

The following is the text of a report received from our Company's internal control consultants, BDO Financial Services Limited, for the purpose of incorporation in this prospectus



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INDEPENDENT ASSURANCE REPORT

To: The Directors of MGM China Holdings Limited (the "Company")

We, BDO Financial Services Limited, have been engaged to perform a limited assurance engagement for the period from December 1, 2009 to December 31, 2010 on the anti-money laundering ("AML") control procedures compliance of MGM Grand Paradise Limited ("MGM Grand Paradise"), being the holder of the subconcession and a subsidiary of the Company, with the following AML statutes and guidelines (collectively known as "AML statutes and guidelines"):

- a. Instruction No. 2/2006 ("DICJ Instruction No. 2/2006") issued pursuant to the power conferred by article 4.3 of Administrative Regulation 34/2003, and based on the terms of article 2.2 of Administrative Regulation 7/2006 by the Director of Gaming Inspection and Coordination Bureau ("DICJ") under the Secretariat for Economy and Finance of the Macau Special Administrative Region of the People's Republic of China ("Macau") on November 13, 2006;
- b. Paragraph 1 and 3 of Article 34 of the Gaming Law (Law no. 16/2001);
- c. Paragraph 6 of Article 30 of the Gaming Promoters Regulation (Administrative Regulation no. 6/2002); and
- d. Anti-Money Laundering and Combating The Financing of Terrorism Guideline on Large Cash Transactions issued by the Monetary Authority of Macau.

Directors' Responsibility

The directors of MGM Grand Paradise are responsible for establishing and maintaining effective AML compliance procedures, systems, and controls including, without limitation, those designed to achieve MGM Grand Paradise's control objectives and its compliance with applicable laws and regulations. As at December 31, 2010, MGM Grand Paradise has enacted an AML policy that has been approved by the DICJ. The DICJ Instruction No. 2/2006 required MGM Grand Paradise to approve internal rules and procedures of combating money laundering and financing of terrorism, taking into consideration the applicable Macau legal dispositions, namely, Law No. 2/2006, Law No. 3/2006 and the Administrative Regulation No. 7/2006.

BDO Financial Services Limited's Responsibility

It is our responsibility to express a conclusion on whether any matters have come to our attention that causes us to believe that MGM Grand Paradise's AML control procedures do not comply, in all material respects, with the above AML statutes and guidelines based on the results of our work performed. We report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work with reference to the Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants. This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance on whether any matters have come to our attention that causes us to believe that the MGM Grand Paradise’s AML control procedures do not comply in all material respects with AML statutes and guidelines.

In a limited assurance engagement, the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on our judgment, including the assessment of MGM’s risks of material non-compliance with the AML statutes and guidelines. A summary of work performed to assess MGM Grand Paradise’s control procedures against AML statutes and guidelines is listed below:

1. Assessed control procedures on identification of money laundering risk and indicators of suspicious activity;
2. Assessed MGM Grand Paradise’s AML controls, communication, organization awareness and training to staff;
3. Assessed control procedures on identifying, recording and reporting large sum transactions with a value equal to or more than HK\$/MOP 500,000 or equivalent;
4. Assessed control procedures on identifying, recording and reporting suspicious transactions that may indicate activities of money laundering or funding terrorism;
5. Assessed record retention and information confidentiality control procedures;
6. Assessed control procedures on reporting the practice of criminal activities, including money laundering, by the gaming promoters;
7. Assessed whether an annual audit of MGM Grand Paradise’s financial statements has been performed by an independent and reputable external auditor approved by the DICJ and the Finance Services Bureau of Macau;
8. Assessed whether the previous year end financial statements and relevant statistics were reported to the DICJ not less than 30 days before the Annual General Meeting; and
9. Assessed the control procedures on monitoring large cash transactions in the exchange counters.

Inherent Limitation

We draw attention to the fact that the procedures performed and the report include inherent limitations that can influence the reliability of the information; as such, errors and irregularities may occur and not be detected. Such procedures cannot guarantee protection against fraudulent collusion. We cannot guarantee that the regulatory authority would not reach an alternative conclusion, as it is dependent upon their own interpretation of the legislation, regulations, and prevailing industry practices. Furthermore, our findings cannot be considered as legal advice. It should be noted that our conclusion is based on historical information, and the projection of any information contained in our conclusion to any future period is subject to the risk that changes in procedures or circumstances may alter their validity.

Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that MGM Grand Paradise’s AML control procedures do not comply, in all material

respects, with AML statutes and guidelines for the period from December 1, 2009 to December 31, 2010.

Restriction on Use and Distribution

Our report is intended solely for the use of the Company in connection with the submission to The Stock Exchange of Hong Kong Limited and for inclusion in the prospectus of the Company in connection with its proposed listing. This report may not be suitable for other purposes. This report is not intended to be, and should not be, distributed or used for any other purpose.

Yours faithfully
For and on behalf of
BDO Financial Services Limited

Tony Chan
Director