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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 and Debt Stock Codes: 6026, 6028, 40258)

## **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 March 24, 2021 in respect of the Proposed Notes Issue.

The Board is pleased to announced that on March 25, 2021 (New York time), the Company entered into the Purchase Agreement with BofA Securities, Inc., Bank of China Limited, Macau Branch and Industrial and Commercial Bank of China (Macau) Limited as the Representatives and the other Initial Purchasers in connection with the issue of US\$750 million in aggregate principal amount of 4.75% senior notes due February 1, 2027.

The Company estimates that the net proceeds from the offering of the Notes will be approximately HK\$5,743 million, or US\$741 million, after deducting the original issue 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 amounts outstanding under the Revolving Credit Facility and for general corporate purposes.

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 March 24, 2021 in respect of the Proposed Notes Issue. The Board is pleased to announce that on March 25, 2021 (New York time), the Company entered into the Purchase Agreement with BofA Securities, Inc., Bank of China Limited, Macau Branch and Industrial and Commercial Bank of China (Macau) Limited as the Representatives, and the other Initial Purchasers in connection with the issue of US\$750 million in the aggregate principal amount of 4.75% senior notes due February 1, 2027.

In relation to the Proposed Notes Issue, BofA Securities, Inc., Bank of China Limited, Macau Branch, Industrial and Commercial Bank of China (Macau) Limited have been appointed as the joint global coordinators and joint bookrunners and Bank of Communications Co., Ltd. Macau Branch, BNP Paribas<sup>1</sup>, SMBC Nikko Securities America, Inc., UBS AG Hong Kong Branch<sup>2</sup>,

<sup>1</sup> BNP Paribas is a public limited company (société anonyme) incorporated in France. The liability of its members is limited.

<sup>2</sup> UBS AG is incorporated in Switzerland with limited liability.

Barclays Capital Inc., Banco Nacional Ultramarino, SA, Deutsche Bank AG, Singapore Branch, J.P. Morgan Securities plc, Scotia Capital (USA) Inc., China Construction Bank Corporation, Macau Branch, China International Capital Corporation Hong Kong Securities Limited and Union Gaming Securities Asia Ltd have been appointed as joint bookrunners.

## **THE PURCHASE AGREEMENT**

Date: March 25, 2021 (New York time)

### **Parties**

- (i) the Company;
- (ii) BofA Securities, Inc., Bank of China Limited, Macau Branch and Industrial and Commercial Bank of China (Macau) Limited, as the 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.

### **Principal terms of the Notes**

Issuer	:	the Company
Aggregate principal amount	:	US\$750 million
Offering price	:	99.97% of the principal amount of the Notes
Issue date	:	March 31, 2021 (New York time)
Interest rate	:	4.75% per annum, payable semi-annually in arrears on February 1 and August 1 of each year, except that the first payment of interest, to be made on February 1, 2022, will be in respect of the period from and including March 31, 2021 to but excluding February 1, 2022
Maturity date	:	February 1, 2027
First interest payment date	:	February 1, 2022

## **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, including the Existing Notes and amounts outstanding under our Revolving Credit Facility and our Second Revolving Credit Facility; (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.

## **Redemption**

### ***Optional Redemption***

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

The redemption price for the Notes that are redeemed before February 1, 2024 will be equal to the greater of (a) 100% of the principal amount of the Notes to be redeemed and (b) a "make-whole" amount as determined by an independent investment banker in accordance with the terms of the Indenture, plus accrued and unpaid interest, if any, and additional amounts, if any, to, but not including, the redemption date. Prior to February 1, 2024, the Company may also redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds from certain equity offerings. On or after February 1, 2024, 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 Indenture grants the Company the power to redeem certain Notes if any Gaming Authority requires that a person who is a holder or the beneficial owner of such 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 Indenture. 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 Indenture;
- (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 Indenture) 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 Indenture 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 include, among others:

- (1) default for 30 days in the payment when due of interest on the Notes;
- (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;
- (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 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 Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class to comply with any of the other agreements in the 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 Indenture, or is created after the date of the 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 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 Indenture.



## **LISTING OF THE NOTES**

The Company proposes to seek a listing of the Notes on the Stock Exchange by way of debt issue 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 HK\$5,743 million, or US\$741 million, after deducting the original issue 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 amounts outstanding under the Revolving Credit Facility and for general corporate purposes.

As of December 31, 2020, the Company had cash and cash equivalents of HK\$2.6 billion (approximately US\$340 million). The Company also had available capacity of HK\$6.0 billion (approximately US\$774 million) under the Revolving Credit Facility and the Second Revolving Credit Facility as of February 26, 2021.

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:

“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
“Director(s)”	the directors of the Company
“Existing Notes”	the Company’s outstanding 5.375% senior notes due 2024, 5.25% senior notes due 2025 and 5.875% senior notes due 2026
“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 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
"HK\$"	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Indenture”	the agreement between the Company and the Trustee that specifies the terms of the Notes including the interest rate and maturity date
“Initial Purchasers”	means BofA Securities, Inc., Bank of China Limited, Macau Branch, Industrial and Commercial Bank of China (Macau) Limited, Bank of Communications Co., Ltd. Macau Branch, BNP Paribas, SMBC Nikko Securities America, Inc., UBS AG Hong Kong Branch, Barclays Capital Inc., Banco Nacional Ultramarino, SA, Deutsche Bank AG, Singapore Branch, J.P. Morgan Securities plc, Scotia Capital (USA) Inc., China Construction Bank Corporation, Macau Branch, China International Capital Corporation Hong Kong Securities Limited and Union Gaming Securities Asia Ltd.
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Macau”	the Macau Special Administrative Region of the PRC
“Notes”	the US\$750 million 4.75% senior unsecured notes due February 1, 2027 to be issued by the Company
“PRC”	the People’s Republic of China
“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 March 25, 2021 (New York time) entered into between the Representatives, the other Initial Purchasers and the Company in relation to the Proposed Notes Issue
“Representatives”	BofA Securities, Inc., Bank of China Limited, Macau Branch and Industrial and Commercial Bank of China (Macau) Limited, as representatives of the Initial Purchasers
“Revolving Credit Facility”	the revolving credit facility dated August 12, 2019 entered into between the Company and certain lenders, pursuant to which the lenders agreed to make available to the Company an unsecured revolving credit facility in an aggregate amount of HK\$9.75 billion (approximately US\$1.3 billion) with a final maturity date on May 15, 2024, as amended and modified from time to time
“Second Revolving Credit Facility”	the second revolving credit facility dated May 26, 2020 entered into between the Company and certain lenders, pursuant to which the lenders agreed to make available to the Company an unsecured revolving credit facility with a final maturity date on May 15, 2024, in an initial aggregate amount of HK\$2.34 billion (approximately US\$301.8 million), increased to HK\$3.12 billion (approximately US\$402.4 million) on June 29, 2020, and with an increase option pursuant to which the Company may increase the amount of the facility to up to HK\$3.9 billion (approximately US\$503.0 million), subject to certain conditions, as amended and modified from time to time
“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”	Wilmington Savings Fund Society, FSB
“United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the United States of America
“U.S. Securities Act”	United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder

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

Hong Kong, March 26, 2021

*As at the date of this announcement, our 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.*