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NAGACORP

金界控股有限公司

NAGACORP LTD.

金界控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Hong Kong stock code: 3918)

**ISSUE OF US\$350,000,000 7.95% SENIOR NOTES DUE 2024
BY THE COMPANY
AND
CONNECTED TRANSACTION
SUBSCRIPTION OF NOTES BY A CONNECTED PERSON**

NOTES ISSUE

Reference is made to the announcement of the Company dated 22 June 2020 in relation to the proposed offering of senior notes by the Company.

The Board is pleased to announce that on 24 June 2020, the Company together with the Guarantors entered into a Purchase Agreement with Credit Suisse, Morgan Stanley and UBS as representatives of the several Initial Purchasers, and as the Initial Purchasers in connection with the issue by the Company of an aggregate principal amount of US\$350,000,000 7.95% senior notes due 2024. These Notes will not be convertible into Shares.

The net proceeds of the Notes Issue, after deduction of fees, commissions and expenses, will amount to approximately US\$336.88 million. The Group intends to use the net proceeds from the Notes to:

- (1) redeem some or all of the outstanding 2021 Notes (and any accrued interest, costs, charges, premiums and expenses and other amounts incidental to repayment of the 2021 Notes) on or prior to maturity in 2021, and
- (2) general corporate purposes of the Company and its Restricted Subsidiaries, if any amounts remain from the redemption of the 2021 Notes.

Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle for the listing on the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries and associated companies or the Notes. No listing of the Notes has been, or will be, sought in Hong Kong.

SUBSCRIPTION OF NOTES BY A CONNECTED PERSON

Pursuant to the Notes Issue, the SPV has subscribed US\$45 million in principal amount of the Notes. The SPV is principally engaged in investment holding and is wholly-owned by Tan Sri Dr Chen Lip Keong. The SPV is hence an associate of Tan Sri Dr Chen Lip Keong and thus a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the Subscription by the SPV constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription by the SPV are below 5%, the Subscription by the SPV is subject to the reporting and announcement requirements, and is exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The subscription price of the Notes payable by the SPV is 98.167% of the principal amount of the Notes and is the same as the subscription price payable by the other investors in the Notes Issue. The Subscription by the SPV is being undertaken by the SPV as part of the Notes Issue and will enable the Company to raise funds. As the terms of the Subscription by the SPV are same as the other investors in the Notes Issue, the Directors (including the independent non-executive Directors) are of the view that the Subscription by the SPV is being made on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Since Tan Sri Dr Chen Lip Keong has an interest in the Notes, he and his son Mr. Chen Yiy Fon (being an associate of Tan Sri Dr Chen Lip Keong under Chapter 14A of the Listing Rules) have abstained from voting on the resolutions of the Board in respect of the approval of the Notes Issue and the Subscription by the SPV to avoid any conflict of interests.

INTRODUCTION

Reference is made to the announcement of the Company dated 22 June 2020 in relation to the proposed offering of senior notes by the Company.

The Board is pleased to announce that on 24 June 2020, the Company together with the Guarantors entered into a Purchase Agreement with Credit Suisse, Morgan Stanley and UBS as representatives of the several Initial Purchasers, and as the Initial Purchasers in connection with the issue by the Company of an aggregate principal amount of US\$350,000,000 7.95% senior notes due 2024. These Notes will not be convertible into Shares.

THE PURCHASE AGREEMENT

Date: 24 June 2020

Parties to the Purchase Agreement

- (a) Company as the issuer of the Notes;
- (b) Credit Suisse, Morgan Stanley and UBS as representatives of the several Initial Purchasers and as the Initial Purchasers; and
- (c) the Guarantors.

Credit Suisse, Morgan Stanley and UBS as the joint global coordinators, joint bookrunners and joint lead managers are managing the offer and sale of the Notes.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Credit Suisse, Morgan Stanley and UBS are independent third parties and are not connected persons of the Company.

The Notes have not been, and will not be, registered under the U.S. Securities Act. The Notes may not be offered or sold in the United States absent registration under the U.S. Securities Act or an exemption from registration under the U.S. Securities Act. There will be no public offer of the Notes in the United States. None of the Notes will be offered to the public in Hong Kong.

Principal terms of the Notes

Notes offered

Subject to certain conditions to completion, the Company will issue the Notes in an aggregate principal amount of US\$350,000,000 and the Notes will mature on 6 July 2024, unless earlier redeemed pursuant to the terms of the Notes.

Offer price

The offer price of the Notes will be 98.167% of the principal amount of the Notes.

Interest

The Notes will bear interest at a rate of 7.95% per annum, payable semi-annually in arrears on 6 January and 6 July of each year, commencing 6 January 2021.

Ranking of the Notes

The Notes are general obligations of the Company and will (1) rank equally in right of payment with all existing and future obligations of the Company that are not subordinated in right of payment to the Notes, including the Existing Notes; (2) rank senior in right of payment to any existing and future obligations of the Company that are subordinated in right of payment to the Notes; (3) be effectively subordinated in right of payment to any existing and future obligations of the Company that are secured by property or assets that do not secure the Notes, to the extent of the value of the property and assets securing such obligations; (4) be structurally subordinated to all existing and future obligations of the Company's subsidiaries that do not guarantee the Notes; and (5) be unconditionally guaranteed by the Guarantors.

Ranking of the Guarantees

The Guarantors will guarantee the due and punctual payment of the principal of, premium, if any, and interest on, and all other amounts payable under, the Notes. The Guarantee of each Guarantor: (1) is a general, joint and several obligation of such Guarantor; (2) will be effectively subordinated in right of payment to any existing and future obligations of such Guarantor that are secured by property or assets that do not secure such Guarantee, to the extent of the value of the property and assets securing such obligations; (3) will rank senior in right of payment to any existing and future obligations of such Guarantor subordinated in right of payment to such Guarantee; and (4) will rank equally in right of payment with all existing and future obligations of such Guarantor that are not subordinated in right of payment to such Guarantee, including the Existing Notes.

Events of default

The events of default under the Notes include, among others: (1) default in payment of interest, or additional amounts (if any), of the Notes when the same becomes due and payable, and such default continues for a period of 30 days; (2) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon redemption or otherwise; (3) failure by the Company or any Restricted Subsidiary (as defined in the Indenture) to comply with certain covenants under the Notes; (4) failure by the Company or any Restricted Subsidiary to comply with any other agreement in the Indenture, the Guarantees or under the Notes (other than a default specified in (1), (2) or (3) above) and such default or breach continues for a period of 60 days after notice by the trustee of the Notes or holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class; (5) default by the Company or any Restricted Subsidiary in the repayment of indebtedness having, in the aggregate, an outstanding principal amount of US\$20.0 million or more, provided certain circumstances occur; (6) failure by the Company or any Restricted Subsidiary to pay final judgments entered by a court or courts of competent jurisdiction aggregating in excess of US\$20.0 million, which judgments are not paid, discharged or stayed for a period of 60 days; (7) certain events of bankruptcy or insolvency described in the Indenture with respect to the Company or any Restricted Subsidiary that is a

Significant Subsidiary (as defined in the Indenture) or any group of Restricted Subsidiaries that, taken together, would constitute a Significant Subsidiary; (8) any Guarantor denies or disaffirms its obligations under its Guarantee or, except as permitted by the Indenture, the Guarantee is determined to be unenforceable or invalid or for any reason ceases to be in full force and effect; and (9) revocation, termination or rescission of the casino license which is continuing for a period of 60 days.

If an event of default (other than an event of default specified in (7) above) occurs and is continuing under the Indenture, the trustee of the Notes may, and shall upon the request of the holders of at least 25% in aggregate principal amount of the Notes outstanding, by written notice to the Company, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an event of default specified in (7) above occurs with respect to the Company, or any Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee of the Notes or any holder of the Notes or any other person.

Covenants

The Indenture will limit the ability of the Company and the ability of its Restricted Subsidiaries (as the case may be) to, among other things:

- (a) incur or guarantee additional indebtedness;
- (b) make specified restricted payments;
- (c) issue or sell capital stock of Restricted Subsidiaries;
- (d) sell assets;
- (e) create liens;
- (f) enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (g) enter into transactions with shareholders or affiliates; and
- (h) effect a consolidation or merger.

Redemption upon a Change of Control

Upon the occurrence of a Change in Control (as defined in the Indenture) event, the Company will make an offer to repurchase all outstanding Notes at a purchase price equal to 101% of their principal amount plus accrued and unpaid interest, if any, to the repurchase date.

Redemption for Taxation Reasons

Subject to certain exceptions, the Company may redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount thereof, plus accrued and unpaid interest, if any, to the redemption date, if the Company or any of the Guarantors would become obligated to pay certain additional amounts as a result of certain changes in specified tax laws or certain other circumstances.

Gaming Redemption

The Indenture will grant the Company the power to redeem the Notes if the gaming authority of any jurisdiction in which the Company or any of its subsidiaries conducts or proposes to conduct gaming 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.

Optional Redemption

At any time prior to 6 July 2022, the Company may at its option redeem the Notes, in whole or in part, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the applicable make-whole premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date, as set forth in the Indenture.

At any time after 6 July 2022, the Company may at its option redeem the Notes, in whole or in part, at the redemption prices set forth in the Indenture plus accrued and unpaid interest, if any, to the redemption date.

At any time prior to 6 July 2022, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering (as defined in the Indenture) at a redemption price of 107.95% of the principal amount of the Notes, plus accrued and unpaid interest, if any, to (but not including) the redemption date.

Reasons for the Notes Issue

The Group owns and operates the only integrated resort, known as the NagaWorld, in Phnom Penh, the capital city of Cambodia. The Notes Issue is being undertaken by the Group to refinance its 2021 Notes that will mature in 2021.

Proposed Use of Proceeds

The net proceeds of the Notes Issue, after deduction of fees, commissions and expenses incurred in connection with the offering, will amount to approximately US\$336.88 million. The Group intends to use the net proceeds from the Notes to:

- (1) redeem some or all of the outstanding 2021 Notes (and any accrued interest, costs, charges, premiums and expenses and other amounts incidental to repayment of the 2021 Notes) on or prior to maturity in 2021, and

- (2) general corporate purposes of the Company and its Restricted Subsidiaries, if any amounts remain from the redemption of the 2021 Notes.

Listing

Approval in-principle has been received for the listing and quotation of the Notes on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained herein. Approval in-principle for the listing on the SGX-ST is not to be taken as an indication of the merits of the Company, its subsidiaries and associated companies or the Notes. No listing of the Notes has been, or will be, sought in Hong Kong.

SUBSCRIPTION OF NOTES BY A CONNECTED PERSON

Pursuant to the Notes Issue, the SPV has subscribed US\$45 million in principal amount of the Notes. The SPV is principally engaged in investment holding and is wholly-owned by Tan Sri Dr Chen Lip Keong. The SPV is hence an associate of Tan Sri Dr Chen Lip Keong and thus a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the Subscription by the SPV constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Subscription by the SPV are below 5%, the Subscription by the SPV is subject to the reporting and announcement requirements, and is exempt from the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The subscription price of the Notes payable by the SPV is 98.167% of the principal amount of the Notes and is the same as the subscription price payable by the other investors in the Notes Issue. The Subscription by the SPV is being undertaken by the SPV as part of the Notes Issue and will enable the Company to raise funds. As the terms of the Subscription by the SPV are same as the other investors in the Notes Issue, the Directors (including the independent non-executive Directors) are of the view that the Subscription by the SPV is being made on normal commercial terms, the terms of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Since Tan Sri Dr Chen Lip Keong has an interest in the Notes, he and his son Mr. Chen Yiy Fon (being an associate of Tan Sri Dr Chen Lip Keong under Chapter 14A of the Listing Rules) have abstained from voting on the resolutions of the Board in respect of the approval of the Notes Issue and the Subscription by the SPV to avoid any conflict of interests.

DEFINITIONS

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

“2021 Notes”	the US\$300,000,000 aggregate principal amount of 9.375% Senior Notes due 2021 issued by the Company on 21 May 2018
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“associate”	has the meaning ascribed to it under the Listing Rules
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“Board”	the board of Directors
“Company”	NagaCorp Ltd., a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on the main board of the Stock Exchange (Stock code: 3918)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Credit Suisse”	Credit Suisse (Hong Kong) Limited, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the offer and sale of the Notes
“Director(s)”	director(s) of the Company
“Existing Notes”	the existing and outstanding 2021 Notes
“Group”	the Company and its subsidiaries from time to time
“Guarantees”	the guarantees to be given by each of the Guarantors on the Company’s obligations under the Indenture and the Notes
“Guarantors”	NagaCorp (HK) Limited, NAGAWORLD LIMITED, NagaCity Walk Limited, Naga 2 Land Limited and Naga 3 Company Limited.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Indenture”	the written agreement to be entered into between the Company as issuer of the Notes, the Guarantors and GLAS Trust Company LLC as trustee of the Notes, pursuant to which the Notes will be issued and governed by the laws of the State of New York
“Initial Purchasers”	Credit Suisse, Morgan Stanley and UBS
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Morgan Stanley”	Morgan Stanley & Co. International plc, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the offer and sale of the Notes

“Notes”	the US\$350,000,000 7.95% senior non-convertible notes due 2024 to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company and guaranteed by the Guarantors
“Purchase Agreement”	the agreement dated 24 June 2020 entered into between the Company, the Guarantors, Credit Suisse, Morgan Stanley and UBS in relation to the Notes Issue
“Restricted Subsidiaries”	the restricted subsidiaries of the Company pursuant to the Indenture governing the Notes
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SGX-ST”	the Singapore Exchange Securities Trading Limited
“Share(s)”	ordinary share(s) with par value of US\$0.0125 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“SPV”	ChenLipKeong Capital Limited, a company incorporated in the Cayman Islands with limited liability and is wholly-owned by Tan Sri Dr Chen Lip Keong
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription by the SPV”	the subscription of the Notes by the SPV
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Tan Sri Dr Chen Lip Keong”	the Controlling Shareholder, the founder, the chief executive officer and an executive Director of the Company
“U.S.” or “United States”	the United States of America, its territories and possessions and all areas subject to its jurisdiction
“U.S. Securities Act”	the United States Securities Act of 1933, as amended

“UBS” UBS AG Hong Kong Branch, one of the joint global coordinators, joint bookrunners and joint lead managers in respect of the offer and sale of the Notes

“US\$” United States dollars, the lawful currency of the United States

By Order of the Board
NagaCorp Ltd.
Lam Yi Lin
Company Secretary

Hong Kong, 24 June 2020

As at the date of this announcement, the Directors are:

Executive Directors

Tan Sri Dr Chen Lip Keong, Philip Lee Wai Tuck and Chen Yiy Fon

Non-executive Director

Timothy Patrick McNally

Independent Non-executive Directors

Lim Mun Kee, Michael Lai Kai Jin and Leong Choong Wah