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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)

(Stock code: 3918)

**INSIDE INFORMATION
PROPOSED NOTES ISSUE BY THE COMPANY
AND RECENT DEVELOPMENTS**

This announcement is made by the Company pursuant to Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

PROPOSED NOTES ISSUE

The Company proposes to conduct an international offering of the Notes to investors in Asia and Europe. In connection with the Proposed Notes Issue, the Company will provide certain qualified investors with recent corporate and financial information regarding the Group. The completion of the Proposed Notes Issue is subject to, among others, market conditions and investors' interest and therefore may or may not proceed. The Company has appointed Credit Suisse, Morgan Stanley and UBS as the joint global coordinators, joint bookrunners and joint lead managers in respect of the Proposed Notes Issue.

The Notes will not be convertible into Shares of the Company. If the Notes are issued, 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.

COMMITMENT TO SUBSCRIBE NOTES BY A CONNECTED PERSON

Pursuant to, and regardless of the level of subscription for, the Proposed Notes Issue, Tan Sri Dr Chen Lip Keong has committed to subscribe for up to US\$45 million in principal amount of the Notes (via his wholly-owned company, ChenLipKeong Capital Limited) to show his support for and confidence in the Group. As at the date of this announcement, the terms of the Subscription by ChenLipKeong Capital Limited have not been fixed and are subject to finalisation, but such terms will be the same as those for the other investors in the Notes, if the Proposed Notes Issue is consummated. Further details in respect of the Subscription by ChenLipKeong Capital Limited will be announced according to the Listing Rules as and when appropriate.

GENERAL

As no binding agreement in relation to the Proposed Notes Issue has been entered into as at the date of this announcement, the Proposed Notes Issue may or may not materialize. The completion of the Proposed Notes Issue is subject to, among others, market conditions and investors' interest and therefore may or may not proceed. Investors, Shareholders and holders of securities of the Company are urged to exercise caution when dealing in the securities of the Company.

Further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement in respect of the Proposed Notes Issue be entered into.

PROPOSED NOTES ISSUE

This announcement is made by the Company pursuant to Part XIVA of the SFO and Rule 13.09(2)(a) of the Listing Rules.

Introduction

The Company proposes to conduct an international offering of the Notes to investors in Asia and Europe. In connection with the Proposed Notes Issue, the Company will provide certain qualified investors with recent corporate and financial information regarding the Group. The completion of the Proposed Notes Issue is subject to market conditions and investors' interest and therefore may or may not proceed. The Company has appointed Credit Suisse, Morgan Stanley and UBS as the joint global coordinators, joint bookrunners and joint lead managers in respect of the Proposed Notes Issue.

Terms of the Notes, including the aggregate principal amount, the tenor, the offer price and the interest rate, will be determined through a book building exercise to be conducted by Credit Suisse, Morgan Stanley and UBS as joint global coordinators in respect of the Proposed Notes Issue. As at the date of this announcement, the amount, terms and conditions of the Proposed Notes Issue have yet to be determined. Upon finalising the terms of the Notes, it is expected that Credit Suisse, Morgan Stanley, UBS and the Company, among others, will enter into the Purchase Agreement.

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.

Reason for the Proposed Notes Issue

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

Proposed use of net proceeds

If the Notes are issued, 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.

COMMITMENT TO SUBSCRIBE NOTES BY A CONNECTED PERSON

Pursuant to, and regardless of the level of subscription for, the Proposed Notes Issue, Tan Sri Dr Chen Lip Keong has committed to subscribe for up to US\$45 million in principal amount of the Notes (via his wholly-owned company, ChenLipKeong Capital Limited) to show his support for and confidence in the Group. As at the date of this announcement, the terms of the Subscription by ChenLipKeong Capital Limited have not been fixed and are subject to finalisation, but such terms will be the same as those for the other investors in the Notes, if the Proposed Notes Issue is consummated. Further details in respect of the Subscription by ChenLipKeong Capital Limited will be announced according to the Listing Rules as and when appropriate.

GENERAL

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Further announcement in respect of the Proposed Notes Issue will be made by the Company should the Purchase Agreement in respect of the Proposed Notes Issue be entered into.

RECENT DEVELOPMENTS

As disclosed in the announcement of the Company dated 1 April 2020, the MOEF ordered all casinos in Cambodia to temporarily stop their business activities starting from 24:00 on 1 April 2020 until further notice. In compliance with the order, our casino operations have been temporarily suspended since 24:00 on 1 April 2020 and they remain suspended until further notice from the MOEF. We are currently operating our Naga 1 Hotel with reduced occupancy rates, and limited food and beverage facilities. Our Naga 2 Hotel is currently closed. Duty free operations at NagaCity Walk remain in operation.

Prior to the temporary suspension of our casino operations, our average monthly expenditures, based on the three months ended 31 March 2020, were US\$18.4 million. These expenditures included run-rate operating costs of US\$13.9 million, maintenance capital expenditures of US\$1.3 million and interest expense of US\$3.2 million. In addition, the Company incurred monthly gaming obligation and non-gaming obligation payment of US\$0.9 million. We have undertaken, and expect to continue undertaking a series of actions to minimize our cash expenditures, including (i) scaling back of hotel and food and beverages operations, (ii) reducing payroll expenses by limiting staff on site and reducing employee pay since April 2020 and (iii) the closure of facilities to reduce utilities expenditure. After giving effect to these initiatives, we expect that our monthly run-rate operating costs will be US\$3.9 million. As of 31 March 2020 and 31 May 2020, we had cash and deposits of US\$464.9 million and US\$527.1 million, respectively. Although we have no other existing facilities to provide further liquidity, we believe that, after giving effect to the application of proceeds of the Proposed Notes Issue as described under "Proposed use of net proceeds", our liquidity could support approximately 18 months of operating expenditure and interest expenses, with minimal revenue. Our actual level of cash operating expenses in coming periods could be impacted by unanticipated developments of events beyond our control.

The expected results discussed above are based on preliminary financial information from 1 January 2020 through 31 May 2020. Actual results could differ materially from the above expectations. Financial information for June 2020 is not currently available.

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
“Board”	the board of Directors
“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
“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
“ChenLipKeong Capital Limited”	a company incorporated in the Cayman Islands with limited liability, a wholly-owned company of Tan Sri Dr Chen Lip Keong
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“MOEF”	Ministry of Economy and Finance of Cambodia
“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 senior non-convertible notes expected to be issued by the Company
“Proposed Notes Issue”	the proposed issue of the Notes
“Purchase Agreement”	the purchase agreement proposed to be entered into between, among others, the Company, Credit Suisse, Morgan Stanley and UBS in relation to the Proposed 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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Subscription by ChenLipKeong Capital Limited”	the Notes to be subscribed by ChenLipKeong Capital Limited
“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, 22 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

This announcement is published on the Company’s website at www.nagacorp.com and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.