand Paradise shall pay the Macau Government MOP47 million (equivalent to approximately HK\$45.63 million) upon signing of the Sub-concession Further Extension Contract as contract premium for such further extension.

The Sub-concession Further Extension Contract also requires MGM Grand Paradise to submit a bank guarantee in an amount of not less than MOP880 million (equivalent to approximately HK\$854.37 million) to the Macau Government within three months from the date of signing of the Sub-concession Further Extension Contract to warrant the fulfillment of an already existing commitment of labour liabilities upon expiry of the Sub-concession Further Extension Contract. The Macau Government may require an increase in the amount of the said guarantee, depending on the actual number of employees employed by MGM Grand Paradise.

THE REVERSION UNDERTAKINGS

The Board also announces that on June 23, 2022, the Reversion Undertakings have been approved and authorized by the Macau Government and executed by MGM Grand Paradise, pursuant to which Casino MGM Cotai and Casino MGM Macau shall be reverted, free of charge and without any encumbrances, to the Macau Government at the end of the extended sub-concession period on December 31, 2022. The Reversion Undertakings are required under the Gaming Law and in compliance with the terms of the Sub-concession Further Extension Contract.

SJM CONCESSION FURTHER EXTENSION CONTRACT

On the same date, SJM has executed the SJM Concession Further Extension Contract with the Macau Government to extend its gaming concession from June 26, 2022 up to December 31, 2022. For details of the SJM Concession Further Extension Contract, please refer to the announcement issued by SJM Holdings on June 23, 2022.

REASONS FOR AND BENEFITS OF THE SUB-CONCESSION FURTHER EXTENSION CONTRACT AND THE MGM SJM AGREEMENT

The Group's core business is the development and operation of casinos and related facilities in Macau. The Board considers that the Sub-concession Further Extension Contract represents an important development for the Group as it places MGM Grand Paradise in the same position as the other concessionaires and sub-concessionaires when the Macau Government considers inviting tenders for the next round of gaming concessions. The Reversion Undertakings are required under the Gaming Law. The Board considers that the terms of the Sub-concession Further Extension Contract and the Reversion Undertakings are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

This announcement is made by the Company on a voluntary basis.

INTRODUCTION

On April 19, 2005, as approved and authorised by the Macau Government, our subsidiary, MGM Grand Paradise, was granted a 15-year gaming sub-concession under the Sub-concession Contract, beginning on April 20, 2005 and expiring on March 31, 2020, to operate games of fortune and chance and other games in casino in Macau. As disclosed in the Prospectus, the gaming sub-concession is separate from SJM's gaming concession, and MGM Grand Paradise does not have any obligations to SJM pursuant to the Sub-concession Contract. The gaming sub-concession will not be affected by any modification, suspension, redemption, termination or rescission of the SJM's gaming concession and SJM is not entitled to unilaterally terminate the Sub-concession Contract.

As disclosed in the announcement of the Company on March 15, 2019, a Sub-concession Extension Contract was approved and authorized by the Macau Government and executed between SJM and MGM Grand Paradise, pursuant to which the gaming sub-concession of MGM Grand Paradise, which was due to expire on March 31, 2020, was extended for a further period up to June 26, 2022.

The Board is pleased to announce that on June 23, 2022, the Sub-concession Further Extension Contract has been approved and authorized by the Macau Government and executed between SJM and MGM Grand Paradise, pursuant to which the gaming sub-concession of MGM Grand Paradise, which is due to expire on June 26, 2022, would be extended for a further period up to December 31, 2022.

The Board also announces that on June 23, 2022, the Reversion Undertakings have been approved and authorized by the Macau Government and executed by MGM Grand Paradise, pursuant to which Casino MGM Cotai and Casino MGM Macau shall be reverted, free of charge and without any encumbrances, to the Macau Government, at the end of the extended sub-concession period on December 31, 2022. The Reversion Undertakings are required under the Gaming Law and in compliance with the terms of the Sub-concession Further Extension Contract.

On the same date, SJM has executed the SJM Concession Further Extension Contract with the Macau Government to extend its gaming concession from June 26, 2022 up to December 31, 2022. For details of the SJM Concession Further Extension Contract, please refer to the announcement issued by SJM Holdings on June 23, 2022.

THE SUB-CONCESSION FURTHER EXTENSION CONTRACT

The principal terms of the Sub-concession Further Extension Contract are set out below:

Date : June 23, 2022

Parties : (i) SJM; and
(ii) MGM Grand Paradise.

Further extension of the licensed term of gaming sub-concession

Pursuant to the Sub-concession Further Extension Contract, the extended expiry date of the gaming sub-concession of MGM Grand Paradise is further extended from June 26, 2022 up to December 31, 2022.

Contract premium for the further extension

MGM Grand Paradise shall pay the Macau Government MOP47 million (equivalent to approximately HK\$45.63 million) upon signing of the Sub-concession Further Extension Contract as the contract premium for such further extension. The payment of the contract premium is expected to be satisfied by internal resources of the Group and the Group's existing bank facilities.

Bank guarantee for fulfillment of the labour liabilities

MGM Grand Paradise is also required to provide a bank guarantee in an amount of not less than MOP880 million (equivalent to approximately HK\$854.37 million) to the Macau Government within three months from the date of signing of the Sub-concession Further Extension Contract to warrant the fulfillment of an already existing commitment of labour liabilities upon expiry of the Sub-concession Further Extension Contract. The Macau Government may require an increase in the amount of the said guarantee, depending on the actual number of employees employed by MGM Grand Paradise. The bank guarantee has been requested by the Macau Government to provide extra comfort to the labours of MGM Grand Paradise. MGM Grand Paradise will arrange for the issue of the said bank guarantee by an independent bank as soon as practicable and shall submit the same to the Macau Government within three months.

The contract premium and arrangements for the provision of the bank guarantee were determined following negotiations between the Macau Government and MGM Grand Paradise.

REVERSION UNDERTAKINGS

On June 23, 2022, pursuant to article 40 of the Gaming Law and the Sub-concession Further Extension Contract, MGM Grand Paradise has executed the Reversion Undertakings, pursuant to which the Casino MGM Cotai and the Casino MGM Macau shall be reverted, free of charge and without any encumbrances, to the Macau Government at the end of the extended sub-concession period on December 31, 2022.

REASONS FOR AND BENEFITS OF THE SUB-CONCESSION FURTHER EXTENSION CONTRACT AND THE MGM SJM AGREEMENT AND THE REVERSION UNDERTAKINGS

The Group's core business is the development and operation of casinos and related facilities in Macau. The Board considers that the Sub-concession Further Extension Contract represents an important development for the Group as it places MGM Grand Paradise in the same position as the other concessionaires and sub-concessionaires when the Macau Government considers inviting tenders for the next round of gaming concessions. The Reversion Undertakings are required under the Gaming Law. The Board considers that the terms of the Sub-concession Further Extension Contract and the Reversion Undertakings are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

The Company is the holding company of MGM Grand Paradise, one of the six companies authorised to operate casino games of fortune and other games of chance in casinos, under the terms of a sub-concession approved and authorized by the Macau Government and granted by SJM.

SJM is a subsidiary of SJM Holdings, one of the six companies authorised to operate casino games of fortune and other games of chance in casinos, under the terms of a concession granted by the Macau Government and SJM.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Macau Government and SJM are third parties independent of and not connected with the Company and its connected persons.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise.

“Board”	:	the board of Directors of the Company
“Company”	:	MGM China Holdings Limited, a company incorporated in the Cayman Islands on July 2, 2010 as an exempted company with limited liability
“Directors”	:	the Director(s) of the Company
“Gaming Law”	:	Macau Law No. 16/2001 (Legal Framework for the Operations of Games of Fortune and Chance in a Casino)
“Group”	:	the Company and its subsidiaries
“HK\$”	:	Hong Kong dollar(s), 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 of Hong Kong Limited, 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
“MGM Grand Paradise”	:	MGM Grand Paradise Limited, a private company limited by shares (“ <i>sociedade anónima</i> ”) incorporated on June 14, 2004 under the laws of Macau, one of three sub-concessionaires and one of our subsidiaries
“MOP”	:	Macau Pataca(s), the lawful currency of Macau
“Prospectus”	:	the IPO prospectus of the Company published on May 23, 2011
“Reversion Undertakings”	:	the undertaking executed by MGM Grand Paradise on June 23, 2022 for reversion of the Casino MGM Cotai and the Casino MGM Macau on December 31, 2022
“Shareholder(s)”	:	holder(s) of the share(s) of the Company from time to time
“SJM”	:	SJM Resorts, S.A., formerly Sociedade de Jogos de Macau, S.A., one of three concessionaires
“SJM Concession Further Extension Contract”	:	the addendum to the SJM Gaming Concession Contract between the Macau Government and SJM executed on June 23, 2022 for further extension of the SJM Gaming Concession Contract from June 26, 2022 to December 31, 2022
“SJM Gaming Concession Contract”	:	the gaming concession contract for the operation of casino games dated March 28, 2002 between the Macau Government and SJM, as amended and supplemented by supplemental agreements between the same parties dated April 29, 2005, September 26, 2013, January 23, 2017, March 15, 2019 and March 23, 2020.

- “SJM Holdings” : SJM Holdings Limited, a company incorporated in Hong Kong with limited liability, the ordinary shares of which are listed on the Stock Exchange
- “Sub-concession Contract” : the gaming sub-concession contract for the operation of casino games dated April 19, 2005 between SJM and MGM Grand Paradise
- “Sub-concession Extension Contract” : the addendum to the Sub-concession Contract between SJM and MGM Grand Paradise executed on March 15, 2019 for extension of the Sub-concession Contract from March 31, 2020 to June 26, 2022
- “Sub-concession Further Extension Contract” : the addendum to the Sub-concession Contract between SJM and MGM Grand Paradise executed on June 23, 2022 for further extension of the Sub-concession Contract from June 26, 2022 to December 31, 2022
- “Stock Exchange” : the Stock Exchange of Hong Kong Limited

For the purpose of this announcement, amounts in MOP are converted to HK\$ at the conversion rates of MOP1.03 = HK\$1.00 for illustration only. No representation was made that any amounts in MOP could have been or could be converted into HK\$ at such rate or any other rates.

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

Hong Kong, June 23, 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.