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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your licensed securities dealer or registered institution 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 transferee or to the bank, licensed securities dealer, registered institution in securities 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.**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3918)**

**PROPOSALS FOR  
DECLARATION OF FINAL DIVIDEND  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES  
RE-ELECTION OF DIRECTORS  
ADOPTION OF NEW SHARE OPTION SCHEME  
ADOPTION OF DUAL FOREIGN NAME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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A notice convening an annual general meeting of NagaCorp Ltd. to be held at Suite 2806, 28/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Wednesday, 20 April 2016 at 10:00 a.m. is set out on pages 26 to 32 of this circular. Whether or not you are able to attend the annual general meeting or any adjourned meeting, you are requested to complete the form of proxy, enclosed herewith, in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of Company, Computershare Hong Kong Investor Services Limited, 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 the holding of the meeting or adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting or any adjournment of such meeting should they so wish.

16 March 2016

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## DEFINITIONS

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

“Adoption of Dual Foreign Name”	the proposed adoption of “金界控股有限公司” as the dual foreign name of the Company
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Suite 2806, 28/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Wednesday, 20 April 2016 at 10:00 a.m.
“Articles of Association”	the articles of association of the Company
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of the Directors
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Companies Law”	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	NagaCorp Ltd., a company incorporated in the Cayman Islands with limited liability, with its shares listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Eligible Person”	any employee (whether full time or part time), executives or officers, directors (including executive, non-executive and independent non-executive directors) of any member of the Group or any Invested Entity and any consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or any Invested Entity, who, in the sole discretion of the Board or its authorised committee, have contribution or will contribute to the growth and development of the Group or any Invested Entity

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## DEFINITIONS

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“Existing Share Option Scheme”	the existing share option scheme of the Company adopted upon the listing of Shares on the main board of the Stock Exchange on 19 October 2006
“Group”	the Company and its subsidiaries
“HK\$” and “HK cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Invested Entity”	any entity in which any member of the Group holds an equity interest
“Latest Practicable Date”	9 March 2016, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the share option scheme of the Company proposed to be adopted at the Annual General Meeting, a summary of the terms of which is set out in Appendix III to this circular
“Option”	a right to subscribe for Shares granted pursuant to the New Share Option Scheme
“Proposed Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the total number of issued Shares as at the date of passing of the relevant resolution approving such mandate
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon the exercise of all the share options to be granted under the New Share Option Scheme and any other share option scheme of the Company and must not, in aggregate, exceed 10% of the Shares in issue as at the date of approval of the New Share Option Scheme, unless Shareholders’ approval has been obtained pursuant to the terms as set out in the New Share Option Scheme

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## DEFINITIONS

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“Securities and Futures Ordinance” or “SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“Share(s)”	ordinary share(s) of nominal value of US\$0.0125 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“US\$” and “US cents”	United States dollars and cents respectively, 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\$7.75 for illustration purpose only.

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LETTER FROM THE BOARD

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NAGACORP

金界控股有限公司

NAGACORP LTD.

*(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

*(Chief Financial Officer)*

Mr. Chen Yiy Fon

Mr. Chen Yepern

*Non-executive Director:*

Mr. Timothy Patrick McNally

*(Chairman)*

*Independent Non-executive Directors:*

Tan Sri Datuk Seri Panglima Abdul Kadir

Bin Haji Sheikh Fadzir

Mr. Lim Mun Kee

Mr. Michael Lai Kai Jin

*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

16 March 2016

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
DECLARATION OF FINAL DIVIDEND  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES  
RE-ELECTION OF DIRECTORS  
ADOPTION OF NEW SHARE OPTION SCHEME  
ADOPTION OF DUAL FOREIGN NAME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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## LETTER FROM THE BOARD

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### INTRODUCTION

The purpose of this circular is to give you information regarding the resolutions to be proposed at the AGM relating to the declaration of the final dividend, granting to the Directors the general mandates to issue and repurchase Shares, re-election of the Directors, adoption of the New Share Option Scheme and the Adoption of Dual Foreign Name.

### DECLARATION OF FINAL DIVIDEND

The Board recommended a final dividend of US cents 1.89 per Share (or equivalent to approximately HK cents 14.65 per Share) for the year ended 31 December 2015 subject to Shareholders' approval at the AGM as stated in the results announcement of the Company dated 1 February 2016. Payment of the proposed final dividend on all Shares currently in issue (when aggregated with the interim dividend paid on Shares in issue at that time) would represent an aggregate dividend payout ratio of 60%, based on the net profit generated for the year ended 31 December 2015 (assuming there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the AGM). Subject to Shareholders' approval at the AGM, the final dividend will be paid by post on or about Tuesday, 10 May 2016 to Shareholders whose names appear on the Company's register of members as at Tuesday, 26 April 2016.

The Company's register of members will be closed during the following periods:

- (i) from Monday, 18 April 2016 to Wednesday, 20 April 2016, both days inclusive, for the purpose of ascertaining the Shareholders' entitlement to attend and vote at the AGM. In order to be eligible to attend and vote at the AGM, all duly 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 located at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 15 April 2016; and
- (ii) on Tuesday, 26 April 2016 for the purpose of ascertaining Shareholders' entitlement to the final dividend. In order to qualify for the final dividend, all duly 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 located at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 25 April 2016. The Shares will be traded ex-entitlement from and including Friday, 22 April 2016.

During the periods mentioned in sub-paragraphs (i) and (ii) above, no transfer of Shares will be registered.

### GENERAL MANDATE TO ISSUE SHARES

The Company's existing mandate to issue Shares was approved by its Shareholders at the annual general meeting held on 15 April 2015. Unless otherwise renewed, the existing mandate to issue Shares will lapse at the conclusion of the AGM.

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## LETTER FROM THE BOARD

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In order to ensure flexibility and discretion to the Directors, in the event that it becomes desirable to issue new Shares, approval is required to be sought from the Shareholders, pursuant to the Listing Rules, for a general mandate to issue Shares. At the AGM, an ordinary resolution No. 6(A) will be proposed to grant a general mandate to the Directors to exercise the powers of the Company to allot and issue new Shares in the share capital of the Company representing up to 20% of the total number of issued Shares immediately after the passing of the resolution in relation to such general mandate. In addition, subject to a separate approval of the ordinary resolution No. 6(C), the number of Shares repurchased by the Company under ordinary resolution No. 6(B) will also be added to the 20% general mandate as mentioned in the ordinary resolution No. 6(A). The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to such general mandate.

### **GENERAL MANDATE TO REPURCHASE SHARES**

The Company's existing mandate to repurchase Shares was approved by its Shareholders at the annual general meeting held on 15 April 2015. Unless otherwise renewed, the existing mandate to repurchase Shares will lapse at the conclusion of the AGM.

An ordinary resolution No. 6(B) will be proposed to approve the granting of a Proposed Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the total number of issued Shares immediately after the passing of the resolution in relation to the Proposed Repurchase Mandate.

An explanatory statement required by the Listing Rules to be sent to Shareholders in connection with the Proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

As at the Latest Practicable Date, there were 2,269,988,875 Shares in issue. On the assumption that there is no variation to the issued share capital of the Company during the period from the Latest Practicable Date to the date of passing of the resolution approving the Proposed Repurchase Mandate to repurchase Shares under ordinary resolution No. 6(B), the maximum number of Shares which may be repurchased pursuant to the Proposed Repurchase Mandate would be 226,998,887.

### **RETIREMENT OF DIRECTORS AND RE-ELECTION OF DIRECTORS**

In accordance with Article 86(3) of the Articles of Association, Mr. Chen Yiy Fon, who was appointed on 1 June 2015 as executive Director, will hold office until the AGM. In addition, in accordance with Articles 87(1) and 87(2) of the Articles of Association, Tan Sri Dr Chen Lip Keong, Mr. Philip Lee Wai Tuck and Mr. Michael Lai Kai Jin shall retire from office by rotation at the AGM. All retiring Directors, being eligible, have offered themselves for re-election at the AGM. Details of the retiring Directors to be re-elected are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.



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## LETTER FROM THE BOARD

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Mr. Michael Lai Kai Jin, the independent non-executive Director eligible for re-election at the AGM, has given an annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that Mr. Michael Lai Kai Jin meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent in accordance with the terms of the guidelines.

The Board, upon the recommendation of the Nomination Committee of the Company, has proposed the re-election of the retiring Directors. Such proposal will be put forward at the AGM for Shareholders' consideration and approval by way of ordinary resolutions.

### **ADOPTION OF NEW SHARE OPTION SCHEME**

As the Existing Share Option Scheme will expire on 18 October 2016, the Directors propose to adopt the New Share Option Scheme.

Since the adoption of the Existing Share Option Scheme, no share option has been granted by the Company. Accordingly, there were no outstanding share options as at the Latest Practicable Date. Apart from the Existing Share Option Scheme, the Company had no other share option scheme as at the Latest Practicable Date.

The purpose of the New Share Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Group and/or any Invested Entity. The principal terms of the New Share Option Scheme are set out in Appendix III to this circular.

The adoption of the New Share Option Scheme is conditional upon:

- (1) the passing of an ordinary resolution by the Shareholders to approve and adopt the New Share Option Scheme; and
- (2) the Listing Committee (as defined in the Listing Rules) of the Stock Exchange granting the approval of the New Share Option Scheme and the Options thereunder, and the listing of, and permission to deal in, the Shares to be issued upon the exercise of options granted under the New Share Option Scheme.

Assuming that the New Share Option Scheme has been adopted at the AGM, the maximum number of Shares which may be allotted and issued upon exercise of all options to be granted under the New Share Option Scheme and any other share option scheme of the Company may represent up to 10% of the number of issued Shares on the date of approval of the New Share Option Scheme by the Shareholders at the AGM, and such maximum number may be refreshed as detailed in Appendix III to this circular.

As at the Latest Practicable Date, the total number of issued Shares was 2,269,988,875. Assuming that no Shares will be issued or repurchased by the Company between the Latest Practicable Date and the date of the AGM, the Scheme Mandate Limit will be 226,998,887 Shares, representing 10% of the number of issued Shares as at the date of passing the ordinary

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## LETTER FROM THE BOARD

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resolution approving and adopting the New Share Option Scheme. Options to subscribe for up to 226,998,887 Shares may be granted under the New Share Option Scheme and any other share option scheme of the Company. None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in such trustee (if any) of the New Share Option Scheme.

The New Share Option Scheme does not contain any specific requirements for the minimum period which an Option must be held before exercising or for performance targets applicable to the Options. The Directors have retained the flexibility to impose such conditions as and when they consider appropriate. The Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting Options is to remunerate or compensate Eligible Persons. The Directors also believe that the formulation in the New Share Option Scheme for setting the minimum subscription price for the Shares will serve to protect the value of the Company as well as to achieve the purpose of the New Share Option Scheme. The Directors consider that the aforesaid criteria and rules will serve to motivate and retain the Eligible Persons for contributing to the benefit and success of the Group.

The Directors consider that it is not appropriate to state the value of all Options that may be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the option value which have not been determined. Such variables include the exercise price, exercise period, and lock-up period, any performance targets set and other relevant variables. The Company will disclose the value of any options granted during a financial year or a particular period in its annual report and interim result based on the Black-Scholes option pricing model, the binomial model or a generally accepted comparable methodology.

A copy of the rules of the New Share Option Scheme will be available for inspection at the principal place of business of the Company in Hong Kong at Suite 2806, 28/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong from 9:00 a.m. to 5:00 p.m. on any weekday (Saturdays and public holidays excepted) for the period from the date of this circular until the date of the AGM and at the AGM.

### **ADOPTION OF DUAL FOREIGN NAME**

The Directors propose to adopt the Chinese name “金界控股有限公司” (which has been used for identification purposes only) as the dual foreign name of the Company (alongside the Company’s English name).

The Adoption of Dual Foreign Name is subject to (a) the passing of a special resolution by the Shareholders at the AGM; and (b) the approval and registration of the dual foreign name of the Company by the Registrar of Companies of the Cayman Islands.

This proposal, if approved and effective, will allow the Company to formalise the use of the Chinese name “金界控股有限公司” with the express statutory recognition and permission under the laws in the Cayman Islands. The Board believes that this proposal is in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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If the Adoption of Dual Foreign Name becomes unconditional and effective under the laws of the Cayman Islands, the Registrar of Companies in the Cayman Islands will issue a certificate of incorporation on change of name with inclusion of the Chinese name as part of the official name of the Company. Further announcement will be made by the Company in that regard upon the Chinese name becoming effective. Thereafter, the Company carry out all necessary filing procedures with the Registrar of Companies in Hong Kong.

The Adoption of Dual Foreign Name will not affect any of the rights of the Shareholders. All existing share certificates of the Company in issue bearing the present name of the Company and “金界控股有限公司” for identification purposes only will, after the Adoption of Dual Foreign Name becomes effective, continue to be evidence of title to such shares and will continue to be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for free exchange of the existing share certificates for new certificates bearing the English name and the proposed dual foreign name of the Company. Once the Adoption of Dual Foreign Name has become effective, new share certificates bearing the English name and the dual foreign name of the Company will be deployed for share transactions thereafter.

### **RIGHT TO DEMAND A POLL**

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, all resolutions will be put to vote by way of poll at the AGM. An announcement on the poll results will be made by the Company after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

Pursuant to Article 66 of the Articles of Association, at any general meeting, a resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the Listing Rules or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or
- (c) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Shareholders having the right to vote at the meeting; or
- (d) by a Shareholder or Shareholders present in person or in the case of a Shareholder being a corporation by its duly authorised representative or by proxy and holding Shares in the Company conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right; or

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## LETTER FROM THE BOARD

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- (e) if required by the Listing Rules, by any Director or Directors who, individually or collectively, hold proxies in respect of Shares representing 5% or more of the total voting rights at such meeting.

A demand by a person as proxy for a Shareholder or in the case of a Shareholder being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Shareholder.

### VOTING AT THE AGM

On a poll, pursuant to Article 66 of the Articles of Association, subject to any special rights or restrictions as to voting for the time being attached to any Shares by or in accordance with the Articles of Association, at AGM every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative shall have one vote for every fully paid Share of which he/she/it is the holder but so that no amount paid up or credited as paid up on a Share in advance of calls or instalments is treated for the foregoing purposes as paid up on the Share.

A Shareholder entitled to more than one vote on a poll need not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

Where there are joint holders of any Shares any one of such joint holder may vote, either in person or by proxy, in respect of such Share as if he/she/it were solely entitled thereto, but if more than one of such joint holders be present at any meeting the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members in respect of the joint holding. Several executors or administrators of a deceased Shareholder in whose name any Share stands shall for the purposes of the Articles of Association be deemed joint holders thereof.

In the case of an equality of votes, the chairman of the AGM shall be entitled to a second or casting vote in addition to any other vote he may have.

If (i) any objection is raised as to the qualification of any voter, (ii) any votes have been counted which ought not to have been counted or which might have been rejected, (iii) or any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the AGM or adjourned AGM on any resolution unless the same is raised or pointed out at the AGM or, as the case may be, the adjourned AGM at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the AGM and shall only vitiate the decision of the AGM on any resolution if the chairman decides that the same may have affected the decision of the AGM. The decision of the chairman on such matters shall be final and conclusive.

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## LETTER FROM THE BOARD

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### FORM OF PROXY

A form of proxy is enclosed for use at the AGM and at any adjournment thereof. Whether or not you intend to be present at the AGM or any adjourned meeting thereof, you are requested to complete the form of proxy and return it to the Company in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time fixed for the holding of the AGM or any adjourned meeting thereof. Completion and delivery of the form of proxy will not preclude Shareholders from attending and voting at the AGM or any adjourned meeting thereof should they so wish.

### 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.

### RECOMMENDATION

The Directors consider that the proposed resolutions for the declaration of final dividend, granting to the Directors of the general mandate to issue Shares, the Proposed Repurchase Mandate, the re-election of the Directors, the adoption of the New Share Option Scheme and the Adoption of Dual Foreign Name are in the interests of the Group as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

Yours faithfully,  
For and on behalf of the Board of  
**NagaCorp Ltd.**  
**Timothy Patrick McNally**  
*Chairman*

*The following are the particulars of the retiring Directors (as required by the Listing Rules) proposed to be re-elected at the AGM.*

**Tan Sri Dr Chen Lip Keong – Executive Director, Founder, Controlling Shareholder and Chief Executive Officer**

**Tan Sri Dr Chen Lip Keong** (“TSCLK”), aged 68, 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. TSCLK is also a director of NagaJet Management Limited, a wholly-owned subsidiary of the Company; the Commercial Director of Primorsky Entertainment Resorts City LLC, a wholly-owned subsidiary of the Company, and a director of Fourth Star Finance Corp. which is a substantial shareholder of the Company. Mr. Chen Yiy Fon and Mr. Chen Yepern, Executive Directors of the Company, are the sons of TSCLK.

TSCLK has many years of entrepreneurial, business and managerial experiences and in Malaysia, is currently the controlling shareholder of Karambunai Corp Bhd (“KCB”), FACB Industries Incorporated Berhad (“FACBI”) and Petaling Tin Berhad, all of which are listed on the Bursa Malaysia Securities Berhad. TSCLK is also the president and executive director of KCB and FACBI.

As at the Latest Practicable Date, TSCLK was interested in 2,525,227,404 Shares for the purposes of Part XV of the Securities and Futures Ordinance. Such interests comprise (i) 7,150,000 Shares beneficially owned by TSCLK; (ii) 951,795,297 Shares held by a discretionary trust named ChenLa Foundation of which TSCLK is the founder, and (iii) 1,566,282,107 Shares, representing the consideration (which, at TSCLK’s election, may be subscribed in the form of consideration shares or subscribed in the form of shares to be issued on conversion of convertible bonds issued to TSCLK, or as a combination of the two) for the very substantial acquisition by the Company of TanSriChen Inc. and TanSriChen (CityWalk) Inc. payable pursuant to the conditional share purchase agreement dated 13 June 2011 entered into between the Company and TSCLK (as amended by two supplemental agreements dated 28 December 2011 and 28 December 2015, respectively). The number of Shares in which TSCLK is interested under the conditional share purchase agreement, namely 1,566,282,107, is subject to such adjustments as stated in or referred to in the shareholders’ circular of the Company dated 30 December 2011.

TSCLK has entered into a service agreement with the Company for a term of three years and his directorship is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles of Association. During the financial year ended 31 December 2015, TSCLK did not receive any director’s fee as an Executive Director. As the Chief Executive Officer, TSCLK received a remuneration package comprising a combination of basic salary and performance bonus amounting to US\$870,000, which was recommended by the Remuneration Committee of the Company with reference to his duties and responsibilities and the prevailing market conditions.

Save as disclosed above, TSCLK did not hold any other directorship in listed public companies in the last three years. He does not have any other interests in any Shares or underlying Shares required to be disclosed pursuant to Part XV of the SFO, nor does he have

any relationship with any other directors, senior management or substantial shareholder or controlling shareholder of the Company, nor does he hold any other positions with the Company or any of its subsidiaries.

In addition, there are no other matters that need to be brought to the attention of the Shareholders nor is there any other information required to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.

**Mr. Philip Lee Wai Tuck – Executive Director and Chief Financial Officer**

**Philip Lee Wai Tuck**, aged 53, is a qualified Certified Public Accountant. Mr. Lee has experience in various industries before joining the Group in 2009. He has previously worked in or held directorships in various companies listed on the Bursa Malaysia Securities Berhad. Mr. Lee took on senior management positions in financial and management functions with wide experience in accounting, finance, treasury and corporate finance. He is presently the Chief Financial Officer of the Company and a director of several of the Company's wholly-owned subsidiaries, namely NagaCorp (HK) Limited, NAGAWORLD LIMITED, Naga Sports Limited, Naga Travel Limited, Naga Retail Limited, Naga Entertainment Limited, Naga Services Limited, Naga Media Limited, Naga Management Limited, NagaJet Management Limited, NagaWorld (Macau) Limitada, Naga Russia Limited, Naga Russia One Limited, Naga Hotels Russia Limited, NagaWorld Travel Limited, NagaWorld Three Limited, Ariston Sdn. Bhd., Neptune Orient Sdn. Bhd. and Ariston (Cambodia) Limited. He also acts as the general director of Primorsky Entertainment Resorts City LLC, a wholly-owned subsidiary of the Company. Mr. Lee oversees the financial, treasury and business operations of the Group.

Mr. Lee is a member of the Malaysian Institute of Certified Public Accountants (MICPA), Malaysian Institute of Accountants (MIA) and CPA Australia.

Mr. Lee has not entered into a service contract with the Company in respect of the position as an Executive Director and does not receive any director's fee as an Executive Director. As the Chief Financial Officer, he received a remuneration package comprising a combination of basic salary and performance bonus amounting to USD375,000 during the financial year ended 31 December 2015, which was recommended by the Remuneration Committee of the Company with reference to his duties and responsibilities and the prevailing market conditions. Mr. Lee has no fixed term of directorship with the Company and is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles of Association.

Save as disclosed above, Mr. Lee did not hold any other directorship in listed public companies in the last three years. He does not have any interest in any Shares or underlying Shares required to be disclosed pursuant to Part XV of the SFO, nor does he have any relationship with any other directors, senior management or substantial shareholder or controlling shareholder of the Company, nor does he hold any other positions with the Company or any of its subsidiaries.

In addition, there are no other matters that need to be brought to the attention of the Shareholders nor is there any other information required to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.

**Mr. Chen Yiy Fon – Executive Director**

**Chen Yiy Fon**, aged 34, was appointed as an Executive Director on 1 June 2015. He is also a member of the AML Oversight Committee of the Company. Mr. Chen graduated with a Bachelor of Arts Degree in Economics from the University of Southern California, Los Angeles in 2003. In 2003, he interned at Morgan Stanley, Los Angeles, California and in 2004 he interned at Credit Suisse First Boston, Singapore.

Mr. Chen was a Non-executive Director of the Company from May 2009 to February 2011 and is currently a director of certain wholly-owned subsidiaries of the Company.

Mr. Chen is also the chief executive officer and executive director of Karambunai Corp Berhad and Petaling Tin Berhad. He also serves as an executive director of FACB Industries Incorporated Berhad. All these three companies are listed on the Bursa Malaysia Securities Berhad and controlled by Tan Sri Dr Chen Lip Keong, an Executive Director and controlling shareholder of the Company.

He is a son of Tan Sri Dr Chen Lip Keong, the Chief Executive Officer, the founder and the controlling shareholder of the Company; and an elder brother of Mr. Chen Yepern, an Executive Director of the Company.

Mr. Chen has not entered into a service contract with Company in respect of the position as an Executive Director. Mr. Chen has no fixed term of directorship with the Company and is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles of Association. Mr. Chen is currently employed by NAGAWORLD LIMITED, a wholly-owned subsidiary of the Company, as a director and there is an employment contract entered into between Mr. Chen and NAGAWORLD LIMITED, pursuant to which Mr. Chen received a remuneration package comprising a combination of basic salary and performance bonus amounting to US\$119,000 during the financial year ended 31 December 2015, which was recommended by the Remuneration Committee of the Company with reference to his duties and responsibilities and the prevailing market conditions.

Save as disclosed above, Mr. Chen did not hold any other directorship in listed public companies in the last three years. He does not have any interest in any Shares or underlying Shares required to be disclosed pursuant to Part XV of the SFO, nor does he have any relationship with any other directors, senior management or substantial shareholder or controlling shareholder of the Company, nor does he hold any other positions with the Company or any of its subsidiaries.

In addition, there are no other matters that need to be brought to the attention of the Shareholders nor is there any other information required to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.



**Mr. Michael Lai Kai Jin – Independent Non-executive Director**

**Mr. Michael Lai Kai Jin**, aged 46, was a Non-executive Director from 31 May 2010 to 5 April 2011 and was redesignated as Independent Non-executive Director on 6 April 2011. He is also a member of the Audit Committee, the Remuneration Committee, the Nomination Committee and the AML Oversight Committee of the Company. Mr. Lai graduated from the National University of Singapore with a L.L.B (Hons) Degree in 1994 and was called to the Singapore Bar the following year. He was formerly a partner of Messrs. KhattarWong, one of the largest law firms in Singapore with offices in Singapore, Shanghai, Hanoi and Ho Chi Minh. Mr. Lai's practice focused on marine and admiralty law and has handled numerous legal disputes in the area of international trade and transport. Mr. Lai was formerly the Chairman of the Advisory Body Legal Matters, FIATA and the Legal Counsel for the Singapore Logistics Association.

Mr. Lai is currently the chairman of PVKeez Pte Ltd ("PVKeez"), a joint venture between EOC Ltd, Ezra Holdings Ltd, Keppel Corporation Ltd and PetroVietnam Transportation Corporation. PVKeez was set up for the conversion, management and operation and offloading facility in Vietnam's Chim Sao oilfield.

Mr. Lai is an independent director of Select Group Ltd and Interlink Petroleum Ltd, the securities of these two companies are listed on the Singapore Stock Exchange and Mumbai Stock Exchange, respectively. He was an independent non-executive director of Pan Asia Mining Limited until 30 July 2014, a company listed on the Growth Enterprise Market of the Stock Exchange.

Mr. Lai has accepted a letter of appointment with the Company for a term of one year and his directorship is subject to retirement by rotation and re-election at least once every three years at the annual general meeting in accordance with the Articles of Association. During the financial year ended 31 December 2015, Mr. Lai received a director's fee and a discretionary bonus of USD56,000 for his membership on the Board and its committees, which was recommended by the Remuneration Committee of the Company with reference to his duties and responsibilities and prevailing market conditions.

Save as disclosed above, Mr. Lai did not hold any other directorship in listed public companies in the last three years. He does not have any interest in any Shares or underlying Shares required to be disclosed pursuant to Part XV of the SFO, nor does he have any relationship with any other directors, senior management or substantial shareholder or controlling shareholder of the Company, nor does he hold any other positions with the Company or any of its subsidiaries.

In addition, there are no other matters that need to be brought to the attention of the Shareholders nor is there any other information required to be disclosed pursuant to the requirements under Rule 13.51(2) of the Listing Rules.

*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Proposed Repurchase Mandate to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to be proposed at the AGM in relation to the Proposed Repurchase Mandate.*

## **SHARE CAPITAL**

As at the Latest Practicable Date, there were in issue a total of 2,269,988,875 Shares of nominal value of US\$0.0125 each. Subject to the passing of the ordinary resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the AGM, the Company will be allowed to repurchase a maximum of 226,998,887 Shares which represent 10% of the total number of issued Shares during the period ending on the earlier of the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required to be held by law or by the Articles of Association, or the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

Listing Rule 10.06(5) provides that the listing of all Shares purchased by the Company is automatically cancelled and that the certificates for those shares must be cancelled and destroyed.

## **REASONS AND FUNDING OF REPURCHASES**

The Directors believe that it is in the best interest of the Company and the Shareholders as a whole to seek the Proposed Repurchase Mandate from the Shareholders to enable the Company to repurchase Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or its earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

Repurchases of Shares will be financed out of funds legally available for such purpose and in accordance with the Articles of Association, the Companies Law, the applicable laws of Cayman Islands and Hong Kong, as well as the Listing Rules. The Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Companies Law. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Shares are repurchased by the Company in the manner provided for in the Companies Law. Under the Companies Law, the Shares so repurchased will be treated as cancelled upon share repurchase, unless the Directors resolve prior to the share repurchase that upon the share repurchase the Shares shall be held in the name of the Company as treasury shares. The aggregate amount of authorised share capital will not be reduced as a consequence of the Share repurchase.

At present, the Directors have no intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interest of the Company. The Directors consider that if the general

mandate to repurchase Shares were to be exercised in full at the current prevailing market value, it may have a material adverse impact on the working capital but possibly not the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at 31 December 2015, being the date the latest published audited consolidated financial statements of the Company. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## **GENERAL**

As at the Latest Practicable Date, to the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their respective close associates, have any present intention to sell any Shares to the Company or its subsidiaries in the event that the Proposed Repurchase Mandate is approved at the AGM and is exercised.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Proposed Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws of the Cayman Islands.

As at the Latest Practicable Date, no core connected person has notified the Company that he/she has a present intention to sell any Shares to the Company, or has undertaken not to do so in the event that the Proposed Repurchase Mandate is approved at the AGM and is exercised.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of Rule 32 of the Takeovers Code. Accordingly, a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholder's interests, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any other consequence which would arise under the Takeovers Code as a result of any repurchase of Shares pursuant to the Proposed Repurchase Mandate.

As at the Latest Practicable Date and to the best knowledge and belief of the Directors, Tan Sri Dr Chen Lip Keong is the founder of ChenLa Foundation which indirectly holds, through Cambodia Development Corporation and Fourth Star Finance Corp., a total of 951,795,297 Shares. As the founder of ChenLa Foundation, Tan Sri Dr Chen Lip Keong is taken to have an interest under the SFO in the same block of 951,795,297 Shares. Tan Sri Dr Chen Lip Keong is also personally interested in 7,150,000 Shares (excluding the 1,566,282,107 underlying Shares to be issued under a conditional share purchase agreement on 13 June 2011, as supplemented by a supplemental agreement and a second supplemental agreement dated 28 December 2011 and 28 December 2015, respectively, entered between the Company and Tan Sri Dr Chen Lip Keong). Together with the said interest held by ChenLa Foundation, Tan Sri

Dr Chen Lip Keong is interested in 958,945,297 Shares, representing approximately 42.24% of the issued Shares. In the event that the Directors should exercise in full the Proposed Repurchase Mandate, the attributable shareholding of Tan Sri Dr Chen Lip Keong in the Company will be increased to approximately 46.94% of the issued Shares (if the present shareholding remains the same). In the opinion of the Directors, such increase may give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. The Directors have no present intention to exercise the Proposed Repurchase Mandate to such extent as would result in takeover obligations.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the repurchase would result in a reduction of the amount of shares held by the public to less than 25%. The Directors do not intend to repurchase Shares to an extent which would reduce the aggregate amount of Shares held by the public to less than 25%.

#### SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares has been made by the Company (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

#### SHARE PRICES

During each of the previous 12 months preceding the Latest Practicable Date, the highest and lowest traded prices for the Shares recorded on the Stock Exchange were as follows:

<b>Month</b>	<b>Highest traded prices HK\$</b>	<b>Lowest traded prices HK\$</b>
<b>2015</b>		
March	5.370	4.660
April	6.240	5.220
May	6.290	5.600
June	6.480	5.590
July	6.400	5.000
August	6.330	4.590
September	4.860	4.330
October	5.600	4.660
November	5.700	5.010
December	5.150	4.830
<b>2016</b>		
January	4.980	4.270
February	4.870	3.810
March (up to and including the Latest Practicable Date)	4.600	4.220

*The following is a summary of the rules of the New Share Option Scheme:*

**PURPOSE OF THE SCHEME**

The purpose of the New Share Option Scheme is to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Group and/or any Invested Entity.

**WHO MAY JOIN**

The Board or its authorised committee may in its absolute discretion grant Options to any Eligible Person. The basis of eligibility of each Eligible Person will be determined by the Board or its authorised committee from time to time on the basis of his contribution or potential contribution to the development and growth of the Group or any Invested Entity.

**PRICE OF SHARES**

Options can be exercised at a subscription price determined by the Board or its authorised committee in its absolute discretion (subject to adjustments as provided in the rules of the New Share Option Scheme) which shall be in any case at least the higher of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which Options are granted, which must be a business day; (ii) the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the 5 business days immediately preceding the date on which Options are granted; and (iii) the nominal value of a Share. Without prejudice to the generality of the foregoing, the Board or its authorised committee may grant Options in respect of which the subscription price is fixed at different prices for different periods during the period for the exercise of Options. No consideration is payable by the grantee upon the application or acceptance of an Option.

**MAXIMUM NUMBER OF SHARES**

The maximum number of Shares in respect of which options may be granted under the New Share Option Scheme and any other share option schemes of the Company shall not exceed the Scheme Mandate Limit. Options lapsed in accordance with the terms of the New Share Option Scheme shall not be counted for the purpose of calculating the Scheme Mandate Limit which may be refreshed by ordinary resolution of the Shareholders in general meeting, provided that:

- (a) the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of issued Shares as at the date of Shareholders' approval of the refreshing of the Scheme Mandate Limit; and
- (b) options previously granted under the New Share Option Scheme and any other share option schemes of the Company (including options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed.

The maximum aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option scheme of the Company must not in aggregate exceed 30% of the total number of Shares in issue from time to time.

The Board may seek separate approval of the Shareholders in general meeting to grant Options beyond the Scheme Mandate Limit or to refresh the limit referred to above, provided that the Options in excess of the Scheme Mandate Limit or the refreshed limit shall be granted only to the Eligible Persons specifically identified by the Company before such approval is sought. The Company must issue a circular to the Shareholders containing all information as required by the Listing Rules.

The total of Shares issued and to be issued upon exercise of all the Options granted to an Eligible Person (including exercised, cancelled and outstanding) in any 12-month period shall not exceed 1% of the total number of Shares in issue from time to time unless such grant has been duly approved by ordinary resolution of the Shareholders in general meeting at which the relevant Eligible Person and his close associates or (if such Eligible Person is a connected person) his associates abstained from voting and the Company has issued a circular in accordance with the relevant provisions of Chapter 17 of the Listing Rules.

#### **GRANT OF OPTIONS TO CONNECTED PERSONS**

Any grant of Options to a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (save when an independent non-executive Director is a prospective grantee of the Options, such Director's vote shall not be counted).

Where Options are proposed to be granted to a substantial shareholder of the Company or an independent non-executive Director or any of their respective associates, and the proposed grant of options would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of the grant of such options to represent in aggregate over 0.1% of the total number of issued Shares for the time being and have an aggregate value (based on the closing price of a Share at each date of the grant of these Options) exceeding HK\$5,000,000, the proposed grant shall be subject to the issue of a circular and the approval of the Shareholders in general meeting (taken on a poll) in accordance with the requirements of the Listing Rules at which the relevant grantee, his associates and all core connected persons must abstain from voting in favour of the proposed grant (for the avoidance of doubt, they may vote against the resolution at the general meeting if their intention to do so has been stated in the circular).

#### **TIME FOR EXERCISE OF OPTIONS**

An Option shall be exercisable at any time during such period(s) to be notified by the Board to each grantee, provided that no Option shall be exercisable later than ten years from the date of grant. Unless the Directors otherwise determine, there is no general requirement under the rules of the New Share Option Scheme for any minimum period for which an Option must be held or any performance targets which must be achieved before any Options granted under the New Share Option Scheme can be exercised.

**PERFORMANCE TARGETS**

The New Share Option Scheme does not provide any specific performance targets that need to be met before a grantee is entitled to exercise an Option duly granted. The Board or its authorised committee may in its absolute discretion specify such conditions as it thinks fit when making an offer to an Eligible Person.

**RIGHTS ARE PERSONAL TO GRANTEE**

An Option shall be personal to the grantee of the Option and shall not be assignable nor transferable.

**RIGHTS ON CEASING TO BE AN ELIGIBLE PERSON**

Subject to the provision in the paragraph below headed “RIGHTS ON DEATH” and, the sub-paragraph (d) under the paragraph below headed “LAPSE OF OPTIONS”, if a grantee of an Option ceases to be an Eligible Person for any reason, the grantee can only exercise the Option within ninety calendar days after the date of such cessation.

**RIGHTS ON DEATH**

If a grantee of an Option dies, the personal representatives of the grantee may only exercise the Option no later than the first anniversary of the death of the grantee.

**RIGHTS ON DISMISSAL**

If a grantee of an Option ceases to be an Eligible Person by reason of dismissal or termination of office, the right to exercise the Option shall thereupon terminate immediately.

**EFFECT OF ALTERATIONS TO CAPITAL**

In the event of a capitalisation issue, rights issue, open offer, consolidation, subdivision or reduction of the share capital of the Company, the Company shall make corresponding alterations (if any) to:

- (a) the number of Shares subject to Options already granted so far as they remain outstanding and exercisable; and/or
- (b) the subscription price; and/or
- (c) the method by which the Option(s) may be exercised.

provided that

- (i) each grantee is given the same proportion of the equity capital of the Company as that to which he was previously entitled;

- (ii) no alterations shall be made to the advantage of a grantee (including, but not limited to, adjustments which would increase the intrinsic value of any outstanding Options) except with the prior sanction of a resolution of the Shareholders in general meeting;
- (iii) no alterations shall be made which would result in the subscription price for a Share being less than its nominal value; and
- (iv) any such alterations, save as those made on a capitalisation of profits or reserve, shall be confirmed by the auditors of the Company in writing to the Directors as satisfying the requirements of the foregoing paragraphs (i) and (iii).

**RIGHTS ON A GENERAL OFFER**

If a general offer is made to all the Shareholders (other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror), the grantee may by notice in writing within fourteen calendar days of the date of notice from the Company of such general offer becoming or being declared unconditional exercise any Options to its full extent, and to the extent that they have not been so exercised, the right to exercise the Options shall upon the expiry of such period lapse immediately.

**RIGHTS ON VOLUNTARY WINDING UP**

If a notice is given of a general meeting at which a resolution will be proposed for the voluntary winding-up of the Company, each grantee shall be entitled to exercise all or any of his Options at any time not later than five business days prior to the proposed general meeting of the Company. The right to exercise the Options shall, to the extent that they have not been exercised, lapse immediately on the date of the commencement of the voluntary winding-up of the Company.

**RIGHTS ON A SCHEME OF ARRANGEMENT**

If an application is made to the court in connection with a proposed compromise or arrangement between the Company and the Shareholders or creditors, the grantee may by notice in writing to the Company, within twenty-one calendar days after the date of such application, exercise the Option in full or in part.

**RANKING OF SHARES**

Shares allotted on the exercise of Options will rank *pari passu* with the other Shares in issue at the relevant date of allotment except in respect of any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor is before the registration of the name of the relevant grantee as a Shareholder in respect of the allotted Shares.

**PERIOD OF THE SCHEME**

The New Share Option Scheme shall be valid and effective for a period of ten years commencing on the date of adoption (subject to early termination in accordance with the provisions thereof).



**VARIATION AND TERMINATION**

The Board or its authorised committee may amend any of the provisions of the New Share Option Scheme or withdraw or otherwise terminate the New Share Option Scheme at any time but no amendments shall be made to the advantage of grantees or prospective grantees except with the prior approval of the Shareholders in general meeting (with grantees and their respective close associates (if the grantees are connected persons) or their respective associates who are Shareholders abstained from voting). No such alterations shall operate to affect adversely any rights which have been accrued to any grantee at that date.

Shareholders in general meeting must approve in advance by ordinary resolution any proposed change which relates to the following:

- (a) the category of Eligible Persons to or for whom Options may be granted under the New Share Option Scheme;
- (b) the authority of the Board or its authorised committee in relation to any alteration to the terms of the New Share Option Scheme;
- (c) the limits as to the number of Shares which may be issued under the New Share Option Scheme;
- (d) the individual limits as to the number of Options for each grantee under the New Share Option Scheme;
- (e) the determination of the exercise price;
- (f) any rights attaching to the Options and the Shares;
- (g) the terms of any granted Options;
- (h) the rights of the grantee in the event of a capitalization issue, rights issue, open offer, sub-division or consolidation of Shares or reduction or any other variation of capital of the Company;
- (i) any matters set out in rule 17.03 of the Listing Rules;
- (j) any amendment to the New Share Option Scheme which is of a material nature.

Any amendment to the terms and conditions of the New Share Option Scheme which is of a material nature shall be subject to the clearance of the Stock Exchange save where the amendment takes effect automatically under the existing terms of the New Share Option Scheme.

The Board or the Company in general meeting may at any time terminate the New Share Option Scheme and, in such event, no further Options shall be granted or offered, but the provisions of the New Share Option Scheme shall remain in full force and effect in respect of any Options granted under the New Share Option Scheme prior to such termination and not then exercised, such that these Options shall continue to be valid and exercisable subject to and in accordance with the New Share Option Scheme.

### **LAPSE OF OPTION**

The right to exercise an option (to the extent not already exercised) shall terminate immediately upon the earliest of:

- (a) the expiry of the option period as described in the above paragraph headed “TIME FOR EXERCISE OF OPTIONS”;
- (b) the expiry of any of the periods referred to in the paragraphs above headed “RIGHTS ON CEASING TO BE AN ELIGIBLE PERSON”, “RIGHTS ON DEATH” and “RIGHTS ON A GENERAL OFFER”;
- (c) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in the paragraph above headed “RIGHTS ON A SCHEME OF ARRANGEMENT”;
- (d) the date on which the grantee ceases to be an Eligible Person by reason of dismissal for misconduct or committees an act of bankruptcy or has become insolvent or has made any arrangements or composition with his creditors generally or on which has been convicted of any criminal offence involving his integrity or honesty;
- (e) subject to the provision in the paragraph above headed “RIGHTS ON VOLUNTARY WINDING UP”, the date of the commencement of the voluntary winding-up of the Company; or
- (f) the date on which the grantee commits a breach of the provision of the New Share Option Scheme which prohibits a grantee to assign, transfer, sell, charge, mortgage or encumber or create any interest in favour of a third party over or in relation to any Options.

### **RESTRICTIONS ON THE TIME OF GRANT OF OPTION**

A grant of Options may not be made after an event involving inside information has come into the knowledge of the Board until such inside information has been published in accordance with the requirements of the Listing Rules. In particular, no Option may be granted during the period commencing one month immediately preceding the earlier of: (a) the date of the Board meeting for the approval of the Company’s quarterly (if applicable), interim or annual results; and (b) the deadline of the Company to publish its quarterly (if applicable), interim or annual results announcement, and ending on the date of the results announcement.

**CANCELLATION OF UNEXERCISED OPTIONS**

The Board or its authorised committee may cancel an Option granted but not exercised with the approval of the holder of such Option. No Options may be granted to an Eligible Person in place of his cancelled Options unless there are available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit approved by the Shareholders as mentioned in the paragraph headed “MAXIMUM NUMBER OF SHARES” above.

**CONDITIONS OF THE NEW SHARE OPTION SCHEME**

The New Share Option Scheme is conditional on (i) the passing of an ordinary resolution of the Shareholders to approve the adoption of the New Share Option Scheme at the AGM; and (ii) the Listing Committee granting approval of the New Share Option Scheme and any Options thereunder, and the listing of, and permission to deal in, the Shares which may be issued pursuant to the exercise of any such Options.

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## NOTICE OF ANNUAL GENERAL MEETING

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**NAGACORP**

金界控股有限公司

**NAGACORP LTD.**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 3918)**

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of NagaCorp Ltd. (the “Company”) will be held at Suite 2806, 28/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Wednesday, 20 April 2016 at 10:00 a.m. for the following:

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the directors and independent auditor for the year ended 31 December 2015 (the “Year”).
2. To declare a final dividend in respect of the Year.
3. To re-elect the following retiring directors of the Company:
  - i. Tan Sri Dr Chen Lip Keong as an executive director of the Company.
  - ii. Mr. Philip Lee Wai Tuck as an executive director of the Company.
  - iii. Mr. Chen Yiy Fon as an executive director of the Company.
  - iv. Mr. Lai Kai Jin Michael as an independent non-executive director of the Company.
4. To approve the directors’ remuneration for the Year and to authorize the board of directors to fix the directors’ remuneration for the year ending 31 December 2016.
5. To re-appoint BDO Limited as independent auditor of the Company and to authorize the board of directors to fix its remuneration.

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## NOTICE OF ANNUAL GENERAL MEETING

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6. To consider and, if thought fit, pass with or without amendments, the following resolutions as ordinary resolutions:

(A) **“That:**

- (i) subject to paragraph (A)(iii) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all powers of the Company to allot, issue or otherwise deal with additional shares of the Company (the “Shares”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for Shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into Shares) which may require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (A)(i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and/or options which may require the exercise of such powers after the end of the Relevant Period;
- (iii) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors during the Relevant Period pursuant to paragraph (A)(i) above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined) or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire Shares; or (3) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the “Articles of Association”) in force from time to time; or (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed 20% of the total number of issued Shares as at the date of passing this resolution and the said approval shall be limited accordingly; and

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## NOTICE OF ANNUAL GENERAL MEETING

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(iv) for the purpose of this resolution:

(a) “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

(1) the conclusion of the next annual general meeting of the Company;

(2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or

(3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

(b) “Rights Issue” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members on a fixed record date in proportion to their holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(B) **“That:**

(i) subject to paragraph (B)(ii) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the issued shares of the Company (the “Shares”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or on any other stock exchange on which the Shares may be listed and recognized for this purpose by the Securities and Futures Commission of Hong Kong (the “Commission”) and the Stock Exchange and, subject to and in accordance with all applicable laws, the Code on Share Buy-backs issued by the Commission and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;

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- (ii) the aggregate number of the Shares, which the Company is authorised to repurchase pursuant to the approval in paragraph (B)(i) above shall not exceed 10% of the total number of issued Shares at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iii) subject to the passing of each of the paragraphs (B)(i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (B)(i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and

- (iv) for the purpose of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
- (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”

- (C) “**That** conditional upon the resolutions numbered 6(A) and 6(B) as set out in the notice convening this meeting being passed, the general mandate granted to the directors of the Company (the “Directors”) to exercise the powers of the Company to allot, issue and otherwise deal with additional shares of the Company (the “Shares”) and to make or grant offers, agreements and options which may require the exercise of such powers pursuant to the ordinary resolution numbered 6(A) above be and is hereby extended by the addition to the aggregate number of Shares which may be allotted by the Directors pursuant to such general mandate of the aggregate number of Shares repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 6(B) as set out in the notice convening this meeting, provided that such amount shall not exceed 10% of the total number of issued Shares at the date of passing of this resolution.”
- (D) “**That** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of, and permission to deal in, the shares of the Company, representing 10% of the number of issued shares of the Company on the date of this resolution, which may fall to be issued pursuant to the exercise of any options granted under the new share option scheme of the Company (the “New Scheme”) (a copy of which has been

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submitted to the meeting and signed by the Chairman of the meeting for the purpose of identification), the New Scheme be and is hereby approved and adopted on the date of this meeting and the directors of the Company be and are hereby authorised to grant options and to allot and issue shares of the Company thereunder and to take all such steps and do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Scheme.”

7. To consider and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**That** subject to and conditional upon the entry of the dual foreign name of the Company on the register maintained by the Registrar of Companies in the Cayman Islands, the adoption of “金界控股有限公司” as the dual foreign name of the Company be approved and that the directors of the Company be and are hereby authorised to do all such acts and things and to execute all documents or make such arrangements as they may consider necessary or expedient to give effect to the adoption of the dual foreign name of the Company.”

By Order of the Board of Directors  
**Timothy Patrick McNally**  
*Chairman*

Hong Kong, 16 March 2016

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



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*Notes:*

- (i) Resolution numbered 6(C) will be proposed to the shareholders for approval provided that ordinary resolutions numbered 6(A) and 6(B) are first passed by the shareholders of the Company (the “Shareholders”).
- (ii) A Shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as proxy to attend and, on a poll, vote in accordance with the articles of association of the Company. A proxy need not be a Shareholder.
- (iii) 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 of members in respect of such share shall alone be entitled to vote in respect thereof.
- (iv) In order to be valid, a form of proxy must be deposited at the Hong Kong share registrar of 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 the holding of the above meeting or any adjournment thereof. 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.
- (v) The Company’s register of members will be closed during the following period:
  - (a) from Monday, 18 April 2016 to Wednesday, 20 April 2016, both days inclusive, for the purpose of ascertaining the Shareholders’ entitlement to attend and vote at the annual general meeting. In order to be eligible to attend and vote at the annual general meeting, all duly 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 located at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 15 April 2016; and
  - (b) on Tuesday, 20 April 2016, for the purpose of ascertaining Shareholders’ entitlement to the final dividend. In order to qualify for the final dividend, all duly 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 located at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 25 April 2016. The Company’s shares will be traded ex-entitlement from and including Friday, 22 April 2016.
- (vi) In respect of the ordinary resolution numbered 6(A) above, the directors of the Company (the “Directors”) state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from the Shareholders as a general mandate for the purposes of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).
- (vii) In respect of ordinary resolution numbered 6(B) above, the Directors state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of Shareholders. The Explanatory Statement containing the information necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the accompanied circular dated 16 March 2016.

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

*Executive Directors*

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

*Non-executive Director*

Timothy Patrick McNally

*Independent Non-executive Directors*

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

This circular, in both English and Chinese versions, is available on the Company's website at [www.nagacorp.com](http://www.nagacorp.com).

Shareholders may at any time change their choice of language(s) (either English only or Chinese only or both languages) of the corporate communications of the Company (the "Corporate Communications").

Shareholders may send their request to change their choice of language(s) of Corporate Communications by notice in writing to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Shareholders who have chosen to receive the Corporate Communications in either English or Chinese version will receive both English and Chinese versions of this circular since both languages are bound together into one booklet.