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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in NagaCorp Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED CONNECTED TRANSACTIONS
RELATING TO THE PROPOSED INITIAL CONNECTED GRANTS
TO THE CONNECTED PARTICIPANTS
PURSUANT TO THE SHARE AWARD SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser
to the Independent Board Committee and Independent Shareholders**

ANGLO CHINESE 英高
CORPORATE FINANCE, LIMITED 高

A letter from the Board is set out on pages 5 to 19 of this circular. A letter from the Independent Board Committee containing its advice and recommendation to the Independent Shareholders is set out on pages 20 to 21 of this circular. A letter from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 22 to 47 of this circular.

A notice convening the EGM to be held at Regus Conference Centre, 35/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Friday, 26 February 2021 at 10:00 a.m. is set out on pages 61 to 63 of this circular. If you are not able to attend the EGM in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for holding of the EGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should you so wish.

PRECAUTIONARY MEASURES FOR THE EGM

Please refer to pages ii and iii of this circular for measures being implemented at the EGM to try to prevent and control the spread of COVID-19, including, without limitation:

- all attendees being required to (a) undergo body temperature screening/checks; and (b) wear surgical face masks prior to admission to the EGM venue;
- all attendees who are subject to health quarantine prescribed by the Hong Kong Government not being admitted to the EGM venue;
- all attendees being required to wear surgical face masks throughout the EGM and inside the meeting venue;
- appropriate seating arrangement being implemented; and
- no distribution of corporate gift or refreshment.

The Company reminds attendees that they should carefully consider the risks of attending the EGM, taking into account their own personal circumstances. Furthermore, the Company would like to remind the Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising their voting rights and would like to encourage Shareholders to appoint the chairman of the EGM as their proxy and submit their form of proxy as early as possible. Subject to the development of COVID-19, the Company may implement further changes in the precautionary measures and may issue further announcement on such measures as appropriate.

5 February 2021

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PRECAUTIONARY MEASURES FOR THE EGM

Taking into account the guidelines mentioned in the “Joint Statement in relation to General Meetings in light of the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation” published by the Securities and Futures Commission and The Stock Exchange of Hong Kong Limited on 1 April 2020, the Company will implement the following precautionary measures at the EGM to ensure the safety of the Shareholders and participants attending the EGM:

- (i) compulsory body temperature screening/checks will be conducted for every Shareholder, proxy or other attendee at each entrance of the meeting venue. Any person with a body temperature of over 37.3 degrees Celsius or who is exhibiting any flu-like symptoms or is otherwise unwell will be denied entry into the meeting venue or be required to leave the meeting venue;
- (ii) each attendee may be asked whether (a) he/she has travelled outside of Hong Kong within the 14-day period immediately before the EGM; and (b) he/she is subject to any Hong Kong Government prescribed quarantine. Anyone who responds positively to any of these questions may be denied entry into the meeting venue or be required to leave the meeting venue;
- (iii) all attendees are required to wear a surgical face mask throughout the meeting and inside the meeting venue;
- (iv) all attendees are required to maintain a safe distance between seats; and
- (v) no refreshment will be served and there will be no corporate gift.

Pursuant to the Prevention and Control of Disease (Prohibition on Group Gathering) Regulation (Cap. 599G) (the “**Regulation**”), group gatherings of more than 20 persons for shareholders’ meetings are required to be accommodated in separate rooms or partitioned areas of not more than 20 persons each. The Hong Kong Government will review the social distancing measures in place from time to time in accordance with the development of COVID-19 in Hong Kong, the number of persons allowed in shareholders’ meeting will be subject to the latest amendments to the Regulation (which may be announced by the Hong Kong Government from time to time).

In addition, the Company reminds all Shareholders that physical attendance in person at the meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolution at the meeting instead of attending the meeting in person, by completing and returning the proxy form attached to this circular.

The Company will keep the Shareholders informed by way of further announcement if there are any material updates on the Regulation which would affect the EGM.

PRECAUTIONARY MEASURES FOR THE EGM

If any Shareholder chooses not to attend the meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the Board, he/she is welcome to send such question or matter in writing to our principal place of business in Hong Kong.

If any Shareholder has any question relating to the meeting, please contact Computershare Hong Kong Investor Services Limited, the Company's share registrar in Hong Kong as follow:

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East Wanchai, Hong Kong
Tel: (852) 2862 8555
Fax: (852) 2865 0990

DEFINITIONS

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

“Adoption Date”	28 January 2021, the date on which the Share Award Scheme was adopted by the Board
“Articles of Association”	the articles of association of the Company (as amended and restated from time to time)
“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
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“close associate”	has the meaning ascribed to it in the Listing Rules
“Companies Law”	the Companies Law (2018 Revision as amended) of the Cayman Islands, as amended and restated from time to time
“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 who are Directors
“connected person(s)”	has the meaning ascribed to it in the Listing Rules

DEFINITIONS

“core connected person(s)”	has the meaning ascribed to it in the Listing Rules
“DBA”	the guaranteed maximum sum design and build agreement dated 12 April 2019 entered into between Naga 3 Company Limited and CCAG Asia Co., Ltd., details of which are set out in the circular of the Company dated 22 July 2019
“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 held at Regus Conference Centre, 35/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Friday, 26 February 2021 at 10:00 a.m. for the purposes of considering and if thought fit, passing the ordinary resolutions contained in the notice of the EGM, or any adjournment thereof
“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

DEFINITIONS

“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
“Latest Practicable Date”	1 February 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Committee”	has the meaning ascribed to it in 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, 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
“Securities and Futures Ordinance” or “SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	the ordinary share(s) with par value of US\$0.0125 each in the share capital of the Company

DEFINITIONS

“Share Award Scheme”	the rules of the share award scheme adopted by the Board on the Adoption Date, a summary of the principal terms of which is set out in Appendix I to this circular
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Agreement”	the subscription agreement dated 14 April 2019 entered into between the Company and ChenLipKeong Fund Limited, details of which are set out in the circular of the Company dated 22 July 2019
“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

References to times and dates in this circular are to Hong Kong times and dates.

For the purpose of this circular, 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.

This circular 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.

LETTER FROM THE BOARD



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)

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

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal Place of Business
in Cambodia:*

NagaWorld
Samdech Techo, Hun Sen Park
Phnom Penh, 120101
P.O. Box 1099
Phnom Penh
Kingdom of Cambodia

*Principal Place of Business
in Hong Kong:*

Suite 2806, 28/F., Central Plaza
18 Harbour Road
Wanchai
Hong Kong

5 February 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSED CONNECTED TRANSACTIONS
RELATING TO THE PROPOSED INITIAL CONNECTED GRANTS
TO THE CONNECTED PARTICIPANTS
PURSUANT TO THE SHARE AWARD SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 28 January 2021 in respect of, among others, the proposed connected transactions relating to the proposed Initial Connected Grants to the Connected Participants pursuant to the Share Award Scheme.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with further details regarding the proposed connected transactions relating to the proposed grants of Award Shares to the Connected Participants pursuant to the Share Award Scheme, and to give you notice of the EGM.

2. BACKGROUND ON THE SHARE AWARD SCHEME

(a) 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. A summary of the principal terms of the Share Award Scheme is set out in Appendix I to this circular.

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.

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.

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.

LETTER FROM THE BOARD

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.

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 (being the Directors) (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.

LETTER FROM THE BOARD

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 Listing Rule 13.36(5), 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 Listing 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 Latest Practicable Date, 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.

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 Award Shares is less than that of the grant of share options.

LETTER FROM THE BOARD

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 such listing approval being granted.

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.

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.

(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.

LETTER FROM THE BOARD

(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\$8.85 per Share as quoted on the Stock Exchange on the Latest Practicable Date, 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\$90.51 million (or equivalent to approximately US\$11.60 million) and approximately HK\$79.65 million (or equivalent to approximately US\$10.21 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 Latest Practicable Date as the actual cost may vary from the estimated cost as at the Latest Practicable Date. The Board believes that any statement regarding the value of all the Awards as at the Latest Practicable Date 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%.

LETTER FROM THE BOARD

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

LETTER FROM THE BOARD

Name	Total Number of Award Shares Proposed to be Granted	Number of Award Shares Comprised in the Initial Connected Grant
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

LETTER FROM THE BOARD

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\$8.85 per Share as quoted on the Stock Exchange on the Latest Practicable Date, 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\$90.51 million (or equivalent to approximately US\$11.60 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.

LETTER FROM THE BOARD

(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 the reporting, announcement and 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 and 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.

LETTER FROM THE BOARD

(d) 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, having considered the advice of the Independent Financial Adviser, is of the view that the Initial Connected Grants to each of Mr. Timothy Patrick McNally, Tan Sri Dr Chen Lip Keong and Mr. Philip Lee Wai Tuck are in the ordinary and usual course of business of the Company and the Group as a whole and in the interests of the Company and the Shareholders as a whole and the terms of the Initial Connected Grants are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the proposed ordinary resolutions relating to the Initial Connected Grants contained in paragraphs 1, 2 and 3 of the notice of the EGM.

The Independent Board Committee (excluding Mr. Lim Mun Kee), having considered the advice of the Independent Financial Adviser, are of the view that the Initial Connected Grant to Mr. Lim Mun Kee, is in the ordinary and usual course of business of the Company and the Group as a whole and in the interests of the Company and the Shareholders as a whole and the terms of the Initial Connected Grant are on normal commercial terms and are fair and reasonable so far Independent Shareholders are concerned. Accordingly, the Independent Board Committee (excluding Mr. Lim Mun Kee) recommend the Independent Shareholders to vote in favour of the proposed ordinary resolution relating to the Initial Connected Grant contained in paragraph 4 of the notice of the EGM.

The Independent Board Committee (excluding Mr. Michael Lai Kai Jin), having considered the advice of the Independent Financial Adviser, are of the view that the Initial Connected Grant to Mr. Michael Lai Kai Jin, is in the ordinary and usual course of business of the Company and the Group as a whole and in the interests of the Company and the Shareholders as a whole and the terms of the Initial Connected Grant are on normal commercial terms and are fair and reasonable so far Independent Shareholders are concerned. Accordingly, the Independent Board Committee (excluding Mr. Michael Lai Kai Jin) recommend the Independent Shareholders to vote in favour of the proposed ordinary resolution relating to the Initial Connected Grant contained in paragraph 5 of the notice of the EGM.

The Independent Board Committee (excluding Mr. Leong Choong Wah), having considered the advice of the Independent Financial Adviser, are of the view that the Initial Connected Grant to Mr. Leong Choong Wah, is in the ordinary and usual course of business of the Company and the Group as a whole and in the interests of the Company and the Shareholders as a whole and the terms of the Initial Connected Grant are on normal commercial

LETTER FROM THE BOARD

terms and are fair and reasonable so far as Independent Shareholders are concerned. Accordingly, the Independent Board Committee (excluding Mr. Leong Choong Wah) recommend the Independent Shareholders to vote in favour of the proposed ordinary resolution relating to the Initial Connected Grant contained in paragraph 6 of the notice of the EGM.

The letter from the Independent Board Committee to the Independent Shareholders is set out on pages 20 to 21 of this circular. The letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders is set out on pages 22 to 47 of this circular.

(e) Recommendation

The Directors (other than Mr. Timothy Patrick McNally but including all the independent non-executive Directors) are of the view that the ordinary resolution contained in paragraph 1 of the notice of the EGM relating to 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 and accordingly, recommend the Independent Shareholders to vote in favour of this proposed ordinary resolution at the EGM.

The Directors (other than Tan Sri Dr Chen Lip Keong and Mr. Chen Yiy Fon but including all the independent non-executive Directors) are of the view that the ordinary resolution contained in paragraph 2 of the notice of the EGM relating to 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 and accordingly, recommend the Independent Shareholders to vote in favour of this proposed ordinary resolution at the EGM.

The Directors (other than Mr. Philip Lee Wai Tuck but including all the independent non-executive Directors) are of the view that the ordinary resolution contained in paragraph 3 of the notice of the EGM relating to 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 and accordingly, recommend the Independent Shareholders to vote in favour of this proposed ordinary resolution at the EGM.

The Directors (other than Mr. Lim Mun Kee but including Mr. Michael Lai Kai Jin and Mr. Leong Choong Wah, being the other independent non-executive Directors) are of the view that the ordinary resolution contained in paragraph 4 of the notice of the EGM relating to 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 and accordingly, recommend the Independent Shareholders to vote in favour of this proposed ordinary resolution at the EGM.

LETTER FROM THE BOARD

The Directors (other than Mr. Michael Lai Kai Jin but including Mr. Lim Mun Kee and Mr. Leong Choong Wah, being the other independent non-executive Directors) are of the view that the ordinary resolution contained in paragraph 5 of the notice of the EGM relating to 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 and accordingly, recommend the Independent Shareholders to vote in favour of this proposed ordinary resolution at the EGM.

The Directors (other than Mr. Leong Choong Wah but including Mr. Lim Mun Kee and Mr. Michael Lai Kai Jin, being the other independent non-executive Directors) are of the view that the ordinary resolution contained in paragraph 6 of the notice of the EGM relating to 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 and accordingly, recommend the Independent Shareholders to vote in favour of this proposed ordinary resolution at the EGM.

4. SHAREHOLDING IMPACT OF THE PROPOSED AWARD SHARE GRANTS

The table below sets out the shareholding in the Company assuming (i) Awards in respect of a maximum of 19,226,667 Shares relating to the Initial Connected Grants and the Initial Non-Connected Grants are granted, (ii) Awards in respect of the maximum number of Shares which may be granted under the Share Award Scheme (i.e. 217,050,402 Shares) are granted to the Connected Participants and Non-Connected Participants, (iii) no other Shares are issued or repurchased by the Company and (iv) there are no other changes to the issued share capital of the Company as at the Latest Practicable Date⁽¹⁾:

	As at the Latest Practicable Date		Upon the Allotment and Issue of the Initial Award Grants		Upon the Allotment and Issue of the Maximum Number of Award Shares	
	No. of Shares	% of Total Issued Shares ⁽²⁾	No. of Shares	% of Total Issued Shares ⁽⁶⁾	No. of Shares	% of Total Issued Shares ⁽⁷⁾
LIPKCO Group Limited ⁽³⁾	789,534,854	18.19	789,534,854	18.11	789,534,854	17.32
LIPKCO ENTERPRISES LIMITED ⁽³⁾	162,260,443	3.74	162,260,443	3.72	162,260,443	3.56
ChenLipKeong Capital Limited ⁽⁴⁾	33,570,000	0.77	33,570,000	0.77	33,570,000	0.74
Tan Sri Dr Chen Lip Keong ⁽¹⁾⁽⁵⁾	1,943,107,166	44.76	1,944,273,833	44.59	1,950,107,166	42.78
Mr. Timothy Patrick McNally	–	–	6,000,000	0.14	6,000,000	0.13
Mr. Philip Lee Wai Tuck	–	–	3,000,000	0.07	5,000,000	0.11
Mr. Lim Mun Kee	–	–	30,000	0.00 ⁽⁸⁾	180,000	0.00 ⁽⁸⁾
Mr. Michael Lai Kai Jin	–	–	20,000	0.00 ⁽⁸⁾	120,000	0.00 ⁽⁸⁾
Mr. Leong Choong Wah	–	–	10,000	0.00 ⁽⁸⁾	60,000	0.00 ⁽⁸⁾
Public Shareholders	1,412,535,578	32.54	1,421,535,578	32.60	1,611,225,980	35.35
– Non-Connected Participants	–	–	9,000,000	0.21	198,690,402	4.36
– Other Shareholders	1,412,535,578	32.54	1,412,535,578	32.40	1,412,535,578	30.99
Total⁽⁹⁾	4,341,008,041	100.00	4,360,234,708	100.00	4,558,058,443	100.00

LETTER FROM THE BOARD

Notes:

- (1) Upon completion of the DBA and the Subscription Agreement, 1,142,378,575 Settlement Shares or such Adjusted Settlement Shares (both as defined in the circular of the Company dated 22 July 2019) for the funding of the Naga 3 project will be issued to ChenLipKeong Fund Limited. ChenLipKeong Fund Limited is wholly owned by Tan Sri Dr Chen Lip Keong. It is anticipated that completion of the DBA will occur on or before 30 September 2025 or such other date as may be agreed between the parties to the DBA and the Subscription Agreement. As such Settlement Shares have not yet been issued, they have not been taken into account in the above table.
- (2) Based on the Company's issued share capital of 4,341,008,041 Shares as at the Latest Practicable Date.
- (3) Tan Sri Dr Chen Lip Keong is the founder of a discretionary family trust named ChenLa Foundation. As at Latest Practicable Date, ChenLa Foundation indirectly holds, through LIPKCO ENTERPRISES LIMITED and LIPKCO Group Limited, a total of 951,795,297 Shares. As a founder of ChenLa Foundation, Tan Sri Dr Chen Lip Keong is deemed to be interested in the Shares held by ChenLa Foundation.
- (4) Tan Sri Dr Chen Lip Keong owns 100% of the issued shares of ChenLipKeong Capital Limited. By virtue of the 100% interest held by Tan Sri Dr Chen Lip Keong in ChenLipKeong Capital Limited, Tan Sri Dr Chen Lip Keong is deemed to be interested in the Shares held by ChenLipKeong Capital Limited.
- (5) Tan Sri Dr Chen Lip Keong directly holds 1,943,107,166 Shares as at the Latest Practicable Date.
- (6) Based on the assumption that the total number of Shares in issue will be 4,360,234,708 Shares (being the sum of 4,341,008,041 Shares (the total number of Shares in issue as at the Latest Practicable Date) and 19,226,667 Shares (the maximum number of Award Shares to be issued pursuant to the Initial Connected Grants and the Initial Non-Connected Grants)).
- (7) Based on the assumption that the total number of Shares in issue will be 4,558,058,443 Shares (being the sum of 4,341,008,041 Shares (the total number of Shares in issue as at the Latest Practicable Date) and 217,050,402 Shares (the maximum number of Award Shares which may be issued pursuant to the Share Award Scheme)).
- (8) Percentage represents less than 0.01%.
- (9) Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

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.

LETTER FROM THE BOARD

6. EGM

A notice convening the EGM to be held at Regus Conference Centre, 35/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Friday, 26 February 2021 at 10:00 a.m. is set out on pages 61 to 63 of this circular. If you are not able to attend the EGM in person, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and, in any event, not less than 48 hours before the time appointed for holding of the EGM or any adjourned meeting thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof (as the case may be) should you so wish.

7. ADDITIONAL INFORMATION

Pursuant to the Listing Rules and Article 66 of the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll. An announcement on the poll vote results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Your attention is drawn to the additional information set out in (i) the letter from the Independent Board Committee to the Independent Shareholders set out on pages 20 to 21 of this circular, (ii) the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages 22 to 47 of this circular and (iii) Appendices I and II to this circular.

Yours faithfully,
For and on behalf of the Board of
NAGACORP LTD.
Lam Yi Lin
Company Secretary



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)

5 February 2021

To the Independent Shareholders

Dear Sir or Madam,

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

We refer to the circular dated 5 February 2021 (the “Circular”) issued by the Company to the Shareholders, of which this letter forms part. Unless the context otherwise requires, terms defined in the Circular shall have the same meanings when used in this letter.

We, being all the independent non-executive Directors, have been appointed by the Board as the members of the Independent Board Committee to advise the Independent Shareholders as to whether the Initial Connected Grants are in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole and whether the terms of the Initial Connected Grants are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned.

Anglo Chinese Corporate Finance, Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Initial Connected Grants.

Your attention is drawn to (i) the letter from the Board set out in the Circular which contains, among other things, details of the terms of the Initial Connected Grants, (ii) the letter from the Independent Financial Adviser set out in the Circular which contains its advice to the Independent Board Committee and the Independent Shareholders, together with the principal factors and reasons taken into consideration in arriving at such advice, (iii) the summary of the principal terms of the Share Award Scheme set out in Appendix I to the Circular and (iv) general information set out in Appendix II to the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the advice from the Independent Financial Adviser, we are of the view that the Initial Connected Grants to each of Mr. Timothy Patrick McNally, Tan Sri Dr Chen Lip Keong and Mr. Philip Lee Wai Tuck are in the ordinary and usual course of business of the Company and the Group as a whole and in the interests of the Company and the Shareholders as a whole and the terms of the Initial Connected Grants are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the proposed ordinary resolutions relating to the Initial Connected Grants contained in paragraphs 1, 2 and 3 of the notice of the EGM.

Having considered the advice from the Independent Financial Adviser, Mr. Michael Lai Kai Jin and Mr. Leong Choong Wah are of the view that the Initial Connected Grant to Mr. Lim Mun Kee, is in the ordinary and usual course of business of the Company and the Group as a whole and in the interests of the Company and the Shareholders as a whole and the terms of the Initial Connected Grant are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, Mr. Michael Lai Kai Jin and Mr. Leong Choong Wah recommend the Independent Shareholders to vote in favour of the proposed ordinary resolutions relating to the Initial Connected Grant contained in paragraph 4 of the notice of the EGM.

Having considered the advice from the Independent Financial Adviser, Mr. Lim Mun Kee and Mr. Leong Choong Wah are of the view that the Initial Connected Grant to Mr. Michael Lai Kai Jin, is in the ordinary and usual course of business of the Company and the Group as a whole and in the interests of the Company and the Shareholders as a whole and the terms of the Initial Connected Grant are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, Mr. Lim Mun Kee and Mr. Leong Choong Wah recommend the Independent Shareholders to vote in favour of the proposed ordinary resolutions relating to the Initial Connected Grant contained in paragraph 5 of the notice of the EGM.

Having considered the advice from the Independent Financial Adviser, Mr. Michael Lai Kai Jin and Mr. Lim Mun Kee are of the view that the Initial Connected Grant to Mr. Leong Choong Wah, is in the ordinary and usual course of business of the Company and the Group as a whole and in the interests of the Company and the Shareholders as a whole and the terms of the Initial Connected Grant are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, Mr. Michael Lai Kai Jin and Mr. Lim Mun Kee recommend the Independent Shareholders to vote in favour of the proposed ordinary resolutions relating to the Initial Connected Grant contained in paragraph 6 of the notice of the EGM.

Yours faithfully,
Independent Board Committee

Mr. Lim Mun Kee

Mr. Michael Lai Kai Jin

Mr. Leong Choong Wah

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Set out below is the full text of the letter of advice from Anglo Chinese Corporate Finance, Limited to the Independent Board Committee and the Independent Shareholders in relation to the Initial Connected Grants for inclusion in this circular.

ANGLO CHINESE

CORPORATE FINANCE, LIMITED
www.anglochinesegroup.com

40th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong

*To the Independent Board Committee
and the Independent Shareholders of
NagaCorp Ltd.*

5 February 2021

Dear Sirs,

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

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders with respect to the Initial Connected Grants, details of which are set out in the “Letter from the Board” (“**Letter from the Board**”) in the circular dated 5 February 2021 issued by NagaCorp Ltd. (the “**Company**”, together with its subsidiaries (the “**Group**”)) (“**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

As at the Latest Practicable Date, Mr. Timothy Patrick McNally and Mr. Philip Lee Wai Tuck are Directors, Tan Sri Dr Chen Lip Keong is a Director and a controlling shareholder (as defined in the Listing Rules) of the Company, and Mr. Lim Mun Kee, Mr. Michael Lai Kai Jin and Mr. Leong Choong Wah are independent non-executive Directors. All of them are connected persons to the Company pursuant to Chapter 14A of the Listing Rules and will participate in the Share Award Scheme. Therefore, the Initial Connected Grants constitute non-exempt connected transactions of the Company under Chapter 14A of the Listing Rules and are subject to the reporting, announcement and Independent Shareholders’ approval requirements.

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 whether the Initial Connected Grants are conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole and whether the terms of the Initial Connected Grants are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. We have been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In formulating our opinion and recommendation, we have reviewed (i) the Share Award Scheme; (ii) the Company's prospectus dated 6 October 2006; (iii) the Company's annual reports for the years ended 31 December 2017, 2018 and 2019 and the interim report for the six months ended 30 June 2020; (iv) the Company's circular dated 22 July 2019; (v) selected share award schemes of listed companies comparable to the Share Award Scheme; and (vi) other information as set out in the Circular. We have relied on the accuracy of the information, facts, representations and opinions expressed by the Board, referred to in the Circular. We have assumed that the information, representations and opinions were true at the time they were made and continue to be true as at the date of the Circular and will continue to be true up to the time the Independent Shareholders vote on the resolutions to approve the Initial Connected Grants. We consider that we have reviewed sufficient information to reach the conclusions set out in this letter and have no reason to believe any of the information provided to us by the management of the Company is inaccurate or that any material information has been omitted or withheld from the information supplied or the opinions expressed in the Circular. We have also assumed that all statements of belief and opinion of the Board as set out in the announcement of the Company dated 28 January 2021 and the Circular were reasonably made after due and careful enquiry. We have not, however, carried out any independent verification on the information provided to us by the Company, nor have we conducted any form of independent in-depth investigation into the business and affairs or prospects of the Group or its associates.

Apart from professional fees for our services to the Company in connection with the engagement described above, no arrangement exists whereby we will receive any fees or benefits from the Company, its subsidiaries, directors, chief executive, substantial shareholders or any associate of any of them. During the two-year period immediately preceding the Latest Practicable Date, we were appointed as an independent financial adviser to the Company to advise on the Subscription Agreement and the transactions contemplated thereunder, details of which were set out in the circular of the Company dated 22 July 2019. Given our independent role and normal professional fees received from the Company under the past engagement, we do not consider that our independence to act in present appointment is affected by the prior engagement.

PRINCIPAL FACTORS AND REASONS CONSIDERED

We have considered the following factors in arriving at our opinion on the Initial Connected Grants:

(a) Principal terms of the Initial Connected Grants

Number of Shares underlying the : 10,226,667
Initial Connected Grants

Market value of the Initial : HK\$90,506,003
Connected Grants^(note)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- Conditions precedent : (a) the Independent Shareholders approving the Initial Connected Grants to such Connected Participant; 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.

Note: The market value of the Award Shares under the Initial Connected Grants is calculated as the multiple of the closing market price per Share of HK\$8.85 as at the Latest Practicable Date and the number of Award Shares under the Initial Connected Grants (i.e. 10,226,667 Shares).

Subject to the approval by the Independent Shareholders at the EGM, the Board expects to make the Initial Connected Grants to the Connected Participants by 30 June 2021. The Company will make an announcement when such Initial Connected Grants have been made to the Connected Participants.

(b) Information on the Group

The Company is an investment holding company. The Group is principally engaged in the management and operation of a hotel and casino complex in Cambodia. The Company operates its business through two segments. The Casino Operations segment is engaged in all gaming activities at the hotel and entertainment complex, *NagaWorld*. *NagaWorld* enjoys a 70-year casino license that will run until 2065 and 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. As disclosed in the announcement of the Company dated 19 November 2019, Ariston Sdn. Bhd., a wholly-owned subsidiary of the Company, entered into a second addendum agreement with the Royal Government of Cambodia on 19 November 2019 to extend such exclusive right for an additional 10 years effective from 1 January 2036 until 31 December 2045. The Hotel and Entertainment Operations segment is engaged in leisure, hotel and entertainment business operations. The Group is also engaged in the provision and maintenance of slot machine stations and the provision of management consulting services.

(c) Background of and reasons for the Share Award Scheme

Background of the Share Award Scheme

As set out in the Letter from the Board, the Directors believe that the Award Share is a means to attract, retain and motivate skilled and experienced personnel to strive for the Group's future development and expansion by providing them with the opportunity to obtain equity interests in the Company. Also, the Directors are of the view that 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, fewer Shares are required to be issued by the Company as compared with granting of options under the Company's share option scheme adopted on 20 April 2016 to provide the same economic advantages to the Participants.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We note that the Group experienced net decreases in cash in FY2017 mainly because of the substantial cash outflows required for the construction of new hotels and casino complex in Russia, the enhancement work on *NagaWorld* and *Naga 2*, and the stable and high dividend pay-out. Later on 21 May 2018, the Group issued senior notes of an aggregate principal amount of US\$300 million to improve its liquidity. Further, the Company has obtained the Shareholders' approval on 8 August 2019 to develop and construct an integrated multi-entertainment resort complex (occupying an estimated total floor area of up to 544,801 square metres) to complement its existing *Naga 1* and *Naga 2* in Cambodia ("**Naga 3 Project**"). Construction costs of the *Naga 3 Project* will amount up to US\$3,515,011,000, and half of which will be borne by the Company (see the Company's circular dated 22 July 2019 for details). On 6 July 2020, the Group issued senior notes of an aggregate principal amount of US\$350 million in order to refinance its existing debt and for general corporate purposes. We have been advised by the management of the Company that it is essential for the Group to maintain adequate liquidity to develop the Group's project in Russia and *Naga 3 Project*.

In the circumstance, we are of the view that the Share Award Scheme, which gives the Board the option to either issue Shares or pay cash for the satisfaction of vested Award Shares, is a flexible means for the Group to incentivise its employees while preserving its liquidity required for its various business projects. In addition, the Share Award Scheme is preferred against alternative incentive schemes such as cash bonuses which would incur cash outflow for the Group.

Principal terms of the Share Award Scheme

The principal terms of the Share Award Scheme are set out in Appendix I to this circular and summarised below:

- | | | |
|----------------|---|---|
| Eligibility | : | The eligible participants of the Share Award Scheme are proposed to include the Directors (including executive Directors, non-executive Directors and independent non-executive Directors), the directors of the Company's subsidiaries and the employees of the Group who the Board considers, in its absolute discretion, have contributed or will contribute to the Group. Each person who receives an Award Share under the Share Award Scheme is a " Grantee ". |
| Administration | : | The Board will administer the Share Awards Scheme. The Company may also appoint a trustee (" Trustee ") to assist with the administration and vesting of the Awards. ^(Note) |
| Term | : | 10 years from the Adoption Date. |

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Satisfaction of Awards : Subject to and in accordance with the terms of the Share Award Scheme and the specific terms applicable to each Award, an Award shall vest and the Grantee shall become entitled to receive the Award Shares on the date specified in the notice of grant or lapse automatically if the vesting of an Award is subject to the satisfaction of performance or other conditions and such-conditions are not satisfied.

The Company may decide in its absolute discretion to satisfy the Awards by:

- (a) allotting and issuing the relevant number of Shares to the Grantee credited as fully paid;
- (b) directing and procuring the Trustee to transfer to the Grantee the relevant number of Shares; or
- (c) paying or procuring a cash payment equals to the market value of the relevant number of Shares on the vesting date.

Maximum number of Shares : The maximum aggregate number of Shares which may be granted pursuant to the Share Award Scheme (“**Scheme Mandate Limit**”) will be calculated in accordance with the following formula:

$$X = Y - Z$$

where:

X = Maximum aggregate number of Award Shares that may be granted pursuant to the Share Award Scheme;

Y = 5% of the Shares in issue on the date on which the Share Award Scheme is adopted (or the subsequent renewal date); and

Z = the maximum aggregate number of Shares that may be issued and, or transferred upon the vesting of Awards already granted pursuant to the Share Award Scheme

Renewal of 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 Award Shares may be granted pursuant to the Share Award Scheme following such renewals must not exceed 5% of the Shares in issue as at the date of approval of the renewed limit.

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- Rights on cessation of employment : If the Grantee ceases his employment, service or engagement with the Group prior to the vesting date of any Award for any reason other than certain events entitling the Company to terminate his employment or service with immediate notice without compensation, the Board shall determine in its absolute discretion whether, when and the extent to which the unvested Award will vest. The Award shall lapse if the Grantee's employment, service or engagement with the Group ceased if the Board decides not to vest his entitled Award.
- Rights attached to Award Shares : Until the Shares underlying the Award Share are granted, a Grantee will have no rights (including in relation to any dividends or distributions) in respect of any Award Shares granted until such Shares have been allotted and issued or transferred to the Grantee.

The Shares to be issued to the Grantees shall: (i) be credited as fully paid for non-cash consideration by way of incentive remuneration in respect of each Grantee's past service, current and prospective role with, and contribution to, the Group; and (ii) rank *pari passu* in all respects with the existing Shares then in issue.

Note: As set out in the Letter from the Board, the Board currently proposes to grant all 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 a trustee in the future to assist the Company with the administration of the Share Award Scheme and vesting of the Awards granted.

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 Awards on vesting; and (ii) hold 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.

We note that the trustee arrangement stated above is not uncommon for Hong Kong listed companies. As the purpose of appointing a trustee is to facilitate the administration of the Share Award Scheme and vesting of the Awards granted, such arrangement does not affect our views and recommendations regarding the fairness and reasonableness of the Initial Connected Grants.

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Comparable share award schemes

We have, to the best of our knowledge, identified the following exhaustive list of comparable share award schemes (“**Comparable Schemes**”) adopted by publicly traded companies listed on the Stock Exchange or other overseas exchanges, and which are engaged in the gaming industry in South-east Asia and, or Macau (“**Comparable Companies**”) for our assessment of the fairness and reasonableness of the terms of Share Award Scheme. Notwithstanding the fact that none of the Comparable Companies operate principally in Cambodia like the Company, and some of them are listed overseas, their principal businesses, target customer markets and business scales are similar to those of the Company. We consider the Comparable Schemes to be fair and representative for our comparable analysis. We have not taken into consideration share award schemes of publicly traded companies operating in non-gaming industries which are, in our view, not comparable given the differences in the nature and life cycle of business, operational risks faced by the business and hence remuneration packages of directors and senior management.

Company name	Major place of operation	Date of adoption of share award scheme	Term (years)	Maximum number of shares may be awarded/granted	Are directors eligible to participate?
1. Genting Singapore Limited (formerly known as Genting Singapore PLC) (“Genting Singapore”) (Stock code: G13.SG)	Singapore	8 August 2007 (amended and extended on 21 April 2016 for a further period of 10 years from 8 August 2017 to 7 August 2027)	10 (i)	420,433,143 shares (approximately 3.5% of the total number of issued share (excluding treasury shares) as at 31 January 2016);	Yes
				and	
			(ii)	not more than 5% of total number of the issued share capital (excluding treasury shares) from time to time when added to the number of shares issued and/or issuable under the scheme and other share-based incentives schemes	

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Company name	Major place of operation	Date of adoption of share award scheme	Term (years)	Maximum number of shares may be awarded/granted	Are directors eligible to participate?
2. Melco International Development Limited (Stock code: 200.HK)	Macau	18 October 2007 (amended on 28 August 2014 and 12 June 2015 respectively)	20	<p>Share purchase scheme</p> <p>2% of the issued shares of the company from time to time (excluding the shares which have already been transferred to employees on vesting)</p> <p>Share subscription scheme</p> <p>2% of the issued shares of the company from time to time (excluding the shares which have already been transferred to the eligible persons on vesting). The maximum number of shares which may be awarded to a director and an eligible person (other than a director of the company and an eligible person (other than a director of the company or its subsidiaries), are 0.2% and 0.05% of the issued shares from time to time, respectively</p>	Yes

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Company name	Major place of operation	Date of adoption of share award scheme	Term (years)	Maximum number of shares may be awarded/granted	Are directors eligible to participate?
3. Sands China Ltd. (Stock code: 1928.HK)	Macau	8 November 2009 (amended on 19 February 2016). This scheme has expired on 30 November, 2019. On and after this date, no awards may be granted under this scheme but all existing awards previously granted under the scheme which are unexercised and unvested will remain valid and exercisable in accordance with their terms of grant	10	10% of the total number of shares in issue immediately following the completion of the global offering, the capitalisation issue and the mandatory and automatic exchange of the bonds for shares	Yes
4. Sands China Ltd. (Stock code: 1928.HK)	Macau	24 May 2019 (effective on 1 December 2019)	10	10% of the total number of shares in issue as at 24 May 2019	Yes
5. Wynn Macau, Limited (Stock code: 1128.HK)	Macau	30 June 2014	10	50,000,000 shares (approximately 1% of the aggregate nominal amount of the issued share capital of the Company on 30 June 2014)	No
6. Melco Resorts & Entertainment Limited (formerly known as Melco Crown Entertainment Limited) (Stock code: MLCO.NASDAQ)	Macau	6 October 2011 (effective on 7 December 2011)	10	100,000,000 shares (approximately 6.2% of the shares in issue as at 6 October 2011), which could be raised up to 10% of the issued share capital upon shareholders' approval	Yes

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Company name	Major place of operation	Date of adoption of share award scheme	Term (years)	Maximum number of shares may be awarded/granted	Are directors eligible to participate?
7. Galaxy Entertainment Group Ltd. ("Galaxy Entertainment Group") (Stock code: 27.HK)	Macau	4 August 2014	Approx. 7	(i) the aggregate of (a) total number of unvested awarded shares and (b) total number of shares which may be issued upon exercise of all outstanding options under share option scheme(s) must not exceed 30% of the shares in issue from time to time; and (ii) the aggregate of (a) the total number of awarded shares to be granted and (b) the total number of shares which may be issued upon exercise of all options granted and to be granted under any share option scheme(s) after the adoption of the share option scheme must not in aggregate exceed 413,678,806 shares or must not exceed the limit as refreshed under the share option scheme	Yes

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Company name	Major place of operation	Date of adoption of share award scheme	Term (years)	Maximum number of shares may be awarded/granted	Are directors eligible to participate?
8. Genting Malaysia Bhd (Stock code: 4715.MY)	Malaysia	26 February 2015	6	3% of the issued and paid-up ordinary share capital (excluding treasury shares) at any point of time during the scheme period)	Yes
9. Genting Malaysia Bhd (Stock code: 4715.MY)	Malaysia	27 February 2018	6	3% of the issued and paid-up ordinary share capital (excluding treasury shares) at any point of time during the scheme period)	Yes

Selection criteria:

1. *Listed casino operators in South-east Asia and Macau with a market capitalisation of at least HK\$20 billion as at the Latest Practicable Date; and*
2. *Vested shares or share units granted under the schemes will be transferred at no cost to the grantees. For the avoidance of doubt, share options schemes, share appreciation rights schemes and the like are excluded.*

From the table above, we see that the Comparable Schemes' terms range from six (6) to twenty (20) years, and other than Wynn Macau, Limited, all of them permit directors to participate. The maximum number of shares that can be granted under the Comparable Schemes vary between 1% and 10% of the relevant issuer's issued share capital. The corresponding terms of the Share Award Scheme fall within the ranges of the Comparable Schemes.

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The table below sets out the key terms of recent grants of share or share unit under the Comparable Schemes in 2018, 2019 and up to the Latest Practicable Date:

	Company name	Stock code	Date of grant	Number of shares	Market price of the shares granted on the date of grant	Date and number of shares to be vested
1a	Galaxy Entertainment Group	27.HK	21 November 2018	2,003,900	HK\$93,682,325 ^(note 1)	667,879 on 21 November 2019; 667,879 on 21 November 2020; and 668,142 on 21 November 2021
1b	Galaxy Entertainment Group	27.HK	28 December 2018	783,700	HK\$38,048,635 ^(note 1)	261,225 on 28 December 2019; 261,225 on 28 December 2020; and 261,250 on 28 December 2021
1c	Galaxy Entertainment Group	27.HK	30 December 2019	2,691,200	HK\$155,282,240 ^(note 1)	803,540 on 30 December 2020; 803,540 on 30 December 2021; and 1,084,120 on 30 December 2022
2a	Genting Singapore	G13.SG	5 March 2018	6,470,000	SGD7,246,400 ^(note 1)	Vesting is subject to pre-determined performance targets being achieved
2b	Genting Singapore	G13.SG	16 March 2018	125,000	SGD141,250 ^(note 1)	Vesting is subject to pre-determined performance targets being achieved
2c	Genting Singapore	G13.SG	2 May 2018	1,000,000	SGD1,180,000 ^(note 1)	Vesting is subject to pre-determined performance targets being achieved
2d	Genting Singapore	G13.SG	22 February 2019	3,625,000	SGD3,878,750 ^(note 1)	Vesting is subject to pre-determined performance targets being achieved
2e	Genting Singapore	G13.SG	25 February 2019	470,500	SGD498,730 ^(note 1)	Vesting is in accordance with the predefined conditions of the scheme
2f	Genting Singapore	G13.SG	1 March 2019	8,810,000	SGD9,074,300 ^(note 1)	Vesting is subject to pre-determined performance targets being achieved
2g	Genting Singapore	G13.SG	12 February 2020	3,500,000	SGD3,062,500 ^(note 1)	Vesting is subject to pre-determined performance targets being achieved

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	Company name	Stock code	Date of grant	Number of shares	Market price of the shares granted on the date of grant	Date and number of shares to be vested
2h	Genting Singapore	G13.SG	25 February 2020	263,000	SGD226,180 ^(note 1)	Vesting is subject to pre-defined conditions of the scheme
2i	Genting Singapore	G13.SG	2 March 2020	9,711,000	SGD7,817,355 ^(note 1)	Vesting is subject to achievement of pre-determined performance targets over the relevant performance period as follows:- <ul style="list-style-type: none"> • 5,486,000 share awards over a performance period of 1 year. • 4,225,000 share awards over a performance period of 3 years.
3a	Melco International Development Limited	200.HK	10 April 2018	6,859,000 (of which 4,665,000 shares were granted to certain directors and employees and 2,194,000 shares were granted to a director for the modification of share options)	HK\$127,916,270 ^(note 2)	4,465,000 on the date of grant; 2,268,000 on 10 April 2019; 64,000 on 10 April 2020; and 62,000 on 10 April 2021

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	Company name	Stock code	Date of grant	Number of shares	Market price of the shares granted on the date of grant	Date and number of shares to be vested
3b	Melco International Development Limited	200.HK	10 April 2019	4,988,000	HK\$99,261,200 <i>(note 1)</i>	2,352,000 on the date of grant; 2,347,000 on 10 April 2020; 146,000 on 10 April 2021; and 143,000 on 10 April 2022
3c	Melco International Development Limited	200.HK	6 September 2019	4,879,000	HK\$92,505,840 <i>(note 1)</i>	1,627,000 on 30 June 2020; 1,626,000 on 30 June 2021; and 1,626,000 on 30 June 2022
3d	Melco International Development Limited	200.HK	14 April 2020	7,646,000	HK\$97,104,200 <i>(note 1)</i>	3,706,000 on the date of grant; 3,705,000 on 14 April 2021; 119,000 on 14 April 2022; and 116,000 on 14 April 2023
4a	Wynn Macau, Limited	1128.HK	During the year ended 31 December 2018. Exact date is not disclosed.	3,256,630	HK\$78,256,819 ^{<i>(note 2)</i>}	Undisclosed
4b	Wynn Macau, Limited	1128.HK	During the year ended 31 December 2019. Exact date is not disclosed.	3,742,418	HK\$70,843,973 <i>(note 2)</i>	Undisclosed
4c	Wynn Macau, Limited	1128.HK	During the six months ended 30 June 2020. Exact date is not disclosed.	3,440,788	HK\$54,674,121 ^{<i>(note 2)</i>}	Undisclosed
5a	Genting Malaysia Bhd	4715.MY	16 March 2018	9,683,250	RM48,900,413 ^{<i>(note 3)</i>}	Upon fulfilment of vesting conditions, over three instalments equally on a market day in March 2019, March 2020 and March 2021
5b	Genting Malaysia Bhd	4715.MY	16 March 2018	2,629,300	RM13,015,035 ^{<i>(note 3)</i>}	Upon fulfilment of vesting conditions, on a market day in March 2021

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	Company name	Stock code	Date of grant	Number of shares	Market price of the shares granted on the date of grant	Date and number of shares to be vested
5c	Genting Malaysia Bhd	4715.MY	18 March 2019	15,322,308	RM49,184,609 ^(note 3)	Upon fulfilment of vesting conditions, over three instalments equally on a market day falling in March 2020, March 2021 and March 2022
5d	Genting Malaysia Bhd	4715.MY	18 March 2019	4,821,069	RM14,993,525 ^(note 3)	Upon fulfilment of vesting conditions, on a market day falling in March 2022
5e	Genting Malaysia Bhd	4715.MY	16 March 2020	Up to 1,379,460	RM5,222,636 ^(note 3)	Upon fulfilment of vesting conditions, over three instalments equally on a market day falling in March 2021, March 2022 and March 2023
5f	Genting Malaysia Bhd	4715.MY	16 March 2020	Up to 334,900	RM1,267,931 ^(note 3)	Upon fulfilment of vesting conditions, on a market day falling in March 2023
6a	Melco Resorts & Entertainment Limited	NASDAQ: MLCO	16 March 2018	9,221 ADSs (equivalent to 27,663 shares)	US\$253,116 ^(note 4)	All on 16 March 2020
6b	Melco Resorts & Entertainment Limited	NASDAQ: MLCO	29 March 2018	592,873 ADSs (equivalent to 1,778,619 shares)	US\$17,181,460 ^(note 5)	8,625 ADSs (equivalent to 25,875 shares) on 29 March 2019; 292,027 ADSs (equivalent to 876,081 shares) on 29 March 2020; and 292,221 ADSs (equivalent to 876,663 shares) on 29 March 2021
6c	Melco Resorts & Entertainment Limited	NASDAQ: MLCO	23 November 2018	24,298 ADSs (equivalent to 72,894 shares)	US\$412,337 ^(note 6)	All on 23 November 2020

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	Company name	Stock code	Date of grant	Number of shares	Market price of the shares granted on the date of grant	Date and number of shares to be vested
6d	Melco Resorts & Entertainment Limited	NASDAQ: MLCO	1 April 2019	1,224,933 ADSs (equivalent to 3,674,799 shares)	US\$29,925,113 ^(note 7)	4,092 ADSs (equivalent to 12,276 shares) on 31 July 2019; 4,092 ADSs (equivalent to 12,276 shares) on 30 December 2019; 22,515 ADSs (equivalent to 67,545 shares) on 1 April 2020; 4,092 ADSs (equivalent to 12,276 shares) on 30 June 2020; 595,071 ADSs (equivalent to 1,785,213 shares) on 1 April 2021; and 595,071 ADSs (equivalent to 1,785,213 shares) on 1 April 2022
6e	Melco Resorts & Entertainment Limited	NASDAQ: MLCO	31 July 2019	2,226 ADSs (equivalent to 6,678 shares)	US\$50,018 ^(note 8)	742 ADSs (equivalent to 2,226 shares) on 31 July 2019; 742 ADSs (equivalent to 2,226 shares) on 31 December 2019; and 742 ADSs (equivalent to 2,226 shares) on 30 June 2020
6f	Melco Resorts & Entertainment Limited	NASDAQ: MLCO	31 March 2020	3,113,557 ADSs (equivalent to 9,340,671 shares)	US\$38,608,107 ^(note 9)	47,983 ADSs (equivalent to 143,949 shares) on 31 March 2021; 1,532,787 ADSs (equivalent to 4,598,361 shares) on 31 March 2022; and 1,532,787 ADSs (equivalent to 4,598,361 shares) on 31 March 2023

Notes:

1. This amount is calculated based on the closing price of the relevant shares on date of grant.
2. These amounts are calculated based on the weighted average grant date fair value of the shares granted during the year ended 31 December 2018 and 2019 and the six months ended 30 June 2020.
3. This amount is calculated based on the fair value of the shares on the date of grant.

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4. This amount is calculated based on the closing price of US\$27.45 per American depository shares (“ADS”) (equivalent to three shares) on 16 March 2018.
5. This amount is calculated based on the closing price of US\$28.98 per ADS (equivalent to three shares) on 29 March 2018.
6. This amount is calculated based on the closing price of US\$16.97 per ADS (equivalent to three shares) on 23 November 2018.
7. This amount is calculated based on the closing price of US\$24.43 per ADS (equivalent to three shares) on 1 April 2019.
8. This amount is calculated based on the closing price of US\$22.47 per ADS (equivalent to three shares) on 31 July 2019.
9. This amount is calculated based on the closing price of US\$12.40 per ADS (equivalent to three shares) on 31 March 2020.

From the table above, we note that the vesting periods of most of the share awards granted by each of Galaxy Entertainment Group (to be vested in three tranches), Melco International Development Limited (to be vested in three or four tranches), Genting Malaysia Bhd (to be vested in three tranches or one tranche in three years’ time) and Melco Resorts & Entertainment Limited (to be vested in one tranche or various tranches) are two or three years. The vesting of share awards granted by Genting Singapore Ltd is subject to certain pre-determined performance targets being achieved over the relevant period.

The Board (upon 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 (except for Mr. Timothy Patrick McNally, who will be granted a total of 6,000,000 Award Shares in one tranche under the Initial Connected Grants) over a period of six years from the date on which the Independent Shareholders approve the Initial Connected Grants at the EGM. The Board (upon the recommendation of the Remuneration Committee) will take into consideration the individual performance and contribution of each Connected Participant and the financial performance of the Group with reference to indicators such as earnings per Share, revenue, EBITDA and net profit of the Group for the relevant year, and decide the exact number of Award Shares to be made in each year to the Connected Participants. Independent Shareholders’ approval will be sought each year in relation to the proposed Connected Grants to each Connected Participant to be made in each year.

The vesting periods for most of the recent grants of shares or share units under the Comparable Schemes since their dates of grants are three years. Accordingly, the six-year period for making the Connected Grants is relatively long and we are of the view that the Connected Grants can help retain the Connected Participants and increase their alignment of interest with those of the Shareholders in the said six-year period.

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The Initial Connected Grants are not subject to any vesting period. As set out in the Letter from the Board, subject to the approval of the Independent Shareholders at the EGM, all Award Shares under the Initial Connected Grants will be allotted and issued by the Company to the Connected Participants by 30 June 2021.

As detailed in the section headed “(d) Reasons for and benefits of the Initial Connected Grants” in this letter, the Connected Participants have supported the Group’s business development to varying extents. We are of the view that it is reasonable not to impose any vesting period on the Initial Connected Grants as they serve the purpose of recognising the Connected Participants’ past contribution to the success and development of the Group over the years.

(d) Reasons for and benefits of the Initial Connected Grants

The Directors believe the Initial Connected Grants would increase alignment between the interests of each of the Connected Participants and the long-term interests of the Shareholders, encourage the Connected Participants to continuously devote their efforts to the development of the Group, recognise their contribution to the success and development of the Group and aid in the retention of, and reward the long-term performance of each of the Connected Participants.

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Information of the Connected Participants

Details of the Connected Participants and the Initial Connected Grants are set out below:

Name	Position/Title	Number of Award Shares	Market value of the Award Shares ^(note 2)	Shareholding percentage represented the number of Shares to be issued under the Award Shares as at the Latest Practicable Date
Mr. Timothy Patrick McNally	Chairman and non- executive Director	6,000,000	HK\$53,100,000	0.14%
Tan Sri Dr Chen Lip Keong	Chief executive officer, executive Director and substantial shareholder of the Company	1,166,667	HK\$10,325,003	0.03%
Mr. Philip Lee Wai Tuck	Executive deputy chairman and executive Director	3,000,000	HK\$26,550,000	0.07%
Mr. Lim Mun Kee	Independent non-executive Director	30,000	HK\$265,500	0.0007%
Mr. Michael Lai Kai Jin	Independent non-executive Director	20,000	HK\$177,000	0.0005%
Mr. Leong Choong Wah	Independent non-executive Director	10,000	HK\$88,500	0.0002%
Total		<u>10,226,667</u>	<u>HK\$90,506,003</u>	<u>0.24%</u>

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Notes:

1. Based on the Company's issued share capital of 4,341,008,041 Shares as at the Latest Practicable Date.
2. The market value of the Award Shares is calculated by multiplying the closing market price per Share of HK\$8.85 on the Latest Practicable Date and the number of Award Shares under the Initial Connected Grants.

It is proposed that the Connected Participants will receive up to a total of 10,226,667 Award Shares under the Initial Connected Grants, representing approximately 0.24% of the total number of Shares in issue and carrying an estimated market value of approximately HK\$90.51 million as at the Latest Practicable Date.

Connected Participants' responsibilities over the Group's business development

Mr. Timothy Patrick McNally ("**Mr. McNally**") joined the Company in February 2005 as chairman of the Board and an independent non-executive Director. He is currently a non-executive Director and remains as Chairman of the Board. He also serves as chairman of the AML Oversight Committee of the Company.

Tan Sri Dr Chen Lip Keong ("**Dr Chen**") is an executive Director, the founder, controlling shareholder, chief executive officer, and a member of the Remuneration Committee, the Nomination Committee and the AML Oversight Committee of the Company. He is also a director of several wholly-owned subsidiaries of the Company, and a director of LIPKCO Group Limited which is a substantial shareholder of the Company.

Mr. Philip Lee Wai Tuck ("**Mr. Lee**") joined the Group in 2009 and appointed executive Director in May 2010. He was the chief financial officer of the Company and is presently an executive deputy chairman of the Company and a director of various wholly-owned subsidiaries of the Company.

Mr. Lim Mun Kee has been an independent non-executive Director of the Company since 17 September 2007. Mr. Lim is the chairman of the Audit Committee, and a member of the Remuneration Committee and the Nomination Committee of the Company.

Mr. Michael Lai Kai Jin, was a non-executive Director of the Company from 31 May 2010 to 5 April 2011 and was re-designated as independent non-executive Director of the Company on 6 April 2011. He is also a member of the Audit Committee and the AML Oversight Committee and the chairman of the Remuneration Committee and the Nomination Committee of the Company.

Mr. Leong Choong Wah was appointed as an independent non-executive Director of the Company on 10 September 2018. He is also a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company.

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Besides the respective responsibilities as set out above, Dr Chen, Mr. Lee and Mr. McNally have contributed to the recent growth of the Group, in particular, their contributions to (i) the acquisition of *NagaCity Walk Project* and *TSCLK Complex Project* by the Company which took place on 17 May 2016 and 30 December 2016, respectively; (ii) the successful opening of *TSCLK Complex* (also known as *Naga 2*) in November 2017; (iii) the development of the gaming and resort project in Vladivostok, Russia which commenced in 2016; and (iv) the maintenance of a sound corporate governance measures, with particular regard to the risk management and internal control systems encompassing internal audit, anti-money laundering, control on investment risks and controls on handling dissemination of inside information of the Group, as detailed below:

Dr Chen's major contributions to the Group

The Company entered into a share purchase agreement with Dr Chen on 13 June 2011, pursuant to which, among others, the Company conditionally agreed to purchase TSC Inc. and City Walk Inc, the holding companies of *TSCLK Complex Project*, *NagaCity Walk Project* and *Tourist Garden* (each as defined in the circular of the Company dated 30 December 2011 and the details of the projects are set out therein), at an aggregate consideration of US\$369 million which was settled by the issue of new Shares and, or convertible bonds of the Company at the election of Dr Chen. The US\$369 million consideration was identical to the then estimated development costs of the projects.

According to the aforesaid share purchase agreement, the responsibility of and risk associated with the financing and development of the three projects would be borne solely by Dr Chen and the Company would not be required to issue the consideration shares and, or convertible bonds until (if the other conditions are being satisfied) the construction of projects were completed. In addition, the consideration of US\$369 million was not subject to any adjustment, meaning that any overrun on the development costs overruns (if any) would be borne by Dr Chen. In fact, an additional spending of US\$29 million was incurred in relation to the construction works of *NagaCity Walk* and the *TSCLK Complex* (also known as *Naga 2*) (each of *NagaCity Walk* and *TSCLK Complex* as defined in the circular of the Company dated 30 December 2011) but was partly offset by the development cost for the *Tourist Garden* of US\$10 million which was abandoned on 28 December 2015.

Naga 2 was opened in November 2017 and it had since then contributed significantly to the Group's results as the casino and complex's appeal, capacity, quality, range and reach of VIP, mass gaming and non-gaming offerings increased. It has been transformative and provided the Group with a competitive integrated casino resort product comparable to integrated resorts in other established gaming destinations in Asia.

According to the 2017, 2018 and 2019 annual reports of the Company, Dr Chen (i) forgone his performance incentive entitlement to which Dr Chen was entitled for the five financial years from 2010 to 2014 totalling US\$18,600,000; (ii) deferred the payment of his performance incentive entitlement for FY2015 and FY2016 of US\$8,050,899 and US\$9,011,037, respectively until FY2017; (iii) deferred the payment of his performance incentive entitlement for FY2017 and FY2018 of US\$11,765,000 and US\$18,570,000 respectively to 2019 or beyond at the sole election of Dr Chen subject to the achievement of certain key performance indicators in FY2019; and (iv) deferred the payment of his performance incentive entitlement for FY2019 of US\$26,182,000 to 2020 or beyond at the sole election of Dr Chen subject to the achievement of certain key performance indicators in FY2020.

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In view of the foregoing, we consider that Dr Chen has provided substantial support for the Group's development, and believe Dr Chen's experience in conducting business in Cambodia, knowledge of the local commercial environment, connection with business communities and devotion to the Group's business advancement will continue to be an invaluable asset to the Company.

Mr. Lee's major contributions to the Group

Mr. Lee joined the Group in 2009 and was designated as the chief financial officer of the Group on 14 February 2011 and appointed to the Board as an executive Director on 31 May 2010. He was promoted as the Company's Executive Deputy Chairman on 15 March 2018. During his tenure, the Group experienced significant growth, with net profits growing from approximately US\$25.5 million in 2009 to approximately US\$390.6 million in 2018 and the market capitalization of the Company growing from approximately US\$231 million as at 31 December 2009 to about US\$5.0 billion currently. Mr. Lee played a key role in overseeing this growth and his continued commitment to support the future development of the Group is important.

Mr. McNally's major contributions to the Group

Casino operation is a highly regulated business and by its nature, is subject to various exceptional operation risks. It is therefore paramount for the Group to retain competent personnel to manage these risks by establishing and maintaining effective systems of corporate governance, risk management and internal control over the operations, administrative and accounting, anti-money laundering, security, surveillance and internal audit functions.

In February 2005, Mr. McNally joined the Company as chairman of the Board and an independent non-executive Director when he was employed by the Hong Kong Jockey Club as the Executive Director of Security and Corporate Legal Services. Mr. McNally departed the latter in October 2005. Also, Mr. McNally was a Special Agent of the Federal Bureau of Investigation ("FBI") for almost 25 years, focusing on the investigation and prosecution of serious crimes including organized crime, drug trafficking, public corruption and fraud matters before he departed as the head of the FBI's Los Angeles Office. Mr. McNally is an international security consultant and the chairman of B2G Global Strategies, a consulting and investigation firm.

Mr. McNally has been a member of the Group's AML Oversight Committee since its establishment in 16 March 2005, and which oversees the formulation of policies and strategies on anti-money laundering ("AML") development and implementation programmes, and the quality control and AML matters. He also guides the Company on best practices and processes pertaining to compliance and corporate governance. His experience and in-depth knowledge are valuable to the Group to remain in compliance with the relevant laws and regulations of the jurisdictions in which the Group operates.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Comparison of the remuneration packages of the independent non-executive directors of the Company with those of the Comparable Companies

The Remuneration Committee of the Board takes into consideration factors such as salaries paid by comparable companies, and time commitment and responsibilities of the Directors and senior management in making recommendations to the Board regarding the remuneration packages of the Directors and senior management. We have considered the remuneration of the independent non-executive directors of the Comparable Companies in their respective latest financial year (see table below) in assessing the reasonableness of the Initial Connected Grants:

Average annual remuneration of independent non-executive directors of the Comparable Companies in their respective latest financial year

	<i>(HK\$'000)</i>	<i>% to revenue</i>
Average	1,704	0.0062%
Median	1,549	0.0029%
Maximum	3,437	0.0193%
Minimum	258	0.0013%
The Company	445	0.0032%

It is noted that the average remuneration of the Company's Independent non-executive Directors was significantly lower than the average and median remuneration of independent non-executive directors of the Comparable Companies by 73.9% and 71.3% respectively.

Financial effects of the Initial Connected Grants

Earnings

Under the Share Award Scheme, the Connected Participants only receive Shares when the Awards are granted. The ultimate amount that will be recognised as an expense will be based on the fair value of the Award Shares that have been actually granted. Assuming the fair value of each Award Share to be granted under the Initial Connected Grants equals to the closing price of the Shares as at the Latest Practicable Date, the Group's earnings will decrease by approximately HK\$90.51 million (equivalent to approximately US\$11.60 million).

Net asset value

It is expected that there will be a decrease in the net asset value per Share upon issue of new Shares as a result of the grant of the Award Shares under the Initial Connected Grants. Upon the grant of the Award Shares under the Initial Connected Grants, an aggregate of 10,226,667 Shares will be issued and the net asset value per Share will be diluted by approximately 0.24%.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Effect on the shareholding structure of the Company

The table below illustrates the effects of the Initial Connected Grants on the shareholding structure of the Company assuming (i) the Award Shares under the Initial Connected Grants and the Initial Non-Connected Grants are granted; (ii) the maximum number of Award Shares, which include grants to the Connected Participants and Non-Connected Participants, are granted; (iii) no other Shares are issued or repurchased by the Company; and (iv) there are no other changes to the issued share capital of the Company as at the Latest Practicable Date⁽¹⁾:

	As at the Latest Practicable Date ⁽¹⁾		Upon the Allotment and Issue of the Initial Award Grants		Upon the Allotment and Issue of the Maximum Number of Award Shares	
	No. of Shares	% of Total Issued Shares ⁽²⁾	No. of Shares	% of Total Issued Shares ⁽⁶⁾	No. of Shares	% of Total Issued Shares ⁽⁷⁾
LIPKCO Group Limited ⁽³⁾	789,534,854	18.19	789,534,854	18.11	789,534,854	17.32
LIPKCO ENTERPRISES LIMITED ⁽³⁾	162,260,443	3.74	162,260,443	3.72	162,260,443	3.56
Chen Lip Keong Capital Limited ⁽⁴⁾	33,570,000	0.77	33,570,000	0.77	33,570,000	0.74
Tan Sri Dr Chen Lip Keong ⁽¹⁾⁽⁵⁾	1,943,107,166	44.76	1,944,273,833	44.59	1,950,107,166	42.78
Mr. Timothy Patrick McNally	-	-	6,000,000	0.14	6,000,000	0.13
Mr. Philip Lee Wai Tuck	-	-	3,000,000	0.07	5,000,000	0.11
Mr. Lim Mun Kee	-	-	30,000	0.00 ⁽⁸⁾	180,000	0.00 ⁽⁸⁾
Mr. Michael Lai Kai Jin	-	-	20,000	0.00 ⁽⁸⁾	120,000	0.00 ⁽⁸⁾
Mr. Leong Choong Wah	-	-	10,000	0.00 ⁽⁸⁾	60,000	0.00 ⁽⁸⁾
Public Shareholders	1,412,535,578	32.54	1,421,535,578	32.60	1,611,225,980	35.35
-Non-Connected Participants	-	-	9,000,000	0.21	198,690,402	4.36
-Other Shareholders	1,412,535,578	32.54	1,412,535,578	32.40	1,412,535,578	30.99
Total⁽⁹⁾	4,341,008,041	100.00	4,360,234,708	100.00	4,558,058,443	100.00

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Notes:

- (1) Upon completion of the DBA and the Subscription Agreement (as described in the circular of the Company dated 22 July 2019), 1,142,378,575 Settlement Shares or such Adjusted Settlement Shares (both as defined in the circular of the Company dated 22 July 2019) for the funding of the Naga 3 project will be issued to ChenLipKeong Fund Limited. ChenLipKeong Fund Limited is wholly owned by Tan Sri Dr Chen Lip Keong. It is anticipated that completion of the DBA will occur on or before 30 September 2025 or such other date as may be agreed between the parties to the DBA and the Subscription Agreement. As such Settlement Shares have not yet been issued, they have not been taken into account in the above table.
- (2) Based on the Company's issued share capital of 4,341,008,041 Shares as at the Latest Practicable Date.
- (3) Tan Sri Dr Chen Lip Keong is the founder of a discretionary family trust named ChenLa Foundation. As at Latest Practicable Date, ChenLa Foundation indirectly holds, through LIPKCO ENTERPRISES LIMITED and LIPKCO Group Limited, a total of 951,795,297 Shares. As a founder of ChenLa Foundation, Tan Sri Dr Chen Lip Keong is deemed to be interested in the Shares held by ChenLa Foundation.
- (4) Tan Sri Dr Chen Lip Keong owned 100% of the issued shares of ChenLipKeong Capital Limited. By virtue of the 100% interest held by Tan Sri Dr Chen Lip Keong in ChenLipKeong Capital Limited, Tan Sri Dr Chen Lip Keong is deemed to be interested in the Shares held by ChenLipKeong Capital Limited.
- (5) Tan Sri Dr Chen Lip Keong directly holds 1,943,107,166 Shares as at the Latest Practicable Date.
- (6) Based on the assumption that the total number of Shares in issue will be 4,360,234,708 Shares (being the sum of 4,341,008,041 Shares (the total number of Shares in issue as at the Latest Practicable Date) and 19,226,667 Shares (the maximum number of Award Shares to be issued pursuant to the Initial Connected Grants and the Initial Non-Connected Grants)).
- (7) Based on the assumption that the total number of Shares in issue will be 4,558,058,443 Shares (being the sum of 4,341,008,041 Shares (the total number of Shares in issue as at the Latest Practicable Date) and 217,050,402 Shares (the maximum number of Award Shares which may be issued pursuant to the Share Award Scheme)).
- (8) Percentage represents less than 0.01%.
- (9) Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

Upon allotment and issue of (a) the Award Shares underlying the Initial Connected Grants and the Initial Non-Connected Grants and (b) the maximum number of Award Shares (assuming that there is no other change in the issued share capital of the Company), the shareholding interests of existing public Shareholders will be diluted from approximately 32.54% to approximately 32.40% under scenario (a) and approximately 30.99%, under scenario (b). Given the insignificant dilution effect on the shareholding of the public Shareholders and having considered the reasons and benefits of the Initial Connected Grants set out above, we are of the opinion that the potential dilution to the Independent Shareholders is acceptable.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

OPINION AND RECOMMENDATION

Taking into account the reasons and factors set out above, we are of the opinion that the terms of the Initial Connected Grants are on normal commercial terms and fair and reasonable so far as the Independent Shareholders are concerned. The Initial Connected Grants are conducted under the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we recommend, that the Independent Shareholders vote in favour of the resolutions to be proposed at the EGM to approve the Initial Connected Grants.

Yours faithfully,
For and on behalf of
Anglo Chinese Corporate Finance, Limited

Stephanie Wong
Director

Ms. Stephanie Wong is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Anglo Chinese to carry out Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance. She has over 29 years of experience in corporate finance.

The following is a summary of the principal terms of the Share Award Scheme adopted by the Board on 28 January 2021.

1. PURPOSE

The purpose of the Share Award Scheme is to attract skilled and experienced personnel, to incentivise them to remain with and/or to recognise their contribution to the Group. In particular, the Share Award Scheme aims to motivate personnel to strive for the future development and expansion of the Group by providing them with the opportunity to obtain equity interests in the Company.

2. WHO MAY JOIN

Those eligible to participate in the Share Award Scheme include 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 (“**Participants**”). Participants may receive, at the absolute discretion of the Board, Award Shares under the Share Award Scheme. Each person who receives an Award Shares under the Share Award Scheme is a “**Grantee**”.

3. ADMINISTRATION

The Share Award Scheme will be subject to the administration of the Board. The Board’s decision as to all matters arising in relation to the Share Award Scheme or its interpretation or effect shall be final and binding on all parties.

The Company may also appoint a professional trustee (“**Trustee**”) to assist with the administration and vesting of the Awards. The Company may to the extent permitted by the Companies Law (2018 Revision as amended) of the Cayman Islands (“**Companies Law**”) and the Listing Rules: (a) 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 Awards upon vesting; and/or (b) direct and procure the Trustee to make on-market purchases of Shares to satisfy the Awards upon vesting.

4. TERM

No Award Shares shall be granted under the Share Award Scheme after the completion of 10 years from the Adoption Date, but the Awards granted during that 10 year term shall continue to be valid in accordance with their terms of grant after the completion of 10 years from the Adoption Date.

5. GRANT OF AWARDS

The Board may grant an Award (a “**Grant**”) to a Participant by a notice (“**Notice of Grant**”) in such form as the Board may from time to time determine requiring the Participant to undertake to hold the Award Share(s) on the terms on which it is to be granted and to be bound by the terms of the Share Award Scheme and any other terms and conditions as contained in the Notice of Grant.

6. TIMING RESTRICTIONS

The Company may not grant any Award after inside information has come to its knowledge until such time as that information has ceased to constitute inside information. In particular, the Company may not grant any Awards during the period commencing one month immediately before the earlier of:

- (i) the date of the meeting of the Board (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

Where a Grant is to a Director or to any Participant who, because of his office or employment in the Company or any of its subsidiaries, is likely to be in possession of unpublished price-sensitive information in relation to the Shares, no Grant may be made on any day on which the financial results of the Company are published and during the period of:

- (i) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results.

7. GRANT TO CONNECTED PERSONS

Any Grant to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, shall be subject to the prior approval of the independent non-executive Directors (excluding the independent non-executive Director who is the proposed Grantee of the Grant in question) and all Grants to connected persons shall be subject to compliance with the requirements of the Companies Law and the Listing Rules, including where necessary the prior approval of the Shareholders.

8. SATISFACTION OF AWARDS

Subject to and in accordance with the terms of the Share Award Scheme and the specific terms applicable to each Award, an Award shall vest and the Grantee shall become entitled to receive the Award Shares on the date specified in the Notice of Grant (the “**Vesting Date**”).

The Board may determine the Vesting Date in its absolute discretion and may determine that an Award vests on the date of Grant. If the vesting of an Award is subject to the satisfaction of performance or other conditions and such conditions are not satisfied, the Award shall lapse automatically in respect of such proportion of the Award Shares as have not vested.

Awards shall be satisfied at the Company’s absolute discretion by:

- (i) the Company allotting and issuing the relevant number of Shares to the Grantee credited as fully paid; or
- (ii) the Company directing and procuring the Trustee to transfer to the Grantee the relevant number of Shares; or
- (iii) the Company paying or procuring the payment of a Cash Payment.

“Cash Payment” means a payment determined by the Company in accordance with the formula $A \times B$ where:

A = the number of Award Shares in respect of which the Award has vested

B = the Market Value of a Share on the Vesting Date or, if the Vesting Date is not a Business Day, the Market Value of a Share on the last Business Day preceding the Vesting Date.

9. RIGHTS ATTACHED TO THE AWARD SHARES

A Grantee shall have no rights in respect of any Award Shares granted until such Shares have been allotted and issued or transferred to the Grantee, including in relation to any dividends or distributions in respect of such Award Shares. Subject to the foregoing, the Shares to be allotted and issued pursuant to the Share Award Scheme shall (a) be credited as fully paid for non-cash consideration by way of incentive remuneration in respect of each Grantee's past service, current and prospective roles with, and/or contributions to, the Group and (b) rank *pari passu* in all respects with the existing Shares then in issue except for any rights attaching to Shares by reference to a record date before the date of issue.

10. CORPORATE EVENTS

In the event of:

- (i) a general offer by way of a takeover or otherwise (other than by way of scheme of arrangement pursuant to paragraph 10(ii) below) which is made by any person to acquire all the Shares (other than those already owned by the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becoming or being declared unconditional prior to the Vesting Date of any Award; or
- (ii) a general offer by any person for Shares by way of scheme of arrangement is made to all the Shareholders and which is approved by the necessary number of Shareholders at the requisite meeting(s) prior to the Vesting Date of any Award; or
- (iii) a compromise or arrangement (other than a scheme of arrangement contemplated in paragraph 10(ii)) between the Company and the Shareholders and/or the creditors of the Company pursuant to the Companies Law is proposed for the purposes of or in connection with a plan for the reconstruction of the Company prior to the Vesting Date of any Award; or
- (iv) an amalgamation, arrangement, merger, consolidation (other than a scheme of arrangement contemplated in paragraph 10(ii)) in which the Company is not the surviving entity, except for a transaction the principal purpose of which is to change the jurisdiction in which the Company is incorporated or which following such transaction the holders of the Company's voting securities immediately prior to such transaction own more than fifty percent (50%) of the voting securities of the surviving entity; or
- (v) the completion of a voluntary or insolvent liquidation or dissolution of the Company,

the Board shall, subject to the below and (in the case of paragraph 10(i)) prior to the offer becoming or being declared unconditional or (in the case of paragraph 10(ii) or 10(iii)) prior to the date of the relevant meeting(s), or (in the case of paragraph 10(iv) or 10(v)) prior to completion, determine in its absolute discretion whether any Award that has not vested shall vest. To the extent that any Award does not vest, it shall lapse automatically on (in the case of paragraph 10(i)) the date on which the offer closes; (in the case of paragraph 10(ii)) the record date for determining entitlements under the scheme of arrangement; (in the case of paragraph 10(iii)) on the date of the meeting of Shareholders or creditors, and (in the case of paragraphs 10(iv) and 10(v)) on completion.

In the event a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company prior to the Vesting Date of any Award, the Company shall give notice thereof to all the Grantees on the same day as it despatches to the Shareholders the notice convening the meeting. Notwithstanding any other terms on which the Award was granted, the Award shall vest in accordance with the below. The Company shall as soon as possible and in any event no later than one Business Day immediately prior to the date of the proposed general meeting, procure the allotment and issue or transfer of the relevant number of Shares to the Grantee which falls to be issued or transferred on such vesting of the Award or procure that a Cash Payment (or a combination of Shares and a Cash Payment) be made to the Grantee.

The number of Shares in respect of which any Award vests (if any) and the date or dates on which any such vesting will occur shall be determined by the Board in its absolute discretion by reference to factors which may include: (a) the extent to which any performance or other conditions to vesting have been satisfied as at the relevant event; and (b) the proportion of the period from the date of Grant to the normal Vesting Date that has elapsed as at the relevant event.

11. MAXIMUM NUMBER OF SHARES

The scheme mandate limit (“**Scheme Mandate Limit**”) means the total number of Award Shares that may be granted pursuant to the Share Award Scheme, being 5% of the Shares in issue on the Adoption Date or 5% of the Shares in issue as at the New Approval Date.

At any time during the term of the Share Award Scheme, the maximum aggregate number Award Shares that may be granted pursuant to the Share Award Scheme shall be calculated in accordance with the following formula:

$$X = Y - Z$$

where:

- X** = the maximum aggregate number of Award Shares that may be granted pursuant to the Share Award Scheme;
- Y** = the Scheme Mandate Limit;
- Z** = the maximum aggregate number of Shares that may be issued and/or transferred upon the vesting of Awards already granted pursuant to the Share Award Scheme.

Shares in respect of which Awards have lapsed in accordance with the terms of the Share Award Scheme or which have been satisfied by the making of a Cash Payment will not be counted for the purposes of determining the maximum aggregate number of Awards that may be granted pursuant to the Share Award Scheme.

12. RENEWAL OF SCHEME MANDATE LIMIT

The Scheme Mandate Limit may be renewed by the Board, but in any event, the total number of Award Shares that may be granted pursuant to the Share Award Scheme following the date of approval of the renewed limit (the “**New Approval Date**”) under the limit as renewed must not exceed 5 per cent of the Shares in issue as at the New Approval Date. Awards granted pursuant to the Share Award Scheme (including those outstanding, lapsed or vested) prior to the New Approval Date will not be counted for the purpose of determining the maximum aggregate number of Shares in respect of which the Awards may be granted following the New Approval Date under the limit as renewed. For the avoidance of doubt, Award Shares issued prior to the New Approval Date pursuant to the vesting of Awards will be counted for the purpose of determining the number of Award Shares in issue as at the New Approval Date.

13. TRANSFER RESTRICTIONS

An Award shall be personal to the Grantee and shall not be assignable or transferable by the Grantee and the Grantee shall not, without the prior written consent of the Board, in any way sell, transfer, assign, charge, mortgage, encumber or create any interest in favour of any third party over or in relation to the Award or enter into an arrangement in relation to the Award by which the risk of the Award lapsing is hedged. However, following the Grantee’s death, Awards may be transferred by will or by the laws of testacy and distribution.

14. RIGHTS ON DEATH OR DISABILITY

If the Grantee's employment, service or engagement with a member of the Group is terminated for any reason other than for Cause (including by reason of resignation, retirement, death, disability or non-renewal of the employment or service agreement (or equivalent) upon its expiration) prior to the Vesting Date of any Award, the Board shall determine in its absolute discretion whether such unvested Award shall vest, the extent to which it shall vest and when such Award (or part thereof) shall vest. If no such determination is made, the Award shall lapse with effect from date on which the Grantee's employment, service or engagement is terminated. To the extent that the Board determines that such Award shall not vest in respect of some or all of the underlying Award Shares, such Award shall lapse automatically in respect of those Award Shares with effect from such termination date. The Board may at any time cancel any Awards previously granted but which have not yet vested and may, at its discretion, make a grant of new Awards to the same Grantee.

For the purposes of the Share Award Scheme, "**Cause**" means, with respect to a Grantee, such event as will entitle the Company and/or any of its subsidiaries to terminate the employment or service of the Grantee with immediate notice without compensation under the relevant employment or service agreement or equivalent or, if it is not otherwise provided for in such agreement:

- (i) the commission of an act of theft, embezzlement, fraud, dishonesty, ethical breach or other similar acts or commission of a criminal offence;
- (ii) a material breach of any agreement or understanding between the Grantee and the Company and/or any of its subsidiaries, including any applicable invention assignment, employment, non-competition, confidentiality or other similar agreement;
- (iii) misrepresentation or omission of any material fact in connection with his employment or service agreement or equivalent;
- (iv) a material failure to perform the customary duties of an employee of the Company and/or any of its subsidiaries (where relevant), to obey the reasonable directions of a supervisor or to abide by the policies or codes of conduct of the Group or any member of the Group; or
- (v) any conduct that is or is reasonably likely to be materially adverse to the name, reputation or interests of the Group.

15. ADJUSTMENTS

In the event of an alteration in the capital structure of the Company by way of a capitalisation of profits or reserves, bonus issue, rights issue, open offer, subdivision or consolidation of shares or reduction of the share capital of the Company in accordance with applicable laws and the Listing Rules (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company or any of its subsidiaries is a party or in connection with any share option, restricted share or other equity-based incentive plans of the Company) whilst any Award has not vested or has vested but has not yet been satisfied, the Board may adjust the nominal value or number of Shares subject to an Award and/or the Scheme Mandate Limit as it, in its absolute discretion, thinks fit provided that:

- (i) any such adjustments give a Grantee the same proportion of the share capital of the Company as that to which that Grantee was previously entitled; and
- (ii) notwithstanding paragraph 15(i), any adjustments as a result of an issue of securities with a price-dilutive element, such as a rights issue, open offer or capitalisation issue, should be based on a scrip factor similar to the one used in accounting standards in adjusting the earnings per share figures,

but no such adjustments shall be made to the extent that a Share would be issued at less than its nominal value.

In respect of any such adjustments, the auditors of the Company from time to time or an independent financial adviser to the Company (as the case may be) must confirm to the Board in writing that the adjustments are in their opinion fair and reasonable.

16. ALTERATION

Save as provided below, the Board may alter any of the terms of the Share Award Scheme at any time.

The Share Award Scheme so altered must comply with the requirements of the Companies Law and the Listing Rules.

17. CANCELLATION

The Board may at any time cancel Awards previously granted but which have not yet vested. Where the Company cancels Awards and offers new Awards to the same Grantee, the offer of such new Awards may only be made with available Awards to the extent not yet granted (excluding the cancelled Awards) within the limits set out in paragraph 11 above.

18. TERMINATION

The Company by ordinary resolution in general meeting or the Board may at any time terminate the Share Award Scheme and in such event, no further Awards may be granted but in all other respects the terms of the Share Award Scheme shall remain in full force and effect in respect of Awards which are granted during the term of the Share Award Scheme and which remain unvested immediately prior to the termination of the Share Award Scheme.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

As at Latest Practicable Date, the interests and short positions of the Directors and chief executives of the Company in the Shares or underlying shares or debentures of the Company or any of its associated corporation(s) (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any, which they were taken or deemed to have under such provisions of the SFO); or (b) to be entered in the register kept by the Company under Section 352 of the SFO; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) of the Listing Rules were as follows:

(a) Interest in Shares of the Company

Name of Director	Capacity	Number of Shares Held	Approximate % of Total Issued Shares ⁽¹⁾
Tan Sri Dr Chen Lip Keong (“ Dr Chen ”)	Founder of a discretionary trust ⁽²⁾	951,795,297 (L)	21.93% (L)
Dr Chen	Beneficial owner	1,943,107,166 (L)	44.76% (L)
Dr Chen	Interest of controlled corporations ⁽³⁾⁽⁴⁾	1,175,948,575 (L)	27.09% (L)

Notes:

- (1) The Company’s issued share capital as at the Latest Practicable Date is 4,341,008,041 Shares.
- (2) Dr Chen is the founder of a discretionary family trust named ChenLa Foundation. ChenLa Foundation indirectly holds, through LIPKCO ENTERPRISES LIMITED and LIPKCO Group Limited, a total of 951,795,297 Shares. As a founder of ChenLa Foundation, Dr Chen is deemed to be interested in the Shares held by ChenLa Foundation.
- (3) Such interest includes (i) 33,570,000 Shares held by ChenLipKeong Capital Limited; and (ii) 1,142,378,575 Settlement Shares or such Adjusted Settlement Shares (both as defined in the circular of the Company dated 22 July 2019) to be issued to ChenLipKeong Fund Limited upon the completion of the DBA and the Subscription Agreement, which is anticipated on or before 30 September 2025 or such other date as may be agreed.

- (4) By virtue of the 100% interest held by Dr Chen in ChenLipKeong Capital Limited, Dr Chen is deemed to be interested in the Shares which is held by ChenLipKeong Capital Limited. In addition, by virtue of the 100% interest held by Dr Chen in ChenLipKeong Fund Limited, Dr Chen is deemed to be interested in the Shares which will be issued to ChenLipKeong Fund Limited, as more particularly described in note (3)(ii) above.
- (5) The letter “L” denotes the person’s long position in the Shares.

(b) Interest in debentures of the Company

Name of Director	Capacity	Amount of Debentures held (USD)
Dr Chen	Interest of controlled corporation ^(Note)	45,000,000 (L)

Note: ChenLipKeong Capital Limited, wholly-owned by Dr Chen, held an aggregate principal amount of US\$45,000,000 7.95% senior notes due in 2024 issued by the Company. The notes cannot be converted into Shares.

(c) Interests in Shares of Associated Corporations

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were deemed or taken to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to the Model Code contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

(d) Interests in assets, contracts or arrangements of the Group

Save as disclosed herein, none of the Directors had any direct or indirect interests in any assets which had been acquired or disposed of by, or leased to, or which were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2019, being the date to which the latest published audited financial statements of the Group were made up.

Save as disclosed herein, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group subsisting at the date of this circular and which is significant in relation to the business of the Group taken as a whole.

(e) Competing Interests

As at the Latest Practicable Date, none of the Directors or their close associates had an interest in any business which competes or is likely to compete, either directly or indirectly, with the Group's business.

(f) Common Directors

The following is a list the Directors who, as at the Latest Practicable Date, were also directors of the following companies which have interests in the Shares or underlying Shares which fall to be disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO:

Name of Common Director	Name of Company
Dr Chen	LIPKCO Group Limited ChenLipKeong Fund Limited
Mr. Chen Yiy Fon	LIPKCO Group Limited

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had, or is proposed to have, a service contract with any member of the Group (excluding contracts expiring or determinable by the employer within one year without compensation (other than statutory compensation)).

4. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest published audited accounts of the Group were made up.

5. EXPERT AND CONSENT

(a) Qualification of Expert

The following is the name and qualification of the expert who has given advice which is contained in this circular:

Name	Qualification
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

(b) Interests of Expert

As at the Latest Practicable Date, Anglo Chinese Corporate Finance, Limited did not have any interest in any securities of any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group, nor any direct or indirect interest in any assets which had been, since 31 December 2019 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by, or leased to, or were proposed to be acquired or disposed of by, or leased to, any member of the Group.

(c) Consent of Expert

Anglo Chinese Corporate Finance, Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and/or references to its name in the form and context in which they respectively appear.

6. LANGUAGE

The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

7. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Share Award Scheme will be available for inspection at the Company's principal place of business in Hong Kong at Suite 2806, 28/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong during normal office hours from 9:30 a.m. to 12:30 p.m. and from 2:30 p.m. to 5:30 p.m. on any weekday, except Saturdays, Sundays and public holidays, from the date of this circular up to and including the date of the EGM.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of NagaCorp Ltd. (the “**Company**”) will be held at Regus Conference Centre, 35/F., Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Friday, 26 February 2021 at 10:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendment the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “**THAT** (a) the grant of an award pursuant to the Share Award Scheme adopted by the board of directors of the Company (“**Directors**”) on 28 January 2021 (the “**Share Award Scheme**”) in respect of 6,000,000 new shares in the Company (the “**Shares**”) to Mr. Timothy Patrick McNally in accordance with the terms of the Share Award Scheme, subject to all applicable laws, rules and regulations and applicable award document(s), be approved and (b) authority be given to the Directors to exercise the powers of the Company to give effect to such grant of Shares.”
2. “**THAT** (a) the grant of an award pursuant to the Share Award Scheme in respect of 1,166,667 new Shares to Tan Sri Dr Chen Lip Keong in accordance with the terms of the Share Award Scheme, subject to all applicable laws, rules and regulations and applicable award document(s), be approved and (b) authority be given to the Directors to exercise the powers of the Company to give effect to such grant of Shares.”
3. “**THAT** (a) the grant of an award pursuant to the Share Award Scheme in respect of 3,000,000 new Shares to Mr. Philip Lee Wai Tuck in accordance with the terms of the Share Award Scheme, subject to all applicable laws, rules and regulations and applicable award document(s), be approved and (b) authority be given to the Directors to exercise the powers of the Company to give effect to such grant of Shares.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. “**THAT** (a) the grant of an award pursuant to the Share Award Scheme in respect of 30,000 new Shares to Mr. Lim Mun Kee in accordance with the terms of the Share Award Scheme, subject to all applicable laws, rules and regulations and applicable award document(s), be approved and (b) authority be given to the Directors to exercise the powers of the Company to give effect to such grant of Shares.”

5. “**THAT** (a) the grant of an award pursuant to the Share Award Scheme in respect of 20,000 new Shares to Mr. Michael Lai Kai Jin in accordance with the terms of the Share Award Scheme, subject to all applicable laws, rules and regulations and applicable award document(s), be approved and (b) authority be given to the Directors to exercise the powers of the Company to give effect to such grant of Shares.”

6. “**THAT** (a) the grant of an award pursuant to the Share Award Scheme in respect of 10,000 new Shares to Mr. Leong Choong Wah in accordance with the terms of the Share Award Scheme, subject to all applicable laws, rules and regulations and applicable award document(s), be approved and (b) authority be given to the Directors to exercise the powers of the Company to give effect to such grant of Shares.”

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

Hong Kong, 5 February 2021

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:
Suite 2806, 28/F., Central Plaza
18 Harbour Road
Wanchai
Hong Kong

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and, on a poll, vote in accordance with the articles of association of the Company. A proxy needs not be a shareholder of the Company. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the EGM.
2. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s); and for this purpose seniority shall be determined as the person so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof.
3. In order to be valid, a form of proxy must be deposited at the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a certified copy thereof) not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof.
4. The completion and return of the form of proxy shall not preclude members of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
5. For ascertaining the shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 23 February 2021 to Friday, 26 February 2021, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the EGM, all completed transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 22 February 2021.
6. In accordance with Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the above resolutions will be put to vote at the EGM by way of poll. An explanation of the detailed procedures of voting by poll will be provided to the shareholders at the EGM.
 - (a) Subject to paragraph (b) below, if a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time between 8:00 a.m. and 5:00 p.m. on the date of the above meeting, the above EGM will be postponed and shareholders will be informed of the date, time and venue of the postponed EGM by a supplemental notice posted on the respective websites of the Company and Hong Kong Exchanges and Clearing Limited.
 - (b) If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is lowered or cancelled three hours before the time appointed for holding the EGM and where conditions permit, the above meeting will be held as scheduled.
 - (c) The EGM will be held as scheduled when a tropical cyclone warning signal No. 3 or below or an amber or red rainstorm warning signal is in force.
 - (d) After considering their own situations, shareholders should decide on their own whether or not they would attend the EGM under any bad weather condition and if they do so, they are advised to exercise care and caution.

As at the date of this notice, 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

This notice is prepared in both English and Chinese. In the event of inconsistency, the English text of the notice shall prevail over the Chinese text.