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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 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 to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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
Monica Lam Yi Lin

Non-executive Directors

Timothy Patrick McNally
Chen Yiy Fon

Independent Non-executive Directors

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

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21 May 2009

To the Shareholders

Dear Sir or Madam,

**Final Dividend for the year ended 31 December 2008
payable in Cash and in Scrip Shares**

Introduction

On 26 February 2009, it was announced that the directors (the "Directors") of NagaCorp Ltd. (the "Company") recommended the payment of a final dividend (the "Final Dividend") of US cents 0.13 per share of US\$0.125 each in the capital of the Company (the "Shares") for the year ended 31 December 2008.

* For identification purpose only.

The Final Dividend will take the form of a scrip dividend whereby shareholders of the Company (the “Shareholders”) whose names were recorded on the register of members of the Company on 18 May 2009 will receive 40% in cash and 60% in scrip shares (the “Scrip Shares”) as their scrip dividend entitlements (the “Scrip Dividend Scheme”).

At the annual general meeting of the Company held on 18 May 2009, the Final Dividend and the Scrip Dividend Scheme were approved and the issue and allotment of the Scrip Shares by the Directors was authorised.

This circular sets out the procedures which apply in relation to the Scrip Dividend Scheme.

Particulars of the Scrip Dividend Scheme

Pursuant to the Scrip Dividend Scheme, each Shareholder will be entitled to receive the Final Dividend as follows:

- 40% of the Final Dividend in cash, being US cents 0.05 for each Share (or equivalent to approximately HK cents 0.39 per Share) held by the Shareholders on 18 May 2009; and
- 60% of the Final Dividend in Scrip Shares credited as fully paid.

The market value for calculating the number of Scrip Shares to be allotted to the Shareholders pursuant to the Scrip Dividend Scheme was HK\$0.94 per Share (or HK cents 94.00 per Share), which was the average of the closing prices per Share of the Company on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) for the 5 consecutive trading days up to and including 18 May 2009. Accordingly, the number of Scrip Shares which the Shareholders will receive in respect of their shareholdings on 18 May 2009 under the Scrip Dividend Scheme is calculated as follows:

$$\begin{array}{rcl} \text{Number of Scrip Shares} & = & \text{Number of existing Shares} \\ \text{to be allotted} & & \text{held on 18 May 2009} \end{array} \times \frac{\begin{array}{l} \text{HK cents 0.62} \\ \text{(or equivalent to)} \\ \text{US cents 0.08)} \end{array}}{\text{HK cents 94.00}}$$

Based on the above and 2,068,436,000 existing Shares in issue, a maximum amount of 13,642,875 Scrip Shares will be issued. The number of Scrip Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to the Scrip Shares will not be allotted but will be aggregated and sold for the benefit of the Company.

The Scrip Shares will rank *pari passu* in all respects with the existing issued shares of the Company save that they will not be entitled to the Final Dividend.

Advantages of the Scrip Dividend Scheme

The Scrip Dividend Scheme will give Shareholders the opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also be to the advantage of the Company because the cash which would otherwise have been paid to Shareholders will be retained for use as general working capital by the Company.

Effect of the Scrip Dividend Scheme

The Shareholders should note that the Scrip Shares to be issued pursuant to the Scrip Dividend Scheme may give rise to the discloseable requirements under the provisions of Division 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The Shareholders who are in any doubt as to these provisions which may affect them as a result of the Scrip Shares are recommended to seek their own professional advice.

Overseas Shareholders

Based on the register of members of the Company on 18 May 2009, all the Shareholders of the Company had registered addresses in Hong Kong save that there were two Shareholders with registered addresses in Singapore and the Philippines respectively.

In relation to these overseas Shareholders, the Directors have made enquiries with legal advisers in Singapore and the Philippines, and have been advised that the Company may rely on exemptions from registration or fulfilment of certain filing or other procedures under the relevant securities legislations in respect of the issue of scrip dividend to such overseas Shareholders. Accordingly, these Shareholders will be permitted to participate in the Scrip Dividend Scheme.

Neither this circular nor the Scrip Shares will be registered or filed under the securities laws or equivalent legislation of any jurisdiction outside Hong Kong. The participation in the Scrip Dividend Scheme by the overseas Shareholders may be restricted by the laws of their relevant jurisdictions.

Stock Exchange Listing and Despatch of Dividend Warrants and/or Certificates for Scrip Shares

The Scrip Dividend Scheme is conditional upon listing approval being granted by the Stock Exchange in respect of the Scrip Shares to be issued pursuant thereto. Application has been made to the Listing Committee of the Stock Exchange for a listing of and permission to deal in the Scrip Shares.

The relevant dividend warrants and/or certificates for Scrip Shares are expected to be despatched at the risk of those entitled thereto on or about 18 June 2009 on which dealings of the Scrip Shares will commence.

The Shares of the Company are only listed on the Stock Exchange. No part of the share capital of the Company is listed or dealt in on any other stock exchange and the Company is not currently seeking to list its Shares on any other stock exchange.

Dealings in the Shares may be settled through the Central Clearing and Settlement System and you should seek the advice of your stockbroker or other professional adviser for details of these settlement arrangements and how such settlement arrangements will affect your rights and interests.

The Company has made a waiver application to the Stock Exchange from compliance with Rule 19.10(2) and (3) of the Rules Governing the Listing of Securities on the Stock Exchange.

The Directors have made enquiries with legal advisers in the Cayman Islands, and have been advised that the Company is not subject to any public reporting and filing obligations in the Cayman Islands in respect of this circular.

A copy of the Companies Law (2007 Revision) of Cayman Islands will be available for inspection at the office of the Company at Suite 2806, 28/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong during normal business hours up to and including the date which is 14 days from the date of this circular.

Recommendation and Advice

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

Yours faithfully,
Timothy Patrick McNally
Chairman