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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)

## **INSIDE INFORMATION**

### **ISSUE OF SENIOR NOTES**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the inside information provisions under Part XIVA of the SFO.

Reference is made to the announcement of the Company dated April 30, 2019 in respect of the Proposed Notes Issue.

The Board is pleased to announced that on May 8, 2019, the Company entered into the Purchase Agreement with Deutsche Bank AG, Singapore Branch and Merrill Lynch, Pierce, Fenner & Smith Incorporated as Representatives, and the other Initial Purchasers in connection with the issue of US\$750 million in aggregate principal amount of 5.375% senior notes due 2024 and US\$750 million in aggregate principal amount of 5.875% senior notes due 2026.

The Company estimates that the net proceeds from the offering of the Notes will be approximately US\$1,480 million, after deducting the discounts of the Initial Purchasers and other estimated offering expenses payable by the Company. The Company intends to use the net proceeds from the offering of the Notes to repay part of the outstanding amount under the revolving credit facility and the term loan facility under the MGM China Credit Facility.

The Company proposes to seek a listing of the Notes on the Stock Exchange by way of debt issues to Professional Investors only and has received an eligibility letter from the Stock Exchange for the listing of the Notes. Admission of the Notes to the Stock Exchange and quotation of any Notes on the Stock Exchange is not to be taken as an indication of the merits of the Company, the Group or the Notes.

Satisfaction of the obligations of the parties pursuant to the Purchase Agreement is subject to the fulfilment, or waiver, of the conditions precedent set out therein. In addition, the Purchase Agreement may be terminated under certain circumstances set out therein.

**As the obligations of the parties pursuant to the Purchase Agreement may or may not proceed to completion, shareholders and investors of the Company and prospective investors are reminded to exercise caution when dealing in the securities of the Company.**

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the inside information provisions under Part XIVA of the SFO.

Reference is made to the announcement of the Company dated April 30, 2019 in respect of the Proposed Notes Issue. The Board is pleased to announced that on May 8, 2019, the Company entered into the Purchase Agreement with Deutsche Bank AG, Singapore Branch and Merrill Lynch, Pierce, Fenner & Smith Incorporated as Representatives, and the other Initial Purchasers in connection with the issue of US\$750 million in the aggregate principal amount of 5.375% senior notes due 2024 and US\$750 million in the aggregate principal amount of 5.875% senior notes due 2026.

In relation to the Proposed Notes Issue, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Deutsche Bank AG, Singapore Branch, have been appointed as the joint global coordinators, Bank of China Limited, Macau Branch, Bank of Communications Co., Ltd. Macau Branch, Barclays Capital Inc., BNP Paribas, Industrial and Commercial Bank of China (Macau) Limited, J.P. Morgan Securities plc and SMBC Nikko Securities America, Inc. have been appointed as joint bookrunners and Banco Nacional Ultramarino, SA, China Construction Bank Corporation, Macau Branch, Scotia Capital (USA) Inc., China International Capital Corporation Hong Kong Securities Limited and Union Gaming Securities Asia Ltd. have been appointed as co-managers.

## THE PURCHASE AGREEMENT

Date: May 8, 2019 (New York time)

### Parties

- (i) the Company;
- (ii) Deutsche Bank AG, Singapore Branch and Merrill Lynch, Pierce, Fenner & Smith Incorporated, as Representatives; and
- (iii) the other Initial Purchasers.

The Notes have not been and will not be registered under the U.S. Securities Act, or the securities laws of any other jurisdiction, and are being offered and sold in the United States only to qualified institutional buyers in reliance on Rule 144A under the U.S. Securities Act, and outside the United States to non-U.S. persons in reliance on Regulation S under the U.S. Securities Act, and in accordance with any other applicable laws. The Notes will not be offered to the public in Hong Kong nor will the Notes be placed to any connected persons of the Company.

### Principal terms of the Notes

	<b>2024 Notes</b>	<b>2026 Notes</b>
Issuer	: the Company	the Company
Aggregate principal amount	: US\$750,000,000	US\$750,000,000
Offering price	: 100% of the principal amount of the 2024 Notes	100% of the principal amount of the 2026 Notes
Issue date	: May 16, 2019 (New York time)	May 16, 2019 (New York time)
Interest rate	: 5.375% per annum, payable semi-annually in arrears on May 15 and November 15 of each year	5.875% per annum, payable semi-annually in arrears on May 15 and November 15 of each year
Maturity date	: May 15, 2024	May 15, 2026
First interest payment due date	: November 15, 2019	November 15, 2019

## **Ranking of the Notes**

The Notes will be general unsecured obligations of the Company and will (1) rank equally in right of payment with all of the Company's existing and future senior unsecured indebtedness; (2) rank senior to all of the Company's future subordinated indebtedness, if any; (3) be effectively subordinated to all of the Company's future secured indebtedness to the extent of the value of the assets securing such debt; and (4) be structurally subordinated to all existing and future obligations of the Company's subsidiaries, including the MGM China Credit Facility.

## **Redemption**

### ***Optional Redemption***

At its option, the Company may redeem the 2024 Notes and 2026 Notes, in whole or in part, at any time or from time to time prior to their stated maturity.

The redemption price for 2024 Notes that are redeemed before May 15, 2021 will be equal to the greater of (a) 100% of the principal amount of the 2024 Notes to be redeemed and (b) a "make-whole" amount as determined by an independent investment banker in accordance with the terms of the 2024 Indenture, plus in either case accrued and unpaid interest, if any, and additional amounts, if any, to, but not including, the redemption date. Prior to May 15, 2021, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds from certain equity offerings. On or after May 15, 2021, the Company may redeem the Notes, in whole or in part, at a premium declining ratably to zero, plus accrued and unpaid interest, if any, and additional amounts, if any, to, but not including, the redemption date.

The redemption price for 2026 Notes that are redeemed before May 15, 2022 will be equal to the greater of (a) 100% of the principal amount of the 2026 Notes to be redeemed and (b) a "make-whole" amount as determined by an independent investment banker in accordance with the terms of the 2026 Indenture, plus in either case accrued and unpaid interest, if any, and additional amounts, if any, to, but not including, the redemption date. Prior to May 15, 2022, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds from certain equity offerings. On or after May 15, 2022, the Company may redeem the Notes, in whole or in part, at a premium declining ratably to zero, plus accrued and unpaid interest, if any, and additional amounts, if any, to, but not including, the redemption date.

### ***Redemption for Tax Reasons***

All payments under or with respect to the Notes will be made without withholding or deduction for any taxes or other governmental charges, except to the extent required by law. If withholding or deduction is required by law, subject to certain exceptions, the Company will pay additional amounts so that the net amount received is no less than the amount that would have been received in the absence of such withholding or deduction. The Company may redeem the Notes in whole, but not in part, at any time, upon giving prior notice, if certain changes in tax law impose certain withholding taxes on amounts payable on the Notes, and, as a result, the Company is required to pay additional amounts with respect to such withholding taxes. If the Company exercises such redemption right, it must pay the holders of Notes a price equal to 100% of the principal amount of the Notes plus accrued and unpaid interest and additional amounts, if any, to but not including the date of redemption.

### ***Gaming Redemption***

The Indentures grant the Company the power to redeem the Notes if any Gaming Authority requires that a person who is a holder or the beneficial owner of Notes be licensed, qualified or found suitable under applicable gaming laws and such holder or beneficial owner, as the case may be, fails to apply or become licensed or qualified within the required time period or is found unsuitable.

### **Repurchase at the option of the holders of the Notes for Change of Control**

If the Company experiences both a change of control and a ratings event, each holder of the Notes will have the right to require the Company to repurchase all or any part of that holder's Notes at 101% of their principal amount plus accrued and unpaid interest, if any, and any additional amount, if any, to, but not including the date of such repurchase in accordance with the terms of the Indentures. The circumstances that will constitute a change of control include the occurrence of any of the following:

- (1) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the properties or assets of the Company and its subsidiaries, taken as a whole, to any "person" (as that term is used in Section 13(d)(3) of the United States Securities Exchange Act of 1934, as amended), other than to MGM Resorts International or a related party thereof as described in the Indentures;
- (2) the adoption of a plan relating to the liquidation or dissolution of the Company or any successor thereto;

- (3) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any “person” (as defined in clause (1) above), other than MGM Resorts International and any of its related parties (as described in the Indentures) becomes the beneficial owner, directly or indirectly, of more than 50% of the outstanding voting stock of the Company, measured by voting power rather than number of equity interests; or
- (4) the first day on which the Company ceases to own, directly or indirectly, at least 60% of the outstanding equity interests of (and at least a 60% economic interest in) MGM Grand Paradise Limited.

### **Special Put Option**

Upon the occurrence of (1) any event after which none of the Company or any of its subsidiaries has such licenses, concessions, subconcessions or other permits or authorizations as are necessary for the Company and its subsidiaries to own or manage casino or gaming areas or operate casino games of fortune and chance in Macau in substantially the same manner and scope as the Company and its subsidiaries are entitled to at the issue date, for a period of ten consecutive days or more, and such event has a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its subsidiaries, taken as a whole; or (2) the termination, rescission, revocation or modification of any gaming license which has had a material adverse effect on the financial condition, business, properties, or results of operations of the Company and its subsidiaries, taken as a whole, excluding any termination or rescission resulting from or in connection with any renewal, tender or other process conducted by the Macau government in connection with the granting or renewal of any gaming license; provided that such renewal, tender or other process results in the granting or renewal of the relevant gaming license, each holder of the Notes will have the right to require the Company to repurchase all or any part of such holder’s Notes at a purchase price in cash equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, and additional amounts, if any, to, but not including the date of repurchase.

### **Covenants**

The Notes and the Indentures will limit the Company’s ability to, among other things, whether directly or indirectly:

- (1) consolidate or merge with or into another person (whether or not the Company is the surviving entity); or
- (2) sell, assign, transfer, convey or otherwise dispose of all or substantially all of the properties or assets of the Company and its subsidiaries, taken as a whole, in one or more related transactions, to another person.

For the avoidance of doubt, a pledge, mortgage, charge, lien, encumbrance, hypothecation or grant of any other security interest on an asset or property shall not be considered as a sale, assignment, transfer, conveyance or disposal of such asset or property.

## **Events of Default**

The events of default under the Notes of each series include, among others:

- (1) default for 30 days in the payment when due of interest on the Notes of such series;
- (2) default in the payment when due (at maturity, upon redemption, repurchase or otherwise) of the principal of, or premium, if any, on the Notes of such series;
- (3) failure by the Company to comply with (a) any payment obligations (including, without limitation, obligations as to the timing or amount of such payments) at the option of the holders of the Notes upon certain change of control events or special put option events as described in the relevant Indenture; or (b) the covenant relating to merger, consolidation or sale of assets;
- (4) failure by the Company for 60 days after receipt of written notice from the applicable Trustee or the holders of at least 25% in aggregate principal amount of the Notes of an affected series then outstanding voting as a single class to comply with any of the other agreements in the applicable Indenture not identified in clauses (1), (2) or (3) above;
- (5) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by the Company or any of its subsidiaries (or the payment of which is guaranteed by the Company or any of its subsidiaries), whether such indebtedness or guarantee existed on the date of the applicable Indenture, or is created after the date of the applicable Indenture, if that default results in the acceleration of such indebtedness prior to its express maturity, and, in each case, the principal amount of any such indebtedness, together with the principal amount of any other such indebtedness the maturity of which has been so accelerated, aggregates US\$50.0 million or more (or the dollar equivalent thereof), if such acceleration is not annulled within 30 days after written notice as provided in the applicable Indenture;
- (6) failure by the Company or any of its Significant Subsidiaries to pay final non-appealable judgments (not paid or covered by insurance as to which the relevant insurance company has not denied responsibility) rendered against the Company or any Significant Subsidiary aggregating in excess of US\$50.0 million (or the dollar equivalent thereof), which judgments are not paid, bonded, discharged or stayed for a period of 60 days; and

(7) certain events of bankruptcy or insolvency described in the applicable Indenture.

## **LISTING OF THE NOTES**

The Company proposes to seek a listing of the Notes on the Stock Exchange by way of debt issues to Professional Investors only and has received an eligibility letter from the Stock Exchange for the listing of the Notes. Admission of the Notes to the Stock Exchange and quotation of any Notes on the Stock Exchange is not to be taken as an indication of the merits of the Company, the Group or the Notes.

## **USE OF PROCEEDS AND REASONS FOR THE PROPOSED NOTES ISSUE**

The Company estimates that the net proceeds from the offering of the Notes will be approximately US\$1,480 million, after deducting the discounts of the Initial Purchasers and other estimated offering expenses payable by the Company. The Company intends to use the net proceeds from the offering of the Notes to repay a portion of the outstanding amount under both the revolving credit facility and the term loan facility under the MGM China Credit Facility. As at March 31, 2019, we had cash and cash equivalents of HK\$3.39 billion (US\$0.43 billion) and had drawn down bank borrowings of HK\$17.96 billion (US\$2.29 billion) under the MGM China Credit Facility, consisting of HK\$13.26 billion (US\$1.69 billion) under the term loan credit facility and HK\$4.70 billion (US\$0.60 billion) under the revolving credit facility. As at April 30, 2019, we had drawn down bank borrowings of HK\$18.36 billion (US\$2.34 billion) under the MGM China Credit Facility, consisting of HK\$13.26 billion (US\$1.69 billion) under the term loan credit facility and HK\$5.10 billion (US\$0.65 billion) under the revolving credit facility.

The Directors (including the independent non-executive Directors) believe that the Proposed Notes Issue represents a good opportunity to raise additional funds for the Company and is in the interest of the Company and shareholders of the Company as a whole.

## **INFORMATION ABOUT THE COMPANY**

The Company is a leading developer, owner and operator of two integrated casino, hotel and entertainment resorts in Macau, MGM Macau and MGM Cotai, where it offers high-quality gaming, hospitality and entertainment experiences. MGM Grand Paradise Limited, the Company's subsidiary, holds one of the six gaming concessions or subconcessions permitted by the Macau government to operate casinos or gaming areas in Macau.

## GENERAL

Completion of the obligations of the parties to the Purchase Agreement is subject to the fulfilment, or waiver, of the conditions precedent set out therein. In addition, the Purchase Agreement may be terminated under certain circumstances set out therein.

**As the obligations of the parties to the Purchase Agreement may or may not proceed to completion, shareholders and investors of the Company are reminded to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“2024 Indenture”	the agreement between the Company and the Trustee that specifies the terms of the 2024 Notes including the interest rate and maturity date
“2024 Notes”	the US\$750 million 5.375% senior unsecured notes due 2024 to be issued by the Company
“2026 Indenture”	the agreement between the Company and the Trustee that specifies the terms of the 2026 Notes including the interest rate and maturity date
“2026 Notes”	the US\$750 million 5.875% senior unsecured notes due 2026 to be issued by the Company
“Board”	the board of Directors
“Company”	MGM China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning given to it under the Listing Rules
“Director(s)”	the directors of the Company

“Gaming Authority”	means any agency, authority, board, bureau, commission, department, office or instrumentality of any nature whatsoever of any national or foreign government, any state, province or city or other political subdivision or otherwise, whether on the date of the applicable Indenture or thereafter in existence, including the Government of the Macau Special Administrative Region and any other applicable gaming regulatory authority or agency, in each case, with authority to regulate the sale or distribution of liquor or any gaming operation (or proposed gaming operation) owned, managed or operated by the Company or its affiliates, including MGM Grand Paradise Limited
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indentures”	the 2024 Indenture and 2026 Indenture
“Initial Purchasers”	means Merrill Lynch, Pierce, Fenner & Smith Incorporated and Deutsche Bank AG, Singapore Branch, Bank of China Limited, Macau Branch, Bank of Communications Co., Ltd. Macau Branch, Barclays Capital Inc., BNP Paribas, Industrial and Commercial Bank of China (Macau) Limited, J.P. Morgan Securities plc, SMBC Nikko Securities America, Inc., Banco Nacional Ultramarino, SA, China Construction Bank Corporation, Macau Branch, Scotia Capital (USA) Inc., China International Capital Corporation Hong Kong Securities Limited and Union Gaming Securities Asia Ltd.
“Listing Rules”	the Rules Governing the Listing of Securities of the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“MGM China Credit Facility”	the term loan facility and revolving credit facility available pursuant to certain credit facility agreements entered into by the Company and MGM Grand Paradise Limited as co-borrowers, certain of the Company’s subsidiaries as guarantors and certain lenders (as amended and restated from time to time)

“Notes”	the 2024 Notes and the 2026 Notes
“PRC”	the People’s Republic of China and for the purposes of this announcement, excluding Hong Kong, Macau and Taiwan
“Professional Investors”	means (1) for persons in Hong Kong, professional investors as defined in Part 1 of Schedule 1 to the SFO (including those prescribed under section 397 of the SFO) and (2) for persons outside Hong Kong, a person to whom securities may be sold in accordance with a relevant exemption from public offer regulations in that jurisdiction
“Proposed Notes Issue”	the proposed issue of the Notes
“Purchase Agreement”	the purchase agreement dated May 8, 2019 (New York time) entered into between the Representatives, the other Initial Purchasers and the Company in relation to the Proposed Notes Issue
“Representatives”	Deutsche Bank AG, Singapore Branch and Merrill Lynch, Pierce, Fenner & Smith Incorporated as representatives of the Initial Purchasers
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Significant Subsidiary”	means any subsidiary that (a) contributed at least 10% of the Company’s and its subsidiaries’ total consolidated income from continuing operations before income taxes and extraordinary items for the most recently ended fiscal year of the Company or (b) owned at least 10% of total assets as of the last day of the most recently ended fiscal year of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	2024 Notes: U.S. Bank National Association 2026 Notes: U.S. Bank National Association

“United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“USD”	United States dollars, the lawful currency of the United States of America
“U.S. Securities Act”	United States Securities Act of 1933, as amended.

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

Hong Kong, May 9, 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.*