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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 ADDITIONAL 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.

The Company proposes to conduct an international offering of the Additional Notes to investors in Asia and Europe. The Additional Notes will be issued under the Indenture, pursuant to which the Company issued US\$350,000,000 aggregate principal amount of the Original Notes. The Additional Notes will be issued on the same terms and conditions (other than the issue date and the offer price) and will be consolidated with, and form the same series as, the Original Notes. In connection with the Proposed Additional Notes Issue, the Company will provide certain qualified investors with recent corporate and financial information regarding the Group. The Company has appointed Credit Suisse and UBS as the joint global coordinators, joint bookrunners and joint lead managers in respect of the Proposed Additional Notes Issue.

The completion of the Proposed Additional Notes Issue is subject to, among others, market conditions and investor interests, and therefore may or may not proceed. Upon finalising the aggregate principal amount and the offer price of the Additional Notes, it is expected that the Company, the Guarantors, Credit Suisse and UBS will enter into the Purchase Agreement. The Additional Notes will not be convertible into shares of the Company. If the Additional Notes are issued, the Company intends to use the net proceeds from the Proposed Additional Notes Issue to strengthen the Group's working capital and for other general corporate purposes of the Company and its Restricted Subsidiaries.

The Original Notes are listed on the SGX-ST. Approval in-principle has been received for the listing and quotation of the Additional 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 and quotation of the Additional Notes 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 Additional Notes. No listing of the Additional Notes has been, or will be, sought in Hong Kong.

GENERAL

As no binding agreement in relation to the Proposed Additional Notes Issue has been entered into as at the date of this announcement, the Proposed Additional Notes Issue may or may not materialise. The completion of the Proposed Additional 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 Additional Notes Issue will be made by the Company should the Purchase Agreement in respect of the Proposed Additional Notes Issue be entered into.

PROPOSED ADDITIONAL 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

Reference is made to the announcements of the Company dated 22 June 2020, 24 June 2020 and 6 July 2020 in respect of the issue of the Original Notes.

The Company proposes to conduct an international offering of the Additional Notes to investors in Asia and Europe. In connection with the Proposed Additional Notes Issue, the Company will provide certain qualified investors with recent corporate and financial information regarding the Group. Completion of the Proposed Additional Notes Issue is subject to, among others, market conditions and investor interests, and therefore may or may not proceed.

The Additional Notes will be issued under the Indenture, pursuant to which the Company issued US\$350,000,000 aggregate principal amount of the Original Notes on 6 July 2020. The Additional Notes will be issued on the same terms and conditions (other than the issue date and the offer price) and will be consolidated with, and form the same series as, the Original Notes. The offer price and the aggregate principal amount of the Additional Notes will be determined through a book building exercise to be conducted by Credit Suisse and UBS as joint global coordinators in respect of the Proposed Additional Notes Issue. As of the time of this announcement, the offer price and the aggregate principal amount of the Proposed Additional Notes Issue have yet to be determined. Upon finalising the aggregate principal amount and the offer price of the Additional Notes, it is expected that Credit Suisse, UBS and the Company, among others, will enter into the Purchase Agreement.

The Additional Notes have not been, and will not be, registered under the U.S. Securities Act. The Additional 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 Additional Notes in the United States. None of the Additional Notes will be offered to the public in Hong Kong.

Reasons for the Proposed Additional Notes Issue and Proposed Use of Net Proceeds

The Group owns and operates the only integrated resort, known as the NagaWorld, in Phnom Penh, the capital city of Cambodia. The Proposed Additional Notes Issue is being undertaken by the Group to raise additional capital to strengthen the Group's working capital and for other general corporate purposes of the Company and the Restricted Subsidiaries.

Listing

The Original Notes are listed on the SGX-ST. Approval in-principle has been received for the listing and quotation of the Additional 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 and quotation of the Additional Notes 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 Additional Notes. No listing of the Additional Notes has been, or will be, sought in Hong Kong.

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RECENT DEVELOPMENTS

As disclosed in the announcement of the Company dated 1 March 2021, in response to an increase in COVID-19 cases in Cambodia since February 2021, in consultation with the Cambodian Ministry of Health, we temporarily suspended our business on a voluntary basis on 2 March 2021 for a more thorough review of our precautionary and preventive measures and to undertake a thorough cleaning of our entire NagaWorld complex to protect all of our employees and visitors.

Given the COVID-19 impact in Cambodia, we have taken proactive measures to manage the situation. We launched a rationalization program to improve cost efficiency, which will impact some of our employees. We believe that these changes and other changes we have made as part of our COVID-19 strategy will help with the quick return to business normality and help deliver continued financial stability over the long term. We believe that it is important for the Group to maintain operational and financial flexibility to ensure that it remains focused and efficient during this period. To reduce the impact of these necessary changes on our employees, the Company will provide affected employees with enhanced termination compensation over and above payments required by the applicable Cambodian laws to assist their transition into other career or business interests. Meetings with affected employees are ongoing. As at the date of this announcement, a majority number of affected employees have signed mutual separation agreements.

While our business operations remain suspended, we are not generating any revenues. Prior to the voluntary temporary suspension of our business operations on 2 March 2021, our average monthly expenditures, based on the two months ended 28 February 2021, were US\$19.7 million. These expenditures included run-rate operating costs of US\$8.6 million, tax of US\$3.4 million, maintenance and capital expenditures of US\$1.9 million and interest expense of US\$5.8 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 March 2021 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\$6.6 million. We also expect interest expense of the interest bearing liabilities to decrease to US\$2.3 million after the repayment of 2021 Notes.

As of 31 March 2021 and 30 April 2021, we had cash and deposits of US\$472.7 million and US\$451.7 million, respectively. The 2020 Final Dividend was approved at the annual general meeting of the Company held on 27 May 2021, and US\$81.7 million will be paid in July 2021. Although we have no other existing facilities to provide further liquidity, after giving effect to the repayment of 2021 Notes (together with the interest accrued to the maturity date) and the 2020 Final Dividend, our liquidity could support more than 6 months of operating expenditure and interest expenses, with minimal revenue and before giving effect to the net proceeds of the offering of the Additional Notes. 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 2021 through 30 April 2021. Actual results could differ materially from the above expectation.

DEFINITIONS

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

“2020 Final Dividend”	the final dividend of the Company for 2020 which was approved by the shareholders of the Company at the annual general meeting of the Company held on 27 May 2021
“2021 Notes”	the US\$300,000,000 aggregate principal amount of 9.375% senior non-convertible notes due 2021 issued by the Company on 21 May 2018, which matured on, and have been repaid in full on 21 May 2021
“Additional Notes”	the senior non-convertible notes expected to be issued by the Company (to be consolidated and form the same series as the Original 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 of Hong Kong Limited (Stock code: 3918)
“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 Additional Notes
“Group”	the Company and its subsidiaries from time to time
“Guarantors”	NagaCorp (HK) Limited, NAGAWORLD LIMITED, NagaCity Walk Limited, Naga 2 Land Limited, Naga 3 Company Limited and Ariston Sdn. Bhd.
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Indenture”	the indenture dated 6 July 2020, as supplemented by the supplemental indenture dated 30 September 2020, among the Company, the Guarantors and GLAS Trust Company LLC, as trustee
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“Original Notes”	the US\$350,000,000 aggregate principal amount of 7.95% senior non-convertible notes due 2024 issued by the Company on 6 July 2020
“Proposed Additional Notes Issue”	the proposed issue of the Additional Notes by the Company

“Purchase Agreement”	the agreement proposed to be entered into between, the Company, the Guarantors, Credit Suisse and UBS in relation to the Proposed Additional Notes Issue
“Restricted Subsidiaries”	the restricted subsidiaries pursuant to the Indenture
“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
“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 Additional Notes. UBS AG is incorporated in Switzerland with limited liability

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

Hong Kong, 7 June 2021

As at the date of this announcement, the directors of the Company 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.