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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

ELECTION OF SPLIT COMPLETION AND NAGACITY WALK COMPLETION

After trading hours of the Stock Exchange on 17 May 2016, pursuant to the Share Purchase Agreement, Dr. Chen notified the Company of his election of Split Completion, whereby the NagaCity Walk Completion will take place in advance of the TSCLK Complex Completion.

Dr. Chen also elected for the Consideration for the City Walk Shares, payable by the Company at the NagaCity Walk Completion, to be settled by way of the issue of the NagaCity Walk Convertible Bonds in accordance with the terms of the Share Purchase Agreement in respect of the Acquisition which was approved by the Independent Shareholders (as defined in the Circular) at an extraordinary general meeting of the Company held on 30 January 2012.

Each of the conditions precedent to the NagaCity Walk Completion has been satisfied. Accordingly, the NagaCity Walk Completion, comprising the transfer of the City Walk Shares to the Company and the issue of the NagaCity Walk Convertible Bonds to Dr. Chen, has taken place today.

Reference is made to the announcements of NagaCorp Ltd. (the “**Company**”) dated 13 June 2011, 28 December 2011 and 29 December 2015, and the Circular, in relation to the acquisition by the Company of the NagaCity Walk Project and the TSCLK Complex Project.

Unless otherwise defined herein, capitalised terms shall have the same meanings as defined in the Circular.

BACKGROUND

The Acquisition

After trading hours of the Stock Exchange on 13 June 2011, the Company entered into a share purchase agreement with Dr. Chen, whereby the Company conditionally agreed to purchase the Sale Shares in the Target Companies and Dr. Chen conditionally agreed to sell the entire issued share capital in the Target Companies. The Sale Shares comprise: (a) the TSC Inc. Shares in relation to the development of the TSCLK Complex Project; and (b) the City Walk Shares in relation to the NagaCity Walk Project (previously the NagaCity Walk Project and the Tourist Garden Undertaking).

The Company and Dr. Chen subsequently entered into supplemental agreements dated 28 December 2011 and 28 December 2015.

On 28 December 2015, the parties agreed not to proceed with the development of the Tourist Garden, which had been subject to formal agreement being entered into between TSC Inc. (or City Walk Inc., at Dr. Chen's option) with the Municipality of Phnom Penh, as the land proposed for the development of the Tourist Garden had been allotted on 11 December 2013 by the Royal Government of Cambodia to the Ministry of Environment of Cambodia and Electricité du Cambodge. The agreed cost of US\$10,000,000, which would otherwise have been incurred by Dr. Chen in developing the Tourist Garden, has instead been more than incurred by Dr. Chen in the context of Dr. Chen spending an additional US\$29,000,000 in the construction works of the NagaCity Walk and the TSCLK Complex to meet with changes in compliance with local cultural and technical requirements and the extension of the length of the NagaCity Walk from the agreed length of 300 metres to 427 metres. Accordingly, the US\$10,000,000 will form part of the Consideration in respect of the NagaCity Walk Project; the additional US\$19,000,000 cost will not be passed on to the Company.

Consideration

The Consideration for the Sale Shares is US\$369,000,000, divided as between the TSC Inc. Shares in the principal amount of US\$275,000,000 and the City Walk Shares in the principal amount of US\$94,000,000.

At the election of Dr. Chen, the Consideration for the TSC Inc. Shares and the City Walk Shares will be settled through the issue of:

- (a) the TSCLK Complex Consideration Shares and the NagaCity Walk Consideration Shares, respectively, by the Company at an issue price of HK\$1.8376 per Consideration Share; or
- (b) the TSCLK Complex Convertible Bonds and the NagaCity Walk Convertible Bonds in lieu of the issue of the TSCLK Complex Consideration Shares and the NagaCity Walk Consideration Shares at the option of Dr. Chen; or

- (c) such a combination of the TSCLK Complex Consideration Shares and the TSCLK Complex Convertible Bonds and a combination of the NagaCity Walk Consideration Shares and the NagaCity Walk Convertible Bonds as Dr. Chen may in its sole discretion decide,

subject to the minimum public float requirements under the Listing Rules and in accordance with the terms and conditions of the Share Purchase Agreement.

Completion

Dr. Chen can elect either Split Completion (meaning the completion of the NagaCity Walk Project would take place in advance of completion of the TSCLK Complex Project) or Combined Completion (meaning the two projects would be completed at the same time).

General

The full terms and conditions of the Acquisition, as well as (among other things) details of the Target Companies and the Projects, the Listing Rules implications of the Acquisition and the reasons for and benefits of the Acquisition, are set out in the Circular, as supplemented by the announcement of the Company dated 29 December 2015.

The Acquisition was approved by the Independent Shareholders (as defined in the Circular) at an extraordinary general meeting of the Company held on 30 January 2012.

ELECTION OF SPLIT COMPLETION

After trading hours of the Stock Exchange on 17 May 2016, pursuant to the Share Purchase Agreement, Dr. Chen notified the Company of his election of Split Completion, whereby the NagaCity Walk Completion will take place in advance of the TSCLK Complex Completion.

NAGACITY WALK COMPLETION

Issue of NagaCity Walk Convertible Bonds

As set out above, the Consideration for the City Walk Shares payable by the Company at the NagaCity Walk Completion is US\$94,000,000. Pursuant to the Share Purchase Agreement, Dr. Chen elected for such Consideration to be settled by way of the issue of the NagaCity Walk Convertible Bonds in accordance with the terms of the Share Purchase Agreement. The key terms of the NagaCity Walk Convertible Bonds are the same as those of the Convertible Bonds as set out in the Circular.

Under the Share Purchase Agreement, the Conversion Price was HK\$1.8376 per Conversion Share, subject to adjustment in the event of a Capital Restructuring, namely any change from time to time in the nominal value of the issued share capital of the Company whether as a result of a sub-division, consolidation, re-classification, reconstruction or otherwise.

In the period since 13 June 2011 and up to the date of this announcement, the Company has completed a placing of new Shares (in March 2013) and effected on-market buy-backs of Shares (in December 2014 and January 2015, with all such Shares being cancelled in December 2015). Both the placing and buy-backs resulted in a change in the nominal value of the issued share capital of the Company and therefore each constitutes a Capital Restructuring: the placing increased the nominal value of the issued share capital of the Company by 9.61%, and the buy-backs decreased it by 0.53%.

Applying the same percentage changes to the Conversion Price, the Conversion Price is adjusted to be HK\$1.6699. Given that the Consideration for the City Walk Shares is US\$94,000,000, conversion in full of the NagaCity Walk Convertible Bonds would result in 439,072,360 Conversion Shares being issued. The Conversion Price and the number of Conversion Shares are subject to further adjustment in the event of any future Capital Restructuring.

As at the date of this announcement, Dr. Chen and his associates hold an aggregate interest in 958,945,297 Shares, representing approximately 42.24% of the entire issued share capital of the Company. Assuming: (i) there is no change in the nominal value of the issued share capital of the Company following the date of this announcement; and (ii) full conversion of the NagaCity Walk Convertible Bonds, 439,072,360 Conversion Shares would be issued, increasing the aggregate shareholding interest of Dr. Chen and his associates to approximately 51.61% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

In the event that conversion of the NagaCity Walk Convertible Bonds would result in implications under the Code, Dr. Chen (and persons acting in concert (as defined under the Code) with him, as appropriate) shall comply with applicable requirements of the Code. Dr. Chen has notified the Company that he currently has no intention to trigger any mandatory offer obligation under Rule 26 of the Code.

Timing of NagaCity Walk Completion

Each of the conditions precedent to the NagaCity Walk Completion has been satisfied. Accordingly, the NagaCity Walk Completion, comprising the transfer of the City Walk Shares to the Company and the issue of the NagaCity Walk Convertible Bonds to Dr. Chen, has taken place today.

Application for listing

No application will be made by the Company to the Listing Committee for the listing of the Convertible Bonds.

Application has been made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares, and such approval has been granted by the Listing Committee, subject to fulfilment of all conditions precedent to the NagaCity Walk Completion. As noted under the heading “Timing of NagaCityWalk Completion” above, each of the conditions precedent to the NagaCity Walk Completion has been satisfied.

General

The terms of the Share Purchase Agreement will remain unchanged and continue in full force and effect notwithstanding the issue of the NagaCity Walk Convertible Bonds as detailed in this announcement.

Further announcement(s) providing updates on the Acquisition, including the TSCLK Complex Completion, if appropriate, will be made in accordance with applicable provisions of the Listing Rules and the Code.

DEFINITIONS

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

“Circular”	the shareholders’ circular of the Company dated 30 December 2011;
“Code”	the Hong Kong Code on Takeovers and Mergers and Share Buy-backs;
“NagaCity Walk Completion”	completion of the sale and purchase of the City Walk Shares where, at the time of such completion, City Walk Inc. holds the Property Interests to the NagaCity Walk;
“NagaCity Walk Consideration Shares”	up to 398,998,694 ordinary shares of US\$0.0125 each in the issued share capital of the Company (or their equivalent in the event of any Capital Restructuring after 13 June 2011);
“NagaCity Walk Convertible Bonds”	unsecured convertible bonds in the principal amount of up to US\$94,000,000 to be issued by the Company; and

“Share Purchase Agreement”

the share purchase agreement dated 13 June 2011, as supplemented by supplemental agreements dated 28 December 2011 and 28 December 2015, entered into between the Company and Dr. Chen pursuant to which the Company has conditionally agreed to purchase the Sale Shares in the Target Companies and Dr. Chen has conditionally agreed to sell the entire issued share capital in each Target Company.

By Order of the Board
NagaCorp Ltd.
Timothy Patrick McNally
Chairman

Hong Kong, 17 May 2016

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

Executive Directors

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

Non-executive Director

Timothy Patrick McNally

Independent Non-executive Directors

Tan Sri Datuk Seri Panglima Abdul Kadir Bin Haji Sheikh Fadzir, Lim Mun Kee and Michael Lai Kai Jin

For the purpose of this announcement, amounts denominated in US\$ have been converted to HK\$ at the exchange rate of US\$1.00 to HK\$7.80.