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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)

INSIDE INFORMATION ANNOUNCEMENT

**EXTENSION OF GAMING SUB-CONCESSION BY WAY OF AMENDMENT TO
THE GAMING SUB-CONCESSION CONTRACT**

RESUMPTION OF TRADING

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE SUB-CONCESSION EXTENSION CONTRACT

On 19 April 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 20 April 2005 and expiring on 31 March 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.

The Board is pleased to announce that on 15 March 2019, the Sub-concession 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 31 March 2020, would be extended for a further period up to 26 June 2022 which coincides with the expiry date of other concessionaires and sub-concessionaires so that all the original gaming concessions and sub-concessions will expire at the same time.

MGM Grand Paradise shall pay the Macau Government MOP200 million (equivalent to approximately HK\$194.17 million) upon signing of the Sub-concession Extension Contract as contract premium for such extension.

In addition, MGM Grand Paradise has agreed to participate in the Non-mandatory Central Provident Fund under Macau Law No. 7/2017 within three months from the date of signing of the Sub-concession Extension Contract.

The Sub-concession Extension Contract also requires MGM Grand Paradise to submit a bank guarantee in an amount of not less than MOP820 million (equivalent to approximately HK\$796.12 million) to the Macau Government within three months from the date of signing of the Sub-concession Extension Contract to warrant the fulfillment of an already existing commitment of labour liabilities upon expiry of the Sub-concession 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.

MGM SJM AGREEMENT

On 15 March 2019, MGM Grand Paradise has also executed the MGM SJM Agreement with SJM, pursuant to which MGM Grand Paradise shall pay SJM an amount of MOP20 million (equivalent to approximately HK\$19.42 million) in connection with the extension of the gaming sub-concession.

SJM CONCESSION EXTENSION CONTRACT

On the same date, SJM has executed the SJM Concession Extension Contract with the Macau Government to extend its gaming concession from 31 March 2020 up to 26 June 2022. For details of the SJM Concession Extension Contract, please refer to the announcement issued by SJM Holdings on 15 March 2019.

REASONS FOR AND BENEFITS OF THE SUB-CONCESSION 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 Extension Contract and the MGM SJM Agreement represent an important development for the Group as they place 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 Board considers that the terms of the Sub-concession Extension Contract and the MGM SJM Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange was halted with effect from 9:56 a.m. on 15 March 2019 at the request of the Company pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 1:00 p.m. on 15 March 2019.

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules and Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

INTRODUCTION

On 19 April 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 20 April 2005 and expiring on 31 March 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.

The Board is pleased to announce that on 15 March 2019, a Sub-concession 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 31 March 2020, would be extended for a further period up to 26 June 2022, which coincides with the expiry date of other concessionaires and sub-concessionaires so that all the original gaming concessions and sub-concessions will expire at the same time.

On 15 March 2019, MGM Grand Paradise has also executed the MGM SJM Agreement with SJM, pursuant to which MGM Grand Paradise shall pay SJM an amount of MOP20 million (equivalent to approximately HK\$19.42 million) in connection with the extension of the gaming sub-concession.

On the same date, SJM has executed the SJM Concession Extension Contract with the Macau Government to extend its gaming concession from 31 March 2020 up to 26 June 2022. For details of the SJM Concession Extension Contract, please refer to the announcement issued by SJM Holdings on 15 March 2019.

THE SUB-CONCESSION EXTENSION CONTRACT

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

Date : 15 March 2019

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

Extension of the licensed term of gaming sub-concession

Pursuant to the Sub-concession Extension Contract, the original expiry date of the gaming sub-concession of MGM Grand Paradise is extended from 31 March 2020 up to 26 June 2022.

Contract premium for the extension

MGM Grand Paradise shall pay the Macau Government MOP200 million (equivalent to approximately HK\$194.17 million) upon signing of the Sub-concession Extension Contract as the contract premium for such 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.

Participation in Non-mandatory Central Provident Fund

MGM Grand Paradise has agreed to participate in the Non-mandatory Central Provident Fund under Macau Law No. 7/2017 within three months from the date of signing of the Sub-concession Extension Contract.

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 MOP820 million (equivalent to approximately HK\$796.12 million) to the Macau Government within three months from the date of signing of the Sub-concession Extension Contract to warrant the fulfillment of an already existing commitment of labour liabilities upon expiry of the Sub-concession 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.

THE MGM SJM AGREEMENT

The principal terms of the MGM SJM Agreement are set out below:

Date : 15 March 2019

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

Payment to SJM

MGM Grand Paradise shall pay SJM an amount of MOP20 million (equivalent to approximately HK\$19.4 million) in connection with the extension of the sub-concession. The payment to SJM is expected to be satisfied by internal resources of the Group.

REASONS FOR AND BENEFITS OF THE SUB-CONCESSION 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 Extension Contract and the MGM SJM Agreement represent an important development for the Group as they place 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 Board considers that the terms of the Sub-concession Extension Contract and the MGM SJM Agreement 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 Director's 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.

RESUMPTION OF TRADING

Trading in the shares of the Company on the Stock Exchange was halted with effect from 9:56 a.m. on 15 March 2019 at the request of the Company pending the publication of this announcement. An application has been made to the Stock Exchange for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 1:00 p.m. on 15 March 2019.

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 Cayman Islands with limited liability, the ordinary shares of which are listed on the Stock Exchange
“Directors”	:	directors of the Company
“Group”	:	the Company and its subsidiaries
“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
“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 (“sociedade anónima”) incorporated under the laws of Macau and a subsidiary of the Company and is a sub-concessionaire of SJM pursuant to the Sub-concession Contract
“MGM SJM Agreement”	:	the agreement between SJM and MGM Grand Paradise executed on 15 March 2019 in connection with the extension of the sub-concession

“Shareholder(s)”	:	holders of the ordinary share(s) in the share capital of the Company
“SJM”	:	Sociedade de Jogos de Macau, S.A., a joint stock company (“sociedade anónima”) incorporated under the laws of Macau and a subsidiary of SJM Holdings
“SJM Concession Extension Contract”	:	the addendum to the SJM Gaming Concession Contract between the Macau Government and SJM executed on 15 March 2019 for extension of the SJM Gaming Concession Contract from 31 March 2020 to 26 June 2022
“SJM Gaming Concession Contract”	:	the gaming concession contract for the operation of casino games dated 28 March 2002 between the Macau Government and SJM, as amended and supplemented by supplemental agreements between the same parties dated 19 April 2005, 26 September 2013 and 23 January 2017
“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 19 April 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 15 March 2019 for extension of the Sub-concession Contract from 31 March 2020 to 26 June 2022
“Stock Exchange”	:	The Stock Exchange of Hong Kong Limited
“HK\$”	:	Hong Kong dollar(s), the lawful currency of Hong Kong

“MOP” : Macau Pataca(s), the lawful currency of Macau

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, March 15, 2019

As at the date of this announcement, our Directors are James Joseph MURREN, Pansy Catilina Chiu King HO, Chen Yau WONG, William Joseph HORNBUCKLE and Grant R. BOWIE as executive directors, Kenneth Xiaofeng FENG, James Armin FREEMAN and John M. MCMANUS as non-executive directors and Zhe SUN, Sze Wan Patricia LAM and Russell Francis BANHAM as independent non-executive directors.