

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

TSCLK COMPLEX COMPLETION

After trading hours of the Stock Exchange on 30 December 2016, pursuant to the Share Purchase Agreement, Dr. Chen elected for the Consideration for the TSC Inc. Shares, payable by the Company at the TSCLK Complex Completion, to be settled by way of the issue of the TSCLK Complex 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 TSCLK Complex Completion has been satisfied. Accordingly, the TSCLK Complex Completion, comprising the transfer of the TSC Inc. Shares to the Company and the issue of the TSCLK Complex Convertible Bonds to Dr. Chen, took place on 30 December 2016.

Reference is made to the announcements of NagaCorp Ltd. (the “**Company**”) dated 13 June 2011, 28 December 2011, 29 December 2015 and 17 May 2016, 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

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.

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: (a) of Split Completion, whereby the NagaCity Walk Completion would take place in advance of the TSCLK Complex Completion; and (b) for the Consideration for the City Walk Shares (being US\$94,000,000) to be settled by way of the issue of the NagaCity Walk Convertible Bonds. The NagaCity Walk Completion took place on 17 May 2016.

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.

TSCLK COMPLEX COMPLETION

Consideration for the TSC Inc. Shares

Pursuant to the Shares Purchase Agreement, the Consideration for the TSC Inc. Shares is US\$275,000,000 and, at the election of Dr. Chen, such Consideration can be settled through the issue of:

(a) the TSCLK Complex Consideration Shares by the Company; or

- (b) the TSCLK Complex Convertible Bonds in lieu of the issue of the TSCLK Complex 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 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.

Issue of TSCLK Complex Convertible Bonds

After trading hours of the Stock Exchange on 30 December 2016, pursuant to the Share Purchase Agreement, Dr. Chen elected for the Consideration for the TSC Inc. Shares to be settled by way of the issue of the TSCLK Complex Convertible Bonds.

The key terms of the TSCLK Complex 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, which would have resulted in 1,167,283,413 Conversion Shares being issued were the TSCLK Complex Convertible Bonds issued and converted in full then.

As disclosed in the Circular, the Conversion Price is 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, re-construction or otherwise.

The Conversion Price is adjusted, on the basis of the percentage change in the nominal value of the issued share capital of the Company as a result of a Capital Restructuring, by the corresponding percentage increase/decrease (as the case may be). Such adjustment shall become effective on the date the change in nominal value takes effect.

The Directors consider that such adjustment mechanism is consistent with the terms of the Share Purchase Agreement and is, in their view, a fair, reasonable and appropriate reflection of its terms.

In the period since 13 June 2011 and up to the date of this announcement, the Company has completed two placings of new Shares (in March 2013 and September 2016) 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 placings 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 in 2013 increased the nominal value of the issued share capital of the Company by 9.61%, the buy-backs decreased it by 0.53%, and the placing in 2016 increased it by 8.37%.

Applying the same percentage changes to the Conversion Price, the Conversion Price is adjusted to be HK\$1.5301 as a result of the various Capital Restructuring events since 13 June 2011. Such computation of adjustment to the Conversion Price has been reviewed by the Company's auditors, BDO Limited, and is considered by the Directors to be a fair, reasonable and appropriate reflection of the terms of the Share Purchase Agreement.

Given that the Consideration for the TSC Inc. Shares is US\$275,000,000, conversion in full of the TSCLK Complex Convertible Bonds immediately after they are issued would result in 1,401,843,552 Conversion Shares being issued.

As at the date of this announcement, Dr. Chen and his associates hold an aggregate interest in 958,945,297 Shares, representing approximately 38.98% of the entire issued share capital of the Company. In addition, Dr. Chen holds the NagaCity Walk Convertible Bonds which, if converted in full and assuming there is no change in the nominal value of the issued share capital of the Company following the date of this announcement, would convert into 479,175,614 Conversion Shares, increasing the aggregate shareholding of Dr. Chen and his associates to approximately 48.93% of the 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 TSCLK Complex Convertible Bonds, a total of 1,401,843,552 Conversion Shares would be issued, increasing the aggregate shareholding interest of Dr. Chen and his associates to approximately 61.13% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The Conversion Price and the number of Conversion Shares to be issued under the TSCLK Complex Convertible Bonds (as well as the NagaCity Walk Convertible Bonds) are subject to further adjustment in the event of any future Capital Restructuring.

In the event that conversion of the TSCLK Complex 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 TSCLK Complex Completion

Each of the conditions precedent to the TSCLK Complex Completion has been satisfied. Accordingly, the TSCLK Complex Completion, comprising the transfer of the TSC Inc. Shares to the Company and the issue of the TSCLK Complex Convertible Bonds to Dr. Chen, took place on 30 December 2016.

Application for listing

No application will be made by the Company to the Listing Committee for the listing of the TSCLK Complex 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 to be issued and allotted by the Company upon the exercise of the conversion rights attaching to the TSCLK Complex Convertible Bonds. Such approval has been granted by the Listing Committee, subject to fulfilment of all conditions precedent to the TSCLK Complex Completion. As noted under the heading “Timing of TSCLK Complex Completion” above, each of the conditions precedent to the TSCLK Complex Completion has been satisfied.

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 Interest to the NagaCity Walk;

“NagaCity Walk
Convertible Bonds”

unsecured convertible bonds in the principal amount of US\$94,000,000 issued by the Company to Dr. Chen on 17 May 2016; 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, 30 December 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.