

## History

We were incorporated as an exempted company with limited liability in the Cayman Islands on July 2, 2010. MGM Grand Paradise, our principal subsidiary and a Subconcessionaire, owns and operates our sole property in Macau, MGM Macau, whose gaming revenues account for the substantially all of our current revenues. See the section headed “Business” in this prospectus for more information on our Company and our operations.

Following its decision to open Macau’s gaming industry, the Macau Government conducted an international tender process for gaming concessions in Macau. In March 2002, the Macau Government awarded gaming concessions to Galaxy, SJM and Wynn Macau, pursuant to the terms of the Macau Gaming Law and other related legislation. The Macau Government subsequently and successively authorized three subconcessions, permitting MGM Grand Paradise, VML and Melco Crown, to operate casino games and other games of chance in Macau. MGM Grand Paradise entered into the Subconcession Contract on April 19, 2005. The Subconcession will expire on March 31, 2020, unless extended. For additional details about the Subconcession and the subconcession regime, see the section headed “The Subconcession” in this prospectus.

Through MGM Grand Paradise, we were awarded a land concession for the development of what is now our sole operating property, MGM Macau. Upon receiving this concession, MGM Grand Paradise entered into a land concession contract on March 29, 2006 with the Macau Government under which MGM Grand Paradise was granted the exclusive use of the land for an initial term of 25 years, commencing from April 6, 2006. The construction of MGM Macau commenced shortly after the land concession and the lease were obtained and, less than two years later, on December 18, 2007, MGM Macau opened for business.

Our subsidiary, MGM Grand Paradise, was incorporated on June 17, 2004, with an authorized share capital of MOP1,000,000 divided into 1,000 ordinary shares of MOP1,000 each. On April 18, 2005, the share capital was increased to MOP200,000,000 divided into 200,000 ordinary shares of MOP1,000 each. MGM Grand Paradise was initially operated as a joint venture among Pansy Ho and her wholly-owned holding company, Grand Paradise Macau Limited (a company incorporated in the Isle of Man of which all of the issued shares are held by Pansy Ho), and MGM Resorts Macau, Ltd. and MGM Macau, Ltd., each a wholly-owned indirect subsidiary of MGM Resorts International. In April 2011, MGM Resorts Macau, Ltd. and MGM Macau, Ltd. transferred their entire shareholding in MGM Grand Paradise to MGM Resorts International Holdings.

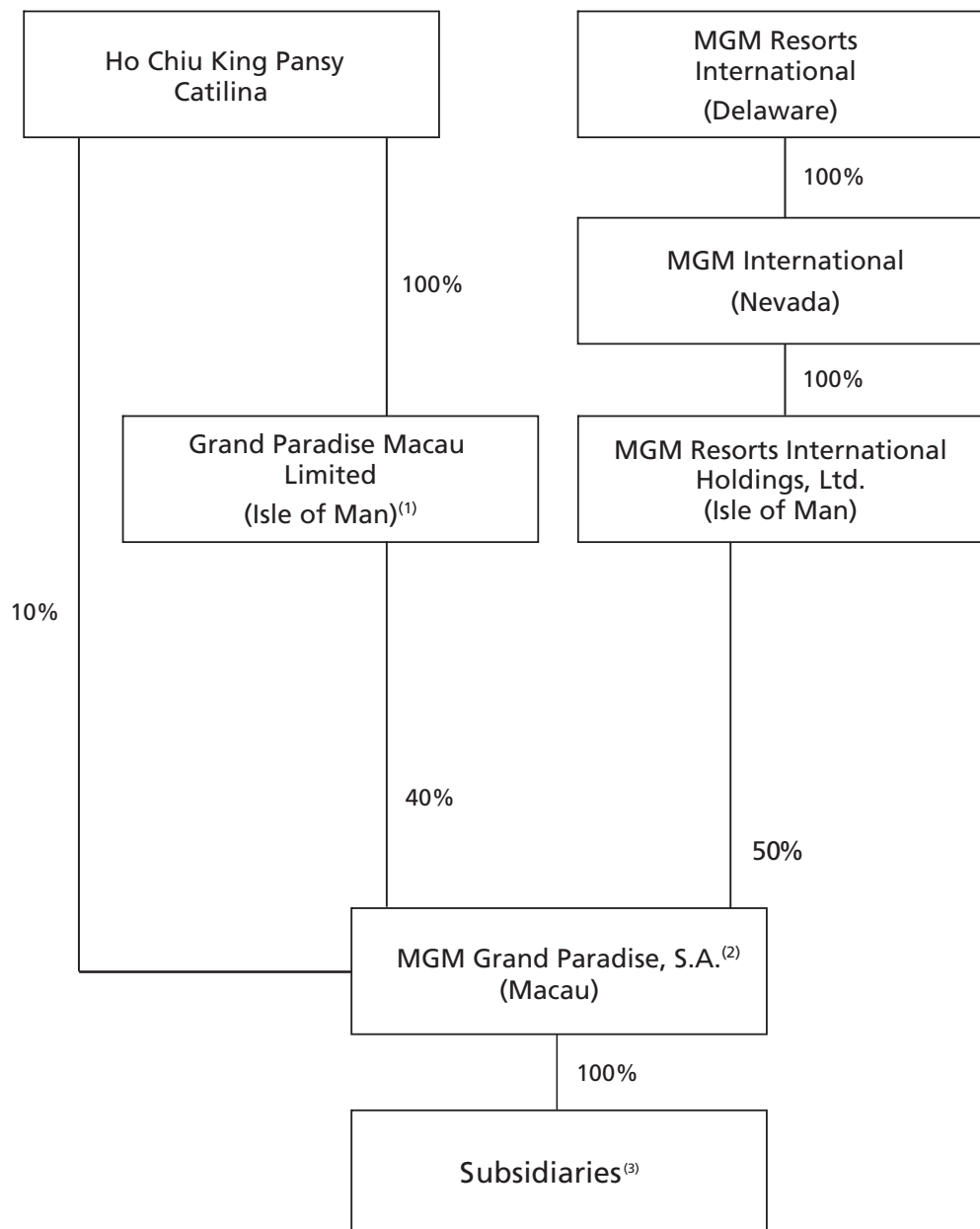
Pursuant to the Subconcession and applicable regulations in Macau, 10.0% of MGM Grand Paradise’s issued share capital (i.e., 20,000 ordinary shares of MGM Grand Paradise) must be held by a managing director appointed by MGM Grand Paradise who is also a permanent resident of Macau. To date, this requirement has been satisfied by Pansy Ho’s 10.0% direct shareholding interest in MGM Grand Paradise.

## HISTORY AND CORPORATE STRUCTURE

### Reorganization

Our Group will carry out the Reorganization described below as part of the preparation for the Global Offering. All other governmental and third party approvals and consents for the Listing and the Reorganization have been obtained as at the date of this prospectus. No approvals from the shareholders of MGM Resorts International are required for the Reorganization.

The structure of the Group prior to the Reorganization was as follows:



#### Notes:

(1) Daisy Ho has a beneficial interest in Grand Paradise Macau Limited by virtue of her having advanced funds to Grand Paradise Macau Limited at or around the time the Subconcession Agreement was awarded to MGM Grand Paradise.

(2) MGM Grand Paradise, S.A. has 200,000 existing issued shares.

(3) For the organizational structure of the subsidiaries, see the section headed “— Subsidiaries” in this prospectus.

As part of the Reorganization, the following will occur:

- The Company, MGM Grand Paradise, Pansy Ho, Grand Paradise Macau Limited and MGM Resorts International Holdings will enter into the Contribution and Share Issuance Agreement.
- Immediately upon receipt by the Company of the approval from the Stock Exchange for the listing of, and permission to deal in, the Shares on the Stock Exchange, Pansy Ho and MGM Resorts International Holdings shall each convert 20,000 of the shares held by them in MGM Grand Paradise (i.e. 10% each of the aggregate shareholding in MGM Grand Paradise and 20% of the overall shareholding in MGM Grand Paradise) into class B shares in order to satisfy the requirements of the Subconcession Contract and local Macau regulations that at least 10% of MGM Grand Paradise's issued share capital be held by a local managing director of MGM Grand Paradise. The class B shares will entitle the holder to voting rights but only de minimis economic rights. For additional information on the characteristics of the class B shares, see the section headed "— Characteristics of the class B Shares". We have been advised by our Macau counsel that the holding of these class B shares by Pansy Ho satisfies the requirement under Macau law that 10% of the issued share capital of the Subconcessionaire be held by a local managing director of the Subconcessionaire who is also a permanent resident of Macau.
- The remaining 160,000 outstanding shares of MGM Grand Paradise will be designated as class A shares. 80,000 of such class A shares will be initially held by Grand Paradise Macau Limited and the remaining 80,000 of the class A shares will initially be held by MGM Resorts International Holdings.
- Immediately upon receipt by the Company of the approval from the Stock Exchange for the listing of, and permission to deal in, the Shares on the Stock Exchange, pursuant to the Contribution and Share Issuance Agreement, MGM Resorts International Holdings and Grand Paradise Macau Limited will contribute their 160,000 class A shares in MGM Grand Paradise to the Company in the manner set out below.
  - MGM Resorts International Holdings will contribute to the Company (i) its 80,000 class A shares (i.e. 50% of the class A shares); (ii) the Purchase Note and (iii) 50% of the Estimated Expense Amount (as defined below), in exchange for the issuance of 1,938,000,000 Shares. "Estimated Expense Amount" refers to the estimated amount of costs and expenses of the Listing, other than gross spread and incentive fees contemplated in the Hong Kong Underwriting Agreement and the International Underwriting Agreement.

Antonio Jose Menano's one share in the Company (issued to him upon the incorporation of the Company) will be purchased by MGM Resorts International Holdings upon completion of the Reorganization at the Offer Price.

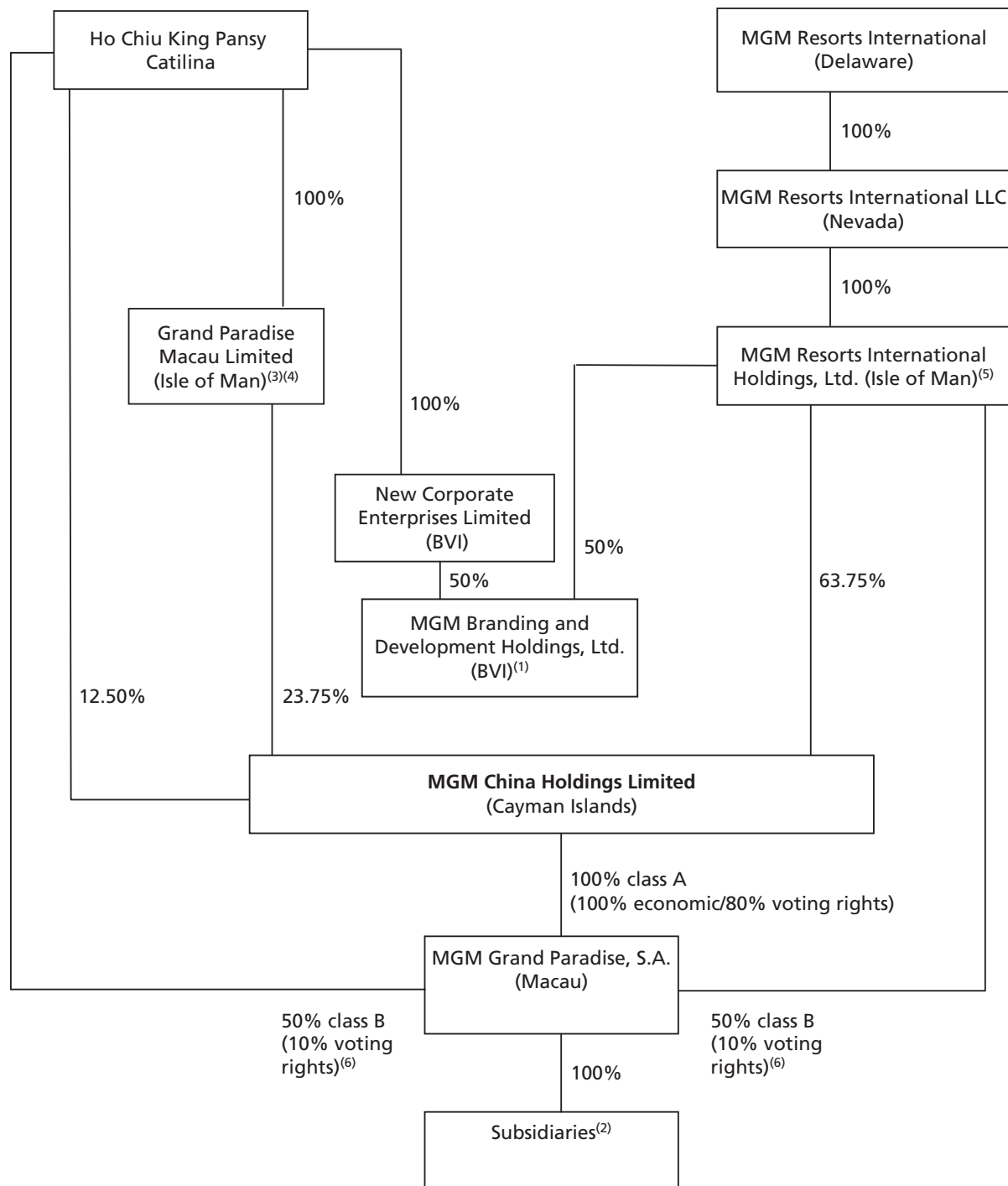
The Purchase Note will represent an amount due from MGM Resorts International Holdings to the Company and will be paid in cash upon consummation of the Listing. The Purchase Note shall be determined as the amount which is equal to the Offer Price times the number of shares which is equal to 1% of the issued and outstanding Shares (after giving effect to the Global Offering) plus the Offer Price of the one share of the Company acquired from Antonio Jose Menano.

## HISTORY AND CORPORATE STRUCTURE

- Grand Paradise Macau Limited will contribute its 80,000 class A shares (i.e. 50% of the class A shares) and 50% of the Estimated Expense Amount to the Company in exchange for (i) the issuance of 1,102,000,000 Shares, and (ii) the Acquisition Note. Grand Paradise Macau Limited will nominate Pansy Ho to receive 380,000,000 Shares (out of those otherwise deliverable to Grand Paradise Macau Limited), in consideration of the reclassification of her shares in MGM Grand Paradise into class B shares. The Acquisition Note will represent the amounts owing from the Company to Grand Paradise Macau Limited and will be paid in cash upon consummation of the Listing.
- The Company will remit the portion of the Estimated Expense Amount to MGM Grand Paradise that is sufficient to cover any expenses incurred by MGM Grand Paradise associated with the Listing. The Company will use the balance of the Estimated Expense Amount to pay for its other expenses associated with the Listing.
- Upon completion of the above steps, the Reorganization will be completed. The Reorganization to be completed prior to the Listing will involve interspersing the Company between MGM Grand Paradise Limited and its existing shareholders, whereby the Company becomes the holding company of the companies now comprising the Group, which does not constitute a business combination under IFRS 3 *Business Combinations*. As a result, no goodwill will arise from the Reorganization.

## HISTORY AND CORPORATE STRUCTURE

Immediately following the completion of the Reorganization, the structure of the Group will be as follows:



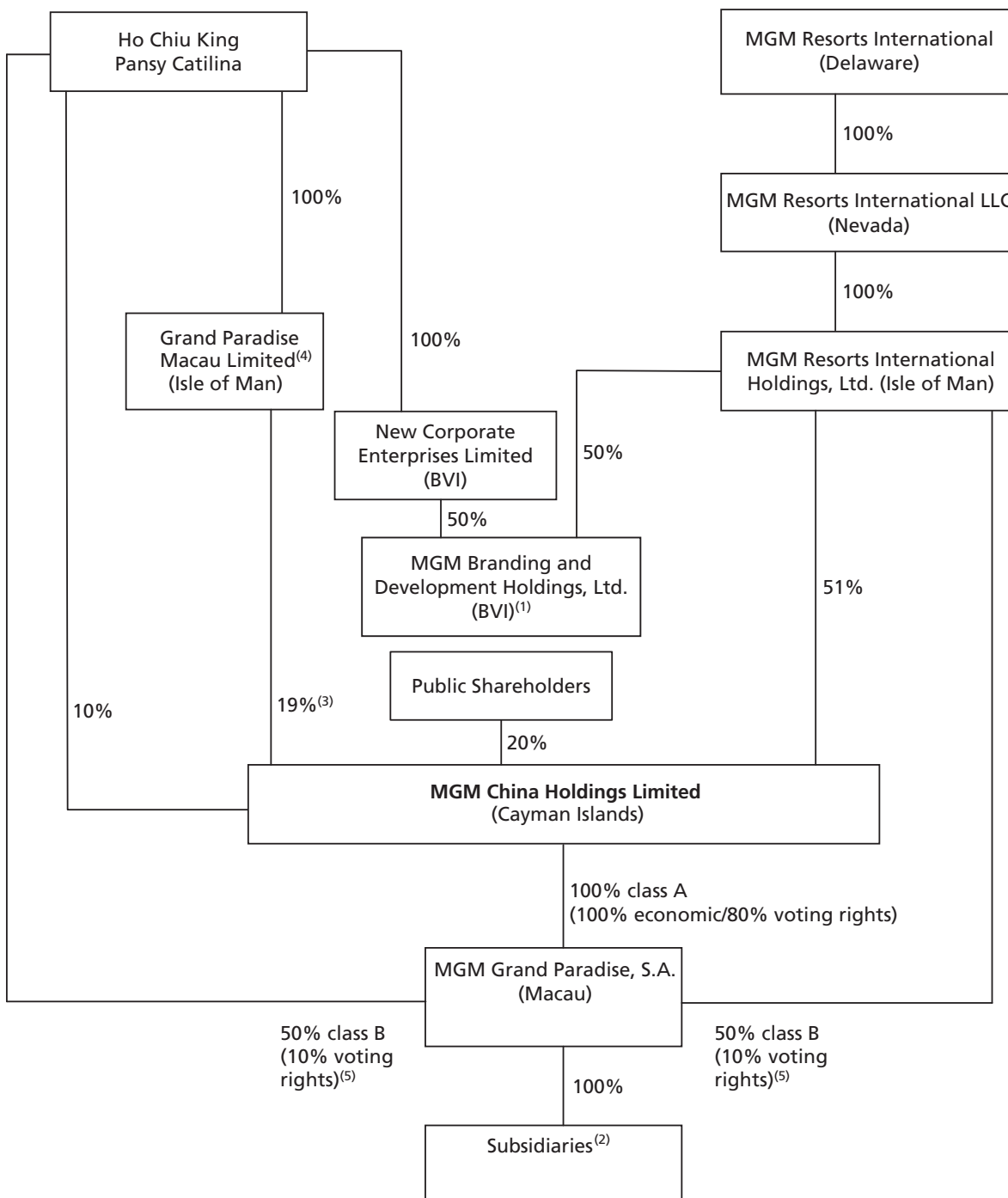
**Notes:**

- (1) For further information relating to MGM Branding and Development Holdings, Ltd. and details of the Trademark Sublicense Agreement, see the section headed “Connected Transactions” in this prospectus.
- (2) For the organizational structure of the subsidiaries, see the section headed “— Subsidiaries” in this prospectus.
- (3) Grand Paradise Macau Limited will also own the Acquisition Note issued by the Company.
- (4) Daisy Ho has a beneficial interest in Grand Paradise Macau Limited by virtue of her having advanced funds to Grand Paradise Macau Limited at or around the time the Subconcession Agreement was awarded to MGM Grand Paradise.

## HISTORY AND CORPORATE STRUCTURE

- (5) MGM Resorts International Holdings, Ltd. will also be obligated to the Company by way of the Purchase Note.
- (6) The class B shares entitle the holder only de minimis economic rights. Each holder of class B shares will be entitled to receive a portion of such dividends up to an amount of MOP1 only.

Immediately after the Reorganization and the Global Offering (assuming that the Over-allotment Option is not exercised), the structure of the Group will be as follows:



### Notes:

- (1) For further information relating to MGM Branding and Development Holdings and details of the Trademark Sublicense Agreement, see the section headed "Connected Transactions" in this prospectus.

## HISTORY AND CORPORATE STRUCTURE

- (2) For the organizational structure of the subsidiaries, see the section headed “— Subsidiaries” in this prospectus.
- (3) Grand Paradise Macau Limited will grant the International Underwriters an option, exercisable by the Joint Global Coordinators from the Listing Date until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, pursuant to which Grand Paradise Macau Limited may be required to sell up to an aggregate of 114,000,000 Shares (representing 3% of the Shares in issue immediately following the completion of the Global Offering) at the Offer Price to, among other things, cover over-allocations in the International Offering, if any. In such event, the interest of Grand Paradise Macau Limited in the Shares will decrease by up to 3% of the Shares in issue following the completion of the Global Offering and there will be a corresponding increase in the public shareholding in the Company.
- (4) Daisy Ho has a beneficial interest in Grand Paradise Macau Limited by virtue of her having advanced funds to Grand Paradise Macau Limited at or around the time the Subconcession Contract was awarded to MGM Grand Paradise. Such beneficial interest is equal to a “look-through” interest in the Company of 6.25% prior to the Global Offering. Following the Global Offering, such beneficial interest will be settled in full by a combination of (i) an equity shareholding in Grand Paradise Macau Limited which is, following the latest time for exercise of the Over-allotment Option, equivalent to a “look-through” interest in the Company of up to 4.95% (being an equity shareholding in Grand Paradise Macau Limited of between approximately 26.05% (assuming the Over-allotment Option is not exercised) and approximately 30.94% (assuming the Over-allotment Option is exercised in full)); and (ii) cash to be distributed to Daisy Ho out of the amounts received by Grand Paradise Macau Limited under the Acquisition Note. The remainder of the share capital of Grand Paradise Macau Limited will be held by Pansy Ho.
- (5) The class B shares entitle the holder only de minimis economic rights. Each holder of class B shares will be entitled to receive a portion of such dividends up to an amount of MOP1 only.

Immediately following the completion of the Global Offering, assuming the Over-allotment Option is not exercised, (i) MGM Resorts International will hold, through MGM Resorts International Holdings, 1,938,000,001 Shares (representing 51% of the Shares plus the one Share purchased from Antonio Jose Menano), (ii) Pansy Ho will personally hold 380,000,000 Shares directly (representing 10% of the Shares), and an additional 722,000,000 Shares through Grand Paradise Macau Limited (representing 19% of the Shares); and (iii) the public will hold 760,000,000 Shares (representing 20% of the Shares).

In the event that the Over-allotment Option is exercised, all the Shares made available under the Over-allotment Option will be sold by Grand Paradise Macau Limited as a secondary offering of the Shares. Grand Paradise Macau Limited will grant the Over-allotment Option to the International Underwriters exercisable by the Joint Global Coordinators from the Listing Date until 30 days after the last day for the lodging of applications under the Hong Kong Public Offering, pursuant to which Grand Paradise Macau Limited may be required to sell up to an aggregate of 114,000,000 Shares (representing 3% of the Shares in issue immediately following the completion of the Global Offering) at the Offer Price to, among other things, cover over-allocations in the International Offering, if any. In such event, the interest of Grand Paradise Macau Limited in the Shares will decrease by up to 3% of the Shares in issue following the completion of the Global Offering and there will be a corresponding increase in the public shareholding in the Company. For further details regarding the use of proceeds from the Global Offering, see the section headed “Future Plans and Use of Proceeds” in this prospectus.

Following the completion of the Global Offering, our Company will use the net proceeds of the Global Offering to satisfy its obligations under the Acquisition Note pursuant to the Acquisition Agreement. It is anticipated that such payment will be made on the Listing Date. Our Company will make an announcement following such payment.

### **Ownership of the Company upon Completion of the Global Offering**

The effect of the Reorganization described above will be that MGM Resorts International’s interest in our Group will increase from 50% to 51%, and Pansy Ho’s interest (including that of Grand Paradise Macau Limited) will reduce from 50% to between 26% (assuming the Over-allotment Option is exercised in full) and 29% (assuming the Over-allotment Option is not exercised) following the Global Offering. As a result of the relationship between MGM Resorts International and Pansy Ho in respect of our Company following the completion of the Global Offering and the arrangements in place under the Voting Agreement, MGM Resorts International and Pansy Ho will be considered to be parties acting in concert (as that term is defined in the Takeovers Code) in

relation to our Company. Accordingly, the same group of shareholders will continue to hold the controlling interest in our Company for the purposes of compliance with the requirements of Listing Rule 8.05(3)(c). Pansy Ho will continue to be actively involved in the management of our Company in her capacity as chairperson and executive director, and will remain the second largest shareholder and part of the controlling concert party.

Since the establishment of the joint venture in respect of MGM Grand Paradise between MGM Resorts International and Pansy Ho in 2004, Pansy Ho has played a significant role in the development of our business. She was instrumental in securing the grant of the Subconcession in April 2005 and the grant of a land concession for the MGM Macau property in April 2006 through her established relationships with governmental bodies and within the wider business community in Macau. She led the team with the concept development and design of MGM Macau through her experience in integrated mixed use developments and real estate projects in Macau, in particular her expertise in the MICE sector. With her knowledge of the local market needs and her wider familiarity with the Macau gaming industry, the construction phase was delivered in a short time frame and the property opened in December 2007. She has also contributed to our Group since MGM Macau became operational by bringing to our Board the benefit of her experience in and knowledge of the Macau market, her relationships in the greater China region and her general business skills, particularly in the areas of strategy, design and marketing. Pansy Ho will continue to undertake the same role following completion of the Global Offering, together with her additional duties as chairperson and executive director of our Company as a listed company.

In the longer term, it is expected that Pansy Ho will play a significant role in any future development opportunities which our Group may explore within the Restricted Zone, utilizing her relationships and reputation in the greater China region. However, were Pansy Ho to play a less significant role in our Company in the future for any reason, our Group may cease to benefit from her contribution to management as mentioned above. For further details, see the section headed “Risk Factors — Risks Relating to Our Business — Risks relating to Our Business and Operations — If we fail to retain the services of Pansy Ho, our business, financial condition and results of operations may be adversely affected” in this prospectus.

### **Ownership and Control of MGM Grand Paradise**

As a result of the Reorganization outlined above, MGM Grand Paradise will have two classes of share capital, class A and class B, with each share carrying one vote.

Our Company will hold 100% of the class A shares, which will represent 80% of the voting power of the combined class A and class B shares of MGM Grand Paradise. Pansy Ho and MGM Resorts International Holdings will each own one half of the class B shares (or 10% of the voting power of the combined class A and class B shares of MGM Grand Paradise each). Although our Company will hold 80% of the issued share capital and voting rights of MGM Grand Paradise, it will have a 100% economic interest in MGM Grand Paradise through its ownership of all of the class A shares (other than the de minimis rights described in the section headed “— Characteristics of the class B shares”). Further, by reason of its 80% voting control, our Company will have de facto complete control of the operation of MGM Grand Paradise.

In the event that the services of Pansy Ho as a managing director of MGM Grand Paradise terminate, a compulsory assignment to a nominee of MGM Grand Paradise of all of Pansy Ho’s class B shares will be required for a consideration of MOP1 only.



### Characteristics of the class B Shares

The characteristics of the class B shares as set out in the articles of association of the MGM Grand Paradise are summarized below:

- **Voting power:** The class B shares will be issued at par value and will constitute 20% of the issued share capital of MGM Grand Paradise and represent 20% of the voting power of the combined class A and class B shares of MGM Grand Paradise.
- **Dividend entitlement:** On each occasion upon which dividends are paid by MGM Grand Paradise to the holders of class A shares, each holder of class B shares will be entitled to receive a portion of such dividends up to an amount of MOP1 only.
- **Change of managing director:** In the event that the services of Pansy Ho as a managing director of MGM Grand Paradise terminate, a compulsory assignment to a nominee of MGM Grand Paradise of all of Pansy Ho's class B shares will be required for a consideration of MOP1 only.

Since each holder of the class B shares will only hold 10% of the total voting power at a meeting of the shareholders of MGM Grand Paradise, neither class B shareholder will have the power to block the passing of any resolutions at such meetings, either individually or in the aggregate.

### Subsidiaries

For the purposes of the organizational charts presented in this section, the term "Subsidiaries" refers to the following:

MGM Grand Paradise directly and wholly owns the following five limited liability companies:

- MGM Grand Paradise (HK) Limited, incorporated on October 15, 2004 in Hong Kong, with an authorized share capital of HK\$10,000.00, divided into 10,000 shares of HK\$1.00 each, with two issued shares held in trust by Pansy Ho and James Joseph Murren on behalf of MGM Grand Paradise.
- Superemrego Limitada, incorporated on April 24, 2007 in Macau, with an authorized share capital of MOP25,000.00, divided in two quotas, one of MOP24,000.00 held by MGM Grand Paradise and one of MOP1,000.00 held in trust by Antonio Jose Menano on trust for MGM Grand Paradise. Superemrego Limitada was formed to act as MGM Grand Paradise employment agency as legally required to process the hiring of non-resident workers.
- Alpha Landmark Enterprises Ltd., incorporated on February 8, 2005, in the BVI, with an authorized share capital of US\$50,000.00 divided into 50,000 shares of US\$1.00 each, with one issued share, held by MGM Grand Paradise.
- Alpha Vision Investments Ltd., incorporated on February 8, 2005, in the BVI, with an authorized share capital of US\$50,000.00 divided into 50,000 shares of US\$1.00 each, with one issued share, held by MGM Grand Paradise.
- Apexworth Developments Ltd., incorporated on February 8, 2005, in the BVI, with an authorized share capital of US\$50,000.00 divided into 50,000 shares of US\$1.00 each, with one issued share, held by MGM Grand Paradise.

Alpha Landmark Enterprises Ltd., Alpha Vision Investments Ltd. and Apexworth Developments Ltd. were each created during the gaming concession negotiation process as part of a strategy to acquire the three pre-existing Macau incorporated companies identified below, each of which held a vested interest in one of three plots of land on the Macau Peninsula where MGM Macau was built. At a later stage, this land was directly granted to MGM Grand Paradise.

## HISTORY AND CORPORATE STRUCTURE

MGM Grand Paradise also indirectly and wholly owns the following three limited liability companies:

- Prime Gestão de Hotéis S.A., incorporated on August 13, 2004 in Macau, with an authorized share capital of MOP1,000,000.00, divided into 10,000 shares of MOP100.00 each. Each of Alpha Landmark Enterprises Ltd., Alpha Vision Investments Ltd and Apexworth Developments Ltd. holds approximately one-third of the shares. On or about July 2007, the scope of this company was altered to hotel management and related services since it cooperates with MGM Grand Paradise on the hiring of non-resident hotel staff.
- Breve, S.A., incorporated on August 13, 2004 in Macau, with an authorized share capital of MOP1,000,000.00, divided into 10,000 shares of MOP100.00 each. Each of Alpha Landmark Enterprises Ltd., Alpha Vision Investments Ltd and Apexworth Developments Ltd. holds one-third of the shares. Brief Ltd. is currently dormant.
- Terra C Sub, S.A., incorporated on August 13, 2004, with an authorized share capital of MOP1,000,000.00, divided into 10,000 shares of MOP100.00 each. 74.99%, 25.00% and 0.01% of the shares are held by Prime Hotel Management Limited, Breve, S.A. and Apexworth Developments Ltd., respectively. Terra C Sub, S.A. is currently dormant.

Set out below is the organizational structure of our Subsidiaries:

