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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)

SUPPLEMENTAL INFORMATION IN RELATION TO CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated January 13, 2021 (the “**Announcement**”) in relation to the continuing connected transactions of the Group under the Consultancy Services Agreement. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

(1) ULTIMATE BENEFICIAL OWNERS OF OCCASIONS

The Board wishes to provide the Shareholders and potential investors of the Company with additional information on the identities of the ultimate beneficial owners of Occasions, being the other party to the Consultancy Services Agreement. As at the date of this announcement, to the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, Occasions is a wholly-owned subsidiary of Trimaran Capital Holding Limited, which is 50% indirectly held by Ms. Pansy Ho, the Co-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.

(2) PRICING MECHANISM AND INTERNAL CONTROL PROCEDURES

As stated in the Announcement, the 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. 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 addition to the foregoing, the Board would like to provide further information in respect of the pricing mechanism and internal control measures in place to ensure that individual transactions will be conducted within the Consultancy Services Agreement, on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders.

Pricing mechanism

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 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 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 Consultancy Services Agreement are conducted on normal commercial terms.

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

Hong Kong, January 22, 2021

As at the date of this announcement, the Directors are William Joseph HORNBUCKLE, Pansy Catilina Chiu King HO, Chen Yau WONG and John M. MCMANUS as executive Directors, Kenneth Xiaofeng FENG, James Armin FREEMAN, Daniel J. TAYLOR and Ayesha Khanna MOLINO as non-executive Directors, and Zhe SUN, Sze Wan Patricia LAM, Russell Francis BANHAM and Simon MENG as independent non-executive Directors.