

For Immediate Release



NagaCorp Announces 2017 Annual Results

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VIP Rollings Growth of 142%

Gross Gaming Revenue (“GGR”) Growth of 85%

Opening of Naga2, a Transformational Product

Hong Kong, 6 February 2018 – **NagaCorp Ltd.** (“NagaCorp” or the “Group”, SEHK stock code: 3918), which owns, manages and operates NagaWorld, the entertainment centre of the Mekong Region, today announced robust financial and operating results for the full year ended 31 December 2017.

- 1) VIP Rollings increased 142%** to US\$21.1 billion
- 2) Mass Market Tables Buy-ins increased 28%** to US\$787.8 million
- 3) Mass Market Electronic Gaming Machines (“EGM”) bills-in increased 21%** to US\$1.8 billion
- 4) GGR increased by 85%** to US\$926.0 million
- 5) Net Profit increased by 39%** to US\$255.2 million
- 6) 60% Dividend Payout Ratio:** A final dividend for shareholders of US cents 1.45 per share (or equivalent to HK cents 11.24 per share) has been declared, representing a payout ratio of 60% based on the net profit generated for the year.

BUSINESS REVIEW

NagaCorp achieved stellar growth across all business segments in 2017. Gross gaming revenue (“GGR”) grew 85%, underpinned by a 142% increase in VIP Rollings, 28% increase in Public Floor Tables buy-ins, and 21% increase in EGM bills-in.

Acceleration in business volume growth is attributable to several factors. First, continued confidence in Cambodia's political climate and social order leads to favourable economic conditions. The Cambodian economy continued to register stable growth in 2017. The International Monetary Fund is projecting real Gross Domestic Product growth of at 6.9% in 2017 and 6.8% in 2018, with an inflation rate of 3.7% and 3.5% respectively.

Second, increasing economic activity is resulting in increasing foreign investment and a growing expat population, in turn driving footfall. International arrivals to Cambodia, one of the Group's business growth drivers, increased 12% to 5.6 million visitors in 2017. Visitor arrivals via Phnom Penh International Airport grew 21% over the same period. Visitation from China grew by 46% to 1,210,782 visitors and remained the leading source of visitation to Cambodia. In addition, Cambodia is attracting increasing foreign investment and China accounted for about 51% of all foreign investment in the last three yearsⁱ.

Third, the opening of Naga2 in November 2017 provided a transformational product for the Group. Naga2 significantly increases the quality and range of VIP, Mass Gaming and Non-Gaming offerings, providing the Group with a product comparable in quality to integrated resorts in more established gaming destinations. Naga2 more than doubles capacity in terms of hotel rooms and gaming facilities. It also adds a state of the art 2,200 seat theatre and additional entertainment, food and beverage options alongside the NagaCity Walk duty-free shopping mall which opened in August 2016. It's opening has removed many of the constraints previously faced by the Group in the development of new markets and deeper penetration of its existing markets.

As a result of the completion of Naga2, the Group's balance sheet has strengthened. In July 2017, the Group's property assets were valued at US\$5.4 billion by Colliers International (Hong Kong) Limited, while the Group remains debt-free. This increased the prominence and confidence in the Group, and attracting greater numbers of players and higher betting volumes.

Finally, management is mindful of risk as business volumes grow. In addition to a conservative gaming policy, the Company exercises rigorous financial discipline and risk management.

PROSPECTS

Cambodia continues to attract visitors from Asia and other nations, benefiting from its appeal as a tourism destination and the abundance of business opportunities that exist in an emerging economy with political stability. The Ministry of Tourism Cambodia expects to attract 7.0 million visitors by 2020, of which 2.0 million will come from China. It is also projected that Chinese travelers will make 200 million outbound trips from China in 2020 (an increase of 48% from 135 million in 2016)ⁱⁱ.

ⁱ Source: Council for the Development of Cambodia

ⁱⁱ Source: CLSA, July 2017

The continued growth of visitation to Cambodia is a reflection of the development of Cambodia as a prominent regional tourism and investment destination, brought about by continued political and social stability in the country.

The Group is well poised to capitalize on these positive factors with the expanded offerings of Naga2 which further strengthens the appeal of NagaWorld to attract a broader range of international visitors.

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ABOUT NAGACORP LTD.

NagaCorp Ltd. was listed on The Hong Kong Stock Exchange in October 2006 (SEHK stock code: 3918). Established in 1995, NagaCorp's wholly owned subsidiary NagaWorld Ltd. owns, manages and operates the only world-class integrated entertainment and leisure complex in Phnom Penh, the capital of the Kingdom of Cambodia. It owns a casino license valid for 70 years, and exclusive gaming rights for a period of around 41 years (1995-2035). NagaCorp was selected for inclusion in the Hang Seng Foreign Companies Composite Index and the Hang Seng Global Composite Index launched on 5 September 2011.

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