

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



NAGACORP LTD.

金界控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

Stock code: 3918

ADDING ANOTHER 250 ELECTRONIC GAMING MACHINES

The board of directors (“Board”) of NagaCorp Ltd (the “Company”) wishes to announce that, on 19 February 2011, Nagaworld Limited (“Naga”), an indirect wholly-owned subsidiary of the Company, has entered into a joint venture agreement (the “Agreement”) with Zhiyou International Co. Ltd (“Zhiyou”), an independent third party Chinese investor, pursuant to which Zhiyou has agreed to supply and place 250 electronic gaming machines (the “Gaming Machines”) in an entertainment area called NagaWorld Music Café sited on the first floor of the hotel wing of NagaWorld (the “Prescribed Gaming Area”), the area of which shall generate both gaming and non-gaming revenue.

In consideration of the grant by Naga to Zhiyou to place 250 Machines in the Prescribed Gaming Area, Zhiyou has paid to Naga an amount of USD8,000,000.00 (United States Dollars Eight Million) as a non-refundable upfront fee (the “Fees”).

In this Agreement, Zhiyou shall bear all the costs for purchase of all 250 Gaming Machines while Naga shall provide the rights and the physical space and responsible for the daily management of the Gaming Machines and the Prescribed Gaming Area. Naga shall be entitled to 60% of the revenue generated by the Gaming Machines while Zhiyou shall be entitled to 40% of such revenue (the “Revenue Sharing Ratio”). From the Commencement Date, Zhiyou shall be entitled to receive only the gaming revenue attributed to the Gaming Machines in the Prescribed Gaming Area until it recovers all the Fees. Thereafter, Naga and Zhiyou shall start sharing the gaming revenue according to the Revenue Sharing Ratio. The commencement of operation of the Gaming Machines in the Prescribed Gaming Area shall be expected on or before 30 June 2011 (the “Commencement Date”). The Agreement is for a term of five years from the Commencement Date.

The Board is of the view that the joint venture shall benefit the Company and the transaction is in the ordinary course of the Company’s business. The total gaming machines in Naga is expected to be increased from the present number of 1,050 to 1,300 before 30 June 2011.

By Order of the Board
NAGACORP LTD.
Timothy Patrick McNally
Chairman

Hong Kong, 21 February 2011

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

Executive Directors

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

Non-executive Directors

Timothy Patrick McNally and Michael Lai Kai Jin

Independent Non-executive Directors

Leow Ming Fong, Tan Sri Datuk Seri Panglima Abdul Kadir Bin Haji Sheikh Fadzir and Lim Mun Kee

* *For identification purpose only*

Please also refer to the electronic version of the same on the Company's website www.nagacorp.com, www.irasia.com and the website of The Stock Exchange of Hong Kong Limited.