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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)

**ADOPTION OF SHARE AWARD SCHEME AND
PROPOSED CONNECTED TRANSACTIONS RELATING TO
THE PROPOSED INITIAL CONNECTED GRANTS TO
THE CONNECTED PARTICIPANTS PURSUANT TO
THE SHARE AWARD SCHEME**

On 28 January 2021, the Board has (a) adopted the Share Award Scheme; and (b) proposed to make the Initial Connected Grants to each of the Connected Participants under the Share Award Scheme. The Share Award Scheme is valid for a term of 10 years from the Adoption Date, unless terminated earlier.

The purposes and objectives of the Share Award Scheme are to continue to attract skilled and experienced personnel, to incentivise them to remain with the Group and/or to recognise their contribution to the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to obtain equity interests in the Company. The Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules as the Awards do not involve any options over new Shares. No Shareholders' approval is required to adopt the Share Award Scheme.

As the proposed Initial Connected Grants (including the allotment and issue of the Award Shares made pursuant to such grants) to each of the Connected Participants constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules, they are subject to reporting, announcement and Independent Shareholders' approval requirements. Accordingly, an EGM will be convened and held for the Independent Shareholders to consider and if thought fit, approve the Initial Connected Grants in respect of each of the Connected Persons.

A circular containing, among other things, details of the Share Award Scheme and the proposed Initial Connected Grants, the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and the notice convening the EGM will be despatched to the Shareholders on or before 5 February 2021 in accordance with the requirements of the Listing Rules.

Shareholders, holders of securities of the Company and potential investors are reminded to exercise caution when dealing in the Shares and other securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

1. INTRODUCTION

On 28 January 2021, the Board has (a) adopted the Share Award Scheme; and (b) proposed to make the Initial Connected Grants to each of the Connected Participants under the Share Award Scheme.

The Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules as the Awards do not involve any options over new Shares. No Shareholders' approval is required to adopt the Share Award Scheme.

The proposed Initial Connected Grants to each of the Connected Participants is conditional upon (a) the Independent Shareholders approving the Initial Connected Grants to such Connected Participants; and (b) the Listing Committee granting approval for the listing of, and permission to deal in, the new Shares which may be allotted and issued pursuant to the grant of Awards under the Share Award Scheme.

2. BACKGROUND ON THE SHARE AWARD SCHEME

(a) Share Award Scheme

(i) Purpose of the Share Award Scheme

In order to continue to attract skilled and experienced personnel, to incentivise them to remain with the Group and/or to recognise their contribution to the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to obtain equity interests in the Company, the Board has on 28 January 2021 adopted the Share Award Scheme.

Pursuant to the Share Award Scheme, Award Shares may be granted to the Participants credited as fully paid for non-cash consideration by way of incentive remuneration in respect of such Participants' past service, current and prospective roles with, and/or contributions to, the Group. This incentive remuneration is intended to create alignment between the interests of each Participant and the long-term interests of the Shareholders through ownership of Shares and to help encourage the Participants to continuously devote their efforts to the development of the Group, recognise their past and/or expected future contribution to the success and development of the Group and aid in the retention of, and to reward the long-term performance of, each of the Participants.

(ii) Participants of the Share Award Scheme

Participants of the Share Award Scheme will comprise the Directors (including executive Directors, non-executive Directors and independent non-executive Directors), the directors of the subsidiaries of the Company and the employees of the Group who the Board considers, in its absolute discretion, have contributed or will contribute to the Group.

(iii) Listing Application

An application will be made by the Company to the Listing Committee after each grant of the Awards under the Share Award Scheme for the listing of, and permission to deal in, the new Shares to be allotted and issued pursuant to such grant of the Awards. Each grant of the Awards under the Share Award Scheme will be conditional upon listing approval being granted.

(iv) *Term of the Share Award Scheme and Scheme Mandate Limit*

The Share Award Scheme is valid for a term of 10 years from the Adoption Date, unless terminated earlier.

During the term of the Share Award Scheme, up to 5% of the total number of Shares in issue on the Adoption Date (i.e. up to a total of 217,050,402 Shares) may be granted under the Share Award Scheme (the “**Scheme Mandate Limit**”). The Scheme Mandate Limit may be renewed by the Board, provided that the total number of Shares in respect of which the Awards may be granted following such renewal will not exceed 5% of the total number of Shares in issue as at the renewal date.

(v) *Granting of Awards*

The Board (upon the recommendation of the Remuneration Committee) currently expects to grant Awards in respect of a total of up to approximately 55,000,000 Shares (representing approximately 1.27% of the total number of Shares in issue as at the Adoption Date) to the Connected Participants and approximately 1,100 existing qualified employees of the Group (none of whom are connected persons of the Company) over a period of six years (as the case may be) from (i) the date on which the Independent Shareholders approve the Initial Connected Grants at the EGM (in the case of Connected Participants); or (ii) the Adoption Date (in the case of Non-Connected Participants).

In determining the grants of the Award Shares to be made in each year to the Participants, the Board (upon the recommendation of the Remuneration Committee) will take into consideration the financial performance of the Group and the individual performance and contribution of each Participant. In relation to the proposed grants of the Award Shares to be made in each year to the Connected Participants, the Board (upon the recommendation of the Remuneration Committee) will also take into consideration the satisfactory overall financial performance of the Group determined by reference to the earnings per Share (EPS), revenue, EBITDA and net profit of the Group for the relevant year.

The Award Shares to be granted to the Non-Connected Participants in any year will be issued pursuant to the general mandate to issue new Shares which may be granted by the Shareholders to the Directors at each annual general meeting. It should be noted under Rule 13.36(5) of the Listing Rules, if the Company were to issue Shares under the general mandate by way of a placing or open offer for a cash consideration, the issue price of such Shares cannot be at a discount of 20% or more to the benchmarked price of the Shares, which is determined by reference to the closing price of the Shares. As the Award Shares will not be issued for a cash consideration under the general mandate (but will instead be issued for a non-cash consideration by way of incentive remuneration to the Participants), the restriction under Rule 13.36(5) does not apply.

At the annual general meeting of the Company held on 24 April 2020, Shareholders granted to the Directors a general mandate to issue new Shares up to 20% of the Shares in issue on that date (i.e. up to a total of 868,201,608 Shares). As at the date of this announcement, no Shares were issued pursuant to such general mandate. Such general mandate is valid until the conclusion of the forthcoming annual general meeting of the Company to be held in 2021 and may be used for any grants of the Award Shares made to the Non-Connected Participants prior to its expiration. The Directors propose to seek the approval of Shareholders for the renewal of such general mandate at the annual general meeting of the Company to be held in 2021 and at subsequent annual general meetings, which if approved may be used for the grant of the Award Shares to the Non-Connected Participants.

The Award Shares to be granted to the Participants who are connected persons of the Company (such as the Directors, any directors of the subsidiaries of the Company and their respective associates) will constitute a connected transaction of the Company. Under the Listing Rules, the Company is not permitted to issue new Shares under the general mandate to its connected persons. Any proposed grant of the Award Shares to the Participants who are connected persons of the Company will require prior approval of the independent Shareholders. Accordingly, the approval of the Independent Shareholders is being sought for the Initial Connected Grants at the EGM.

(vi) Initial Grants of the Awards to the Participants

The Board (upon the recommendation of the Remuneration Committee) proposes to make the following initial grants of the Awards to the Participants by 30 June 2021:

- (i) a total of 10,226,667 Award Shares to the Connected Participants (representing approximately 0.24% of the total number of Shares in issue as at the Adoption Date), the grants of which are subject to the approval of the Independent Shareholders at the EGM. Further details of the Initial Connected Grants to the Connected Participants are set out in the section headed “3. Proposed Connected Transactions Relating to the Proposed Initial Connected Grants to the Connected Participants” below; and
- (ii) a total of up to 9,000,000 Award Shares to the Non-Connected Participants (representing approximately 0.21% of the total number of Shares in issue as at the Adoption Date).

An announcement will be made by the Company when the above Awards have been granted to the Participants.

(vii) Comparison between the Share Award Scheme and the Share Option Scheme

As the Participants are not required to pay for the Award Shares which would be issued to the Participants credited as fully paid for non-cash consideration by way of incentive remuneration, in order to provide the same economic advantage to the Participants, fewer Shares are required to be issued by the Company as compared with the granting of options under the share option scheme of the Company which was adopted on 20 April 2016 (where the participants would be required to pay the exercise price in cash for exercising the share options granted). This also means that the dilutive effect of the grant of the Award Shares is less than that of the grant of share options.

(viii) Listing Rules Compliance

The Company will comply with the relevant requirements of the Listing Rules in relation to each grant of the Awards under the Share Award Scheme, including publishing an announcement setting out details of the grants made and (in respect of a grant of the Award Shares to a connected person) issuing a circular to the Shareholders and obtaining the approval of the independent Shareholders for such grant.

(b) Appointment of a Trustee

The Board currently proposes to grant all the Awards to the Participants directly, rather than via a Trustee. However, the Board has retained the flexibility under the rules of the Share Award Scheme to allow the Company to appoint the Trustee (which should be a third party independent of the Company) in the future to assist the Company with the administration of the Share Award Scheme and vesting of the Awards granted. Under the Share Award Scheme, to the extent permitted by the applicable laws and by the Listing Rules, the Company may (i) allot and issue Shares to the Trustee to be held by the Trustee pending the vesting of Award granted and which will be used to satisfy the Awards upon vesting; and/or (ii) direct and procure the Trustee to make on-market purchases of the Shares to satisfy the Awards upon vesting.

If a Trustee is appointed, its role would be to, among other things, (i) purchase shares on market as directed by the Company for the purpose of satisfying the Awards on vesting; and (ii) hold the Award Shares in trust on behalf of the Participants until such time as the relevant Awards vest or lapse. The terms on which a Trustee would be appointed would be governed by a trust deed to be entered into between the Company and the Trustee.

Where the Award Shares are held by a Trustee on behalf of a connected person of the Company (such as the Directors, any directors of the subsidiaries of the Company and their respective associates), the Trustee will also be a core connected person of the Company and the Company will comply with the relevant requirements of the Listing Rules in relation to such trust arrangement.

(c) Cost of Granting the Award Shares

As stated above, pursuant to the Share Award Scheme, the Award Shares when allotted and issued will be credited as fully paid for non-cash consideration by way of incentive remuneration in respect of the Participants' past service, current and prospective roles with, and/or contributions to, the Group. The cost attributable to the grant of any Award Shares under the Share Award Scheme will be accounted for by reference to the market value of the Shares at the time of grant, adjusted to take into account the terms and conditions upon which the Award Shares were granted (if any).

Based on the closing price of HK\$8.90 per Share as quoted on the Stock Exchange on the date of this announcement, the total market value of the proposed Initial Connected Grants of a total of 10,226,667 Award Shares to the Connected Participants and of the proposed Initial Non-Connected Grants to the Non-Connected Participants of up to a total of 9,000,000 Award Shares was approximately HK\$91.02 million (or equivalent to approximately US\$11.67 million) and approximately HK\$80.10 million (or equivalent to approximately US\$10.27 million), respectively.

The Board considers that it is not appropriate or helpful to the Shareholders to state the value of all Awards that can be granted under the Share Award Scheme as if they had been granted on the date of this announcement as the actual cost may vary from the estimated cost as at the date of this announcement. The Board believes that any statement regarding the value of all the Awards as at the date of this announcement will not be meaningful to the Shareholders since the Awards to be granted are not assignable, and no holder of the Awards shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to any Award.

Details of the Share Award Scheme, including particulars and movements of the Award Shares granted, and available for grant in the future, and the employee costs arising from the grant of the Award Shares during each financial year of the Company will be disclosed in the annual report and interim report of the Company in accordance with the Listing Rules. The Company will give due consideration to any financial impact arising from the grant of the Awards under the Share Award Scheme before making any such grants.

In terms of financial impact on net asset value ("NAV") of the Group, it is anticipated that there will be a dilution in the NAV per Share upon the issue of new Shares as a result of the granting of the Awards under the Share Award Scheme. During the term of the Share Award Scheme, up to 5% of the total number of Shares in issue on the Adoption Date (i.e. up to a total of 217,050,402 Shares) may be granted under the Share Award Scheme. Accordingly, it is expected that the proposed Award Share grants in respect of a maximum of 217,050,402 new Shares (representing approximately 5% of the total number of Shares in issue as at the Adoption Date) will result in the dilution in the NAV per Share of approximately 5%. It is expected that the proposed Initial Non-Connected Grants and Initial Connected Grants in respect of 19,226,667 new Shares in aggregate (representing approximately 0.44% of the total number of Shares in issue as at the Adoption Date) will result in the dilution in the NAV per Share of approximately 0.44%.

3. PROPOSED CONNECTED TRANSACTIONS RELATING TO THE PROPOSED INITIAL CONNECTED GRANTS TO THE CONNECTED PARTICIPANTS

(a) Proposed Award Share Grants to the Connected Participants

The Board (with the recommendation of the Remuneration Committee) has proposed to grant the Award Shares to each of the following Connected Participants:

- (i) Mr. Timothy Patrick McNally (the chairman and non-executive Director of the Company);
- (ii) Tan Sri Dr Chen Lip Keong (the chief executive officer, executive Director and substantial shareholder of the Company);
- (iii) Mr. Philip Lee Wai Tuck (the executive deputy chairman and executive Director of the Company);
- (iv) Mr. Lim Mun Kee (independent non-executive Director);
- (v) Mr. Michael Lai Kai Jin (independent non-executive Director); and
- (vi) Mr. Leong Choong Wah (independent non-executive Director).

The Board (with the recommendation of the Remuneration Committee) has proposed that up to a total of 18,360,000 Award Shares (representing approximately 0.42% of the total number of Shares in issue as at the Adoption Date) be granted to the Connected Participants over a period of six years (as the case may be) from the date on which the Independent Shareholders approve the Initial Connected Grants at the EGM. The proposed Connected Grants to each Connected Participant to be made in each year will be subject to the approval of the independent Shareholders to be obtained each year.

The Board has proposed that, subject to the approval of the Independent Shareholders at the EGM, the initial grant of Awards to the Connected Participants will comprise a total of 10,226,667 Award Shares (representing approximately 0.24% of the total number of Shares in issue as at the Adoption Date) and will be made by 30 June 2021.

Details of the proposed Initial Connected Grants to the Connected Participants are as follows:

| Name | Total Number of Award Shares Proposed to be Granted | Number of Award Shares Comprised in the Initial Connected Grant |
|--|---|---|
| Mr. Timothy Patrick McNally <i>(Chairman and non-executive Director)</i> | 6,000,000 Award Shares proposed to be granted, subject to Independent Shareholders' approval for the Initial Connected Grant at the EGM | 6,000,000 |
| Tan Sri Dr Chen Lip Keong <i>(Chief executive officer, executive Director and substantial shareholder of the Company)</i> | Up to 7,000,000 Award Shares proposed to be granted over a period of six years from the date of the EGM, subject to independent Shareholders' approval for each Connected Grant to be made in each year | 1,166,667 |
| Mr. Philip Lee Wai Tuck <i>(Executive deputy chairman and executive Director)</i> | Up to 5,000,000 Award Shares proposed to be granted over a period of six years from the date of the EGM, subject to independent Shareholders' approval for each Connected Grant to be made in each year | 3,000,000 |
| Mr. Lim Mun Kee <i>(Independent non-executive Director)</i> | Up to 180,000 Award Shares proposed to be granted over a period of six years from the date of the EGM, subject to independent Shareholders' approval for each Connected Grant to be made in each year | 30,000 |
| Mr. Michael Lai Kai Jin <i>(Independent non-executive Director)</i> | Up to 120,000 Award Shares proposed to be granted over a period of six years from the date of the EGM, subject to independent Shareholders' approval for each Connected Grant to be made in each year | 20,000 |
| Mr. Leong Choong Wah <i>(Independent non-executive Director)</i> | Up to 60,000 Award Shares proposed to be granted over a period of six years from the date of the EGM, subject to independent Shareholders' approval for each Connected Grant to be made in each year | 10,000 |
| Total | Up to 18,360,000 | 10,226,667 |

As stated above, in determining the proposed Initial Connected Grants to be made to the Connected Participants, the Board (upon the recommendation of the Remuneration Committee) has taken into consideration the individual performance and contribution of each Connected Participant and the satisfactory overall financial performance of the Group determined by reference to the earnings per Share (EPS), revenue, EBITDA and net profit of the Group for the most recent financial year.

Based on the closing price of HK\$8.90 per Share as quoted on the Stock Exchange on the date of this announcement, the total market value of the proposed Initial Connected Grants of a total of 10,226,667 Award Shares to the Connected Participants was approximately HK\$91.02 million (or equivalent to approximately US\$11.67 million).

The proposed Initial Connected Grants to each of the Connected Participants is conditional upon:

- (i) the Independent Shareholders approving the Initial Connected Grant to such Connected Participants; and
- (ii) the Listing Committee granting approval for the listing of, and permission to deal in, the new Shares which may be allotted and issued pursuant to the grant of Awards under the Share Award Scheme.

An application will be made by the Company to the Listing Committee after each Connected Grant to the Connected Participants has been made under the Share Award Scheme for the listing of, and permission to deal in, the new Shares to be allotted and issued pursuant to such Connected Grants.

An announcement will be made by the Company when the Initial Connected Grants have been made to the Connected Participants.

(b) Reasons and Benefits of the Proposed Initial Connected Grants to the Connected Participants

The proposed Initial Connected Grants to the Connected Participants are intended to increase alignment between the interests of each of the Connected Participants and the long-term interests of the Shareholders through ownership of the Shares and to help encourage the Connected Participants to continuously devote their efforts to the development of the Group, recognise their past and/or expected future contribution to the success and development of the Group and aid in the retention of, and to reward the long-term performance of, each of the Connected Participants. The proposed Initial Connected Grants also aims to secure the long-term support and commitment of each of the Connected Participants to the Group which are vital to the future development of the Group. Furthermore, the proposed grants of the Award Shares over a period of six years can be viewed as a continued process by the Company to reward the Connected Participants for their contribution to the performance of and commitment to the Group.

(c) Listing Rules Implications

As Mr. Timothy Patrick McNally, Tan Sri Dr Chen Lip Keong, Mr. Philip Lee Wai Tuck, Mr. Lim Mun Kee, Mr. Michael Lai Kai Jin and Mr. Leong Choong Wah are Directors, and Tan Sri Dr Chen Lip Keong is also a substantial shareholder of the Company, they are connected persons of the Company under the Listing Rules.

Accordingly, the proposed Initial Connected Grants (including the allotment and issue of the Award Shares made pursuant to such grants) to the Connected Participants constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to reporting, announcement and the Independent Shareholders' approval requirements.

Pursuant to Chapter 14A of the Listing Rules:

- (i) Mr. Timothy Patrick McNally and his associates are required to abstain from voting on the ordinary resolution at the EGM to approve the proposed Initial Connected Grant to him;
- (ii) Tan Sri Dr Chen Lip Keong and his associates are required to abstain from voting on the ordinary resolution at the EGM to approve the proposed Initial Connected Grant to him;
- (iii) Mr. Philip Lee Wai Tuck and his associates are required to abstain from voting on the ordinary resolution at the EGM to approve the proposed Initial Connected Grant to him;
- (iv) Mr. Lim Mun Kee and his associates are required to abstain from voting on the ordinary resolution at the EGM to approve the proposed Initial Connected Grant to him;
- (v) Mr. Michael Lai Kai Jin and his associates are required to abstain from voting on the ordinary resolution at the EGM to approve the proposed Initial Connected Grant to him; and
- (vi) Mr. Leong Choong Wah and his associates are required to abstain from voting on the ordinary resolution at the EGM to approve the proposed Initial Connected Grant to him.

Due to the interests of each of Mr. Timothy Patrick McNally, Tan Sri Dr Chen Lip Keong, Mr. Philip Lee Wai Tuck, Mr. Lim Mun Kee, Mr. Michael Lai Kai Jin, Mr. Leong Choong Wah and Mr. Chen Yiy Fon (who is the son and associate of Tan Sri Dr Chen Lip Keong) in the Initial Connected Grants:

- (i) each of Mr. Timothy Patrick McNally, Tan Sri Dr Chen Lip Keong, Mr. Philip Lee Wai Tuck, Mr. Lim Mun Kee, Mr. Michael Lai Kai Jin and Mr. Leong Choong Wah has abstained from voting on the relevant resolutions of the Board in respect of the proposed Initial Connected Grant to himself; and
- (ii) Mr. Chen Yiy Fon has abstained from voting on the resolution of the Board in respect of the proposed Initial Connected Grant to Tan Sri Dr Chen Lip Keong.

Save as disclosed above, none of the other Directors had any interest in the proposed Initial Connected Grants.

(d) Views of the Directors (Excluding the Independent Non-Executive Directors)

The Directors (other than Mr. Timothy Patrick McNally and all the independent non-executive Directors) are of the view that the proposed Initial Connected Grant to Mr. Timothy Patrick McNally is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (other than Tan Sri Dr Chen Lip Keong, Mr. Chen Yiy Fon and all the independent non-executive Directors) are of the view that the proposed Initial Connected Grant to Tan Sri Dr Chen Lip Keong is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (other than Mr. Philip Lee Wai Tuck and all the independent non-executive Directors) are of the view that the proposed Initial Connected Grant to Mr. Philip Lee Wai Tuck is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (other than all the independent non-executive Directors) are of the view that the proposed Initial Connected Grant to Mr. Lim Mun Kee is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (other than all the independent non-executive Directors) are of the view that the proposed Initial Connected Grant to Mr. Michael Lai Kai Jin is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Directors (other than all the independent non-executive Directors) are of the view that the proposed Initial Connected Grant to Mr. Leong Choong Wah is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(e) Independent Board Committee and Independent Financial Adviser

The Independent Board Committee, comprising Mr. Lim Mun Kee, Mr. Michael Lai Kai Jin and Mr. Leong Choong Wah, being all the independent non-executive Directors, has been established to advise the Independent Shareholders as to the fairness and reasonableness of the terms of the Initial Connected Grants save, in respect of each of the independent non-executive Directors, of the proposed grant to himself. Anglo Chinese Corporate Finance, Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. The Independent Board Committee and the Independent Financial Adviser will express their advice on the Initial Connected Grants in the circular of the Company in this regard.

4. EGM AND CIRCULAR

An EGM will be convened and held for the Independent Shareholders to consider and if thought fit, approve the Initial Connected Grants.

A circular containing, among other things, details of the Share Award Scheme and the proposed Initial Connected Grants, the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, and the notice convening the EGM will be despatched to the Shareholders on or before 5 February 2021, in accordance with the requirements of the Listing Rules.

Shareholders, holders of securities of the Company and potential investors are reminded to exercise caution when dealing in the Shares and other securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional adviser.

5. INFORMATION ON THE GROUP

The Company is an investment holding company and the Group is principally engaged in the operation of a hotel and entertainment complex, NagaWorld, in the capital city of Cambodia, Phnom Penh. NagaWorld enjoys a 70-year casino license that will run until 2065, with an exclusive right to operate a casino in Phnom Penh, Cambodia and the area within a radius of 200 kilometres of Phnom Penh (except the Cambodia-Vietnam border area, Bokor, Kirirom Mountains and Sihanoukville) up to 31 December 2045.

6. DEFINITIONS

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

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| “Adoption Date” | 28 January 2021, the date on which the Share Award Scheme was adopted by the Board |
| “associate(s)” | has the meaning ascribed to it in the Listing Rules |
| “Award” | a grant of Award Shares under the terms of the Share Award Scheme |
| “Award Shares” | Shares to be allotted and issued to the Participants under the Share Award Scheme |
| “Board” | the board of Directors |
| “Company” | NagaCorp Ltd., an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 3918) |
| “Connected Grants” | the proposed grants of the Award Shares to the Connected Participants under the Share Award Scheme |
| “Connected Participants” | the Participants who are connected persons of the Company, being Mr. Timothy Patrick McNally, Tan Sri Dr Chen Lip Keong, Mr. Philip Lee Wai Tuck, Mr. Lim Mun Kee, Mr. Michael Lai Kai Jin and Mr. Leong Choong Wah, all of whom are Directors |
| “connected person(s)” | has the meaning ascribed to it in the Listing Rules |
| “core connected person(s)” | has the meaning ascribed to it in the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “EBITDA” | earnings before interest, tax, depreciation and amortisation |
| “EGM” | an extraordinary general meeting of the Company to be convened to approve the proposed connected transactions relating to the proposed Initial Connected Grants |
| “Group” | the Company and its subsidiaries from time to time |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |

| | |
|---------------------------------|---|
| “Independent Board Committee” | the independent board committee of the Board comprising Mr. Lim Mun Kee, Mr. Michael Lai Kai Jin and Mr. Leong Choong Wah, being all the independent non-executive Directors, established for the purpose of advising the Independent Shareholders on the Initial Connected Grants |
| “Independent Financial Adviser” | Anglo Chinese Corporate Finance, Limited, a corporation licensed to carry out type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities under the SFO and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Initial Connected Grants |
| “Independent Shareholders” | the Shareholders who are not required under the Listing Rules to abstain from voting on the respective resolutions relating to the approval of the Initial Connected Grants at the EGM |
| “Initial Connected Grants” | the proposed initial Connected Grants of a total of 10,226,667 Award Shares to the Connected Participants under the Share Award Scheme, which are subject to the approval of the Independent Shareholders at the EGM |
| “Initial Non-Connected Grants” | the proposed initial grants of a total of up to 9,000,000 Award Shares to the Non-Connected Participants to be made by the Company under the Share Award Scheme by 30 June 2021 |
| “Listing Committee” | has the meaning ascribed to it under the Listing Rules |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Non-Connected Participants” | the employees of the Group (none of whom are connected persons of the Company) |
| “Participants” | the individuals who participate in the Share Award Scheme, as defined in the Share Award Scheme, comprising the Directors (including executive Directors, non-executive Directors and independent non-executive Directors), the directors of the subsidiaries of the Company and the employees of the Group who the Board considers, in its absolute discretion, have contributed or will contribute to the Group |
| “Remuneration Committee” | the remuneration committee of the Board from time to time |
| “Share(s)” | the ordinary share(s) with par value of US\$0.0125 each in the share capital of the Company |

| | |
|---------------------------|--|
| “Share Award Scheme” | the rules of the share award scheme adopted by the Board on the Adoption Date |
| “Shareholder(s)” | holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “substantial shareholder” | has the meaning ascribed to it in the Listing Rules |
| “Trustee” | a professional trustee which the Company may appoint to assist with the administration of the Share Award Scheme and the vesting of Awards granted |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “%” | per cent |

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

Hong Kong, 28 January 2021

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

Executive Directors:

Tan Sri Dr Chen Lip Keong (*Chief Executive Officer*)
Mr. Philip Lee Wai Tuck (*Executive Deputy Chairman*)
Mr. Chen Yiy Fon

Non-executive Director:

Mr. Timothy Patrick McNally (*Chairman*)

Independent Non-executive Directors:

Mr. Lim Mun Kee
Mr. Michael Lai Kai Jin
Mr. Leong Choong Wah

For the purpose of this announcement, amounts denominated in US\$ have been converted to HK\$ at an exchange rate of US\$1.00 to HK\$7.80. This exchange rate is for illustrative purposes only and should not be construed as a representation that amounts in US\$ could be converted into HK\$ at such rate.

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