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NAGACORP

金界控股有限公司

NAGACORP LTD.

金界控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3918)

**VOLUNTARY ANNOUNCEMENT
UNAUDITED OPERATIONAL HIGHLIGHTS (GAMING)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2023**

The board of directors (the “**Board**”) of NagaCorp Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited operational highlights of the gaming branch of the Group for the nine months ended 30 September 2023. This is a voluntary announcement made by the Company to provide the shareholders and potential investors of the Company with a business update and the information contained in this announcement is based on a preliminary assessment of the Group and the information currently available to the Company and is not based on any figure or information which has been audited or reviewed by the auditor of the Company.

Shareholders and potential investors of the Company are advised to exercise caution and not to place undue reliance on such information when dealing in the securities of the Company.

1. Executive Summary

Based on the Company’s unaudited accounts for the nine months ended 30 September 2023 (“**YTD 2023**”), it is observed that:

- Mass Market segment business volumes (Tables Buy-ins + Electronic Gaming Machines (“**EGM**”) Bills-in) for YTD 2023 increased by 7.8% as compared to the same period last year.

- Mass Market Table Buy-ins growth accelerated in the three months ended 30 September 2023, with 18.5% year-on-year (“YoY”) growth compared to the same period last year. This was mainly contributed by satisfactory results of the high limit gaming areas, with higher average spend per customer.
- Premium VIP Market rollings for YTD 2023 showed a 35.2% increment as compared to the same period last year.
- Average daily rollings for the Referral VIP Market segment for YTD 2023 showed a 43.3% increment as compared to the same period last year.
- Gross Gaming Revenue (“GGR”) for YTD 2023 of US\$379.0 million represented a 12.1% YoY growth as compared to GGR of US\$338.1 million in the same period last year.
- Unaudited preliminary earnings before interest, tax, depreciation and amortization (“EBITDA”) for YTD 2023 of US\$215.4 million showed a 17.4% increment YoY as compared to the same period last year.
- The Group had cash and cash equivalents of US\$297.6 million as at 30 September 2023. Net debt of the Company, calculated as total debts less cash and bank balances, was approximately US\$174.6 million.

2. Mass Market — Recovered to 82.0% of Pre-pandemic Business Volumes

Mass Market business volumes (Tables Buy-ins + EGM Bills-in) for YTD 2023 increased by 7.8% as compared to the same period last year. Management believes this is mainly because of the continued increase of international tourist arrivals into Cambodia. According to the August tourism statistics published by the Ministry of Tourism of Cambodia (“MOT”), the number of international tourist arrivals to Cambodia (for the eight months ended August 2023) exceeded 3.5 million which represented 153.8% of the entire year’s arrivals in 2022. Despite international arrivals by air (via Phnom Penh International Airport) recovering to 63.1% of the corresponding period in 2019, the average daily business volumes for the Mass Market segment for YTD 2023 have recovered to 82.0% of those for the financial year ended 31 December 2019 (“FY2019”) (peak pre-COVID-19 year). This indicates higher average spend per customer, particularly among business-related travellers and the domestic captive expatriate market.

3. Premium VIP Market — Average Daily Business Volumes Almost Recovered to Pre-pandemic Level

Premium VIP Market rollings for YTD 2023 increased by 35.2% as compared to the same period last year. Management believes this is mainly because of the increasing numbers of the domestic expatriate population. According to the August tourism statistics published by the MOT, business-related travellers from China accounted for about 73.0% of total Chinese arrivals in the first eight months of 2023 versus about 45.1% in the same period of 2019. These business-related travellers tend to have longer repeated stays and higher spending power. Together with our continued conversion of previous referral VIP players into direct premium VIP players, the average daily rollings of the Premium VIP Market segment for YTD 2023 has already recovered by 92.8% compared to FY2019 (peak pre-COVID-19 year).

4. Referral VIP Market — Rollings Increased by 43.3% YoY

Referral VIP Market rollings for YTD 2023 rose by 43.3% as compared to the same period last year. This is in line with the continued recovery trend of Cambodia's tourism sector. The Company will continue to develop the Referral VIP Market segment by identifying and recruiting more reputable referral VIP agents.

5. Financial Strength — On Track to Full Repayment of the 2024 Senior Notes

The Group's cash and cash equivalents have increased from US\$156.0 million as of 31 December 2022 to US\$297.6 million as of 30 September 2023. This increase was mainly attributed to the continued recovery of business volumes and prudent cash spending strategy from the Company's management. The net debt of the Company, calculated as total debts less cash and bank balances, was approximately US\$174.6 million as of the period end. The Company is confident that it can discharge all of its financial obligations when the outstanding senior notes mature in July 2024.

6. Continued Political Stability of Operating Environment

The conclusion of the Cambodian general election held on 23 July 2023 resulted in the ruling party, the Cambodian People's Party winning 120 of 125 seats in the National Assembly on the back of winning 82.3% of all votes. This is followed by the official and smooth formation of the new Royal Government of Cambodia on 22 August 2023. Given the continued political and social stability, Cambodia is expected to continue its upward trajectory of recovery with an influx of tourist arrivals, business visitation and expected surge in foreign direct investments into the country, resulting in an increased number of investors and a growing domestic expatriate population. The Group believes that NagaWorld, being the only integrated resort in Phnom Penh will benefit from this with increasing footfall from customers.

The Board is pleased to announce the unaudited operational highlights of the gaming branch of the Group for YTD 2023 as tabulated in the following table:

	Unaudited figures for the 9 months ended 30 September 2023	Unaudited figures for the 9 months ended 30 September 2022	Increase
	<i>(US\$'000)</i>	<i>(Restated)⁽¹⁾ (US\$'000)</i>	<i>%</i>
GGR	378,964	338,078	12.1
Mass Market:			
— Tables Buy-ins + EGM Bills-in	2,702,254	2,506,974	7.8
— GGR	247,210	244,722	1.0
Premium VIP Market:			
— Rollings	3,046,043	2,253,542	35.2
— GGR	99,569	71,362	39.5
Referral VIP Market:			
— Rollings	1,319,777	921,115	43.3
— GGR	32,184	21,994	46.3
EBITDA	215,413	183,552	17.4

Note:

(1) The comparative figures are restated as a result of certain reclassifications to align with the current period presentation.

DISCLAIMER

The above figures, including average daily gaming business volumes (from which revenues are derived based on the actual daily percentage win-rates recorded by the Group) and average daily GGR contained in this announcement are for illustrative purposes only, and do not constitute forward looking statements or profit numbers. These business volumes are shown on a basis that is consistent with the presentation of such information in the Company's annual and interim reports.

The Company wishes to provide the shareholders and potential investors of the Company with a business update and the information contained herein is based on a preliminary assessment of the Group and the information currently available to the Company and is not based on any figure or information which has been audited or reviewed by the auditor of the Company.

Shareholders and potential investors of the Company are advised to exercise caution and not to place undue reliance on such information when dealing in the securities of the Company.

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

Hong Kong, 3 October 2023

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 Yiy Fon

Non-executive Director

Timothy Patrick McNally

Independent Non-executive Directors

Lim Mun Kee, Michael Lai Kai Jin and Leong Choong Wah

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