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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

**ANNOUNCEMENT OF FINAL RESULTS
FOR THE YEAR ENDED 31 DECEMBER 2011**

Financial Highlights for 2011:

- Total revenue increased by 49% to US\$223.8 million
- Gross profit increased by 54% to US\$163.8 million
- Net profit increased by 109% to US\$92.0 million
- Earnings per share of US cents 4.42 (US cents 2.12 per share in 2010)
- Proposed final dividend of US cents 1.55 per share (or equivalent to HK cents 12.09 per share)

The board of directors (the "Board") of NagaCorp Ltd. (the "Company" and together with its subsidiaries the "Group") is pleased to announce the consolidated financial results of the Group for the year ended 31 December 2011. The financial information for the year ended 31 December 2011 contained in this announcement was prepared based on the audited consolidated financial statements.

Having considered the Company's financial results, the Board has recommended the payment of a final dividend of US cents 1.55 per share (or equivalent to HK cents 12.09 per share) for the year ended 31 December 2011 (the "Final Dividend"). The proposed Final Dividend together with the interim dividend is US cents 3.09 per share (or equivalent to HK cents 24.10 per share), representing a dividend payout ratio of 70% in 2011.

CONSOLIDATED STATEMENT OF INCOME

	Note	2011 US\$'000	2010 US\$'000
Revenue	2	223,781	150,517
Cost of sales		(60,024)	(43,832)
		<hr/>	<hr/>
Gross profit		163,757	106,685
Other income		1,915	4,442
Administrative expenses		(31,809)	(30,957)
Other operating expenses		(37,854)	(32,232)
		<hr/>	<hr/>
Profit before taxation	3	96,009	47,938
Income tax	4	(3,979)	(3,877)
		<hr/>	<hr/>
Profit attributable to owners of the Company		92,030	44,061
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Earnings per share (US cents)	6	4.42	2.12
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	2011 US\$'000	2010 US\$'000
Profit for the year	92,030	44,061
Other comprehensive income for the year		
- Exchange adjustments	3	(17)
	<hr/>	<hr/>
Total comprehensive income attributable to owners of the Company for the year	92,033	44,044
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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	2011 US\$'000	2010 US\$'000
Non-current assets			
Property, plant and equipment	8	187,084	155,767
Interest in leasehold land held for own use under operating lease		632	639
Intangible assets	9	83,936	87,483
Trade receivables	10	-	3,431
Deposit payments for purchase of raw materials	11	4,408	-
		276,060	247,320
		276,060	247,320
Current assets			
Consumables		1,242	571
Trade and other receivables	10	24,391	24,936
Deposit payments for purchase of raw materials	11	5,150	5,737
Fixed deposits at bank		35,500	21,100
Cash and cash equivalents		29,264	22,852
		95,547	75,196
		95,547	75,196
Current liabilities			
Trade and other payables	12	18,794	13,825
Current tax liability		332	-
Obligations under finance leases		3	1
		19,129	13,826
		19,129	13,826
Net current assets		76,418	61,370
		76,418	61,370
Total assets less current liabilities		352,478	308,690
Non-current liabilities			
Obligations under finance leases		-	3
		-	3
NET ASSETS		352,478	308,687
		352,478	308,687
CAPITAL AND RESERVES			
Share capital	13	26,026	26,026
Reserves		326,452	282,661
		352,478	308,687
TOTAL EQUITY		352,478	308,687
		352,478	308,687

Notes:

1. Basis of preparation and adoption of new or revised International Financial Reporting Standards

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards, International Accounting Standards and Interpretations (hereinafter collectively referred to as “IFRS”) issued by the International Accounting Standards Board (the “IASB”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost basis.

The preparation of consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The IASB has issued certain amendments, revised standards and new interpretations that are first effective for the current accounting period of the Group. The adoption of these amendments, revised standards and new interpretations has no material impact on the consolidated financial statements of the Group for the current and prior periods.

The Group has not early adopted any amendments, new or revised standards or interpretations that are issued but not yet effective for the current accounting period. The directors of the Company anticipate their application will have no material impact on the consolidated financial statements.

2. Revenue

Revenue represents net house takings arising from casino operations and income from other operations which are set out as follows:

	2011 US\$'000	2010 US\$'000
Casino operations	142,762	95,616
Income from electronic gaming machines	68,708	44,888
Hotel room income, sales of food and beverages and others	12,311	10,013
	<hr/>	<hr/>
	223,781	150,517
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3. Profit before taxation

Profit before taxation is arrived at after (crediting)/charging:

	2011 US\$'000	2010 US\$'000
Interest income	(1,712)	(660)
Reversal of provision for litigation	-	(2,096)
Reversal of unredeemed chips – Poibos	-	(940)
Write-back of trade payables	-	(318)
Auditor's remuneration		
- current year	375	221
- under-provision for prior year	110	105
Fuel expenses	7,856	6,275
Amortisation of casino licence premium charged to other operating expenses	3,547	3,547
Depreciation and amortisation	12,225	10,422
Impairment loss on trade receivables	279	7,219
Write-off of property, plant and equipment	153	196
Loss on disposal of property, plant and equipment	5	27
Operating lease charges for:		
- land lease rental	187	187
- office and car park rental	456	457
- hire of equipment	1,877	1,675
Exchange loss, net	49	144
Staff costs (including directors' remuneration)		
- Salaries, wages and other benefits	22,026	18,113
- Contributions to defined contribution retirement scheme	7	6

4. Income tax

Income tax in profit or loss represents:

	2011 US\$'000	2010 US\$'000
Current tax expense		
- Current year	3,979	3,513
- Under-provision in prior year	-	364
	<hr/>	<hr/>
	3,979	3,877
	<hr/> <hr/>	<hr/> <hr/>

Income tax represents monthly gaming Obligation Payment of US\$228,069 (2010: US\$202,728) and monthly non-gaming Obligation Payment of US\$103,500 (2010: US\$90,000) payable to the Ministry of Economy and Finance (the "MOEF") of Cambodia by

NagaWorld Limited Gaming Branch, a branch registered in Cambodia. For the year ended 31 December 2010, income tax included an under provision for non-gaming Obligation Payment in prior year of US\$364,000.

The Group is not subject to Hong Kong, Cayman Islands or Malaysian income taxes for the current and prior years.

5. Dividends payable to owners of the Company attributable to the year

	2011 US\$'000	2010 US\$'000
Interim dividend declared during the year:		
2011: US cents 1.54 per ordinary share	32,141	—
2010: US cents 0.71 per ordinary share	—	14,742
Final dividend proposed after the end of reporting period:		
2011: US cents 1.55 per ordinary share	32,280	—
2010: US cents 0.77 per ordinary share	—	16,101
	<u>64,421</u>	<u>30,843</u>

The interim dividend of US\$32,141,000 for the year ended 31 December 2011 was declared in August 2011 and paid in December 2011.

6. Earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to owners of the Company of US\$92,030,000 (2010: US\$44,061,000) and the weighted average number of 2,082,078,875 (2010: 2,082,078,875) ordinary shares in issue during the year.

7. Segment information

The Group manages its business by division, which are organised by a mixture of business lines (casino, hotel & entertainment). The Group has identified the following two main reportable segments in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purpose of resource allocation and performance assessment.

- Casino operations: this segment comprises all gaming activities at NagaWorld.
- Hotel and entertainment operations: this segment comprises the operations of leisure, hotel and entertainment activities.

(a) Segment results, assets and liabilities

The Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment of the following bases:

Segment assets include all tangible, intangible and current assets. Segment liabilities include trade creditors, other creditors, provision for unredeemed chips and other liabilities.

Revenue and expenses are allocated to the reportable segments with reference to revenue generated by those segments and expenses incurred by those segments or which would otherwise arise from the depreciation and amortisation of assets attributed to those segments.

	Casino operations US\$'000	Hotel and entertainment operations US\$'000	Total US\$'000
<i>Segment revenue:</i>			
Year ended 31 December 2010			
Revenue from external customers	140,504	10,013	150,517
Inter-segment revenue	—	23,602	23,602
	<u>140,504</u>	<u>33,615</u>	<u>174,119</u>
Reportable segment revenue	<u>140,504</u>	<u>33,615</u>	<u>174,119</u>
Year ended 31 December 2011			
Revenue from external customers	211,470	12,311	223,781
Inter-segment revenue	—	31,668	31,668
	<u>211,470</u>	<u>43,979</u>	<u>255,449</u>
Reportable segment revenue	<u>211,470</u>	<u>43,979</u>	<u>255,449</u>
<i>Segment profit:</i>			
Year ended 31 December			
2010	51,765	12,588	64,353
2011	100,631	14,559	115,190
	<u>100,631</u>	<u>14,559</u>	<u>115,190</u>
<i>Segment assets:</i>			
As at 31 December			
2010	332,121	157,019	489,140
2011	372,702	192,766	565,468
	<u>372,702</u>	<u>192,766</u>	<u>565,468</u>
<i>Segment liabilities:</i>			
As at 31 December			
2010	(13,131)	(167,555)	(180,686)
2011	(13,091)	(199,573)	(212,664)
	<u>(13,091)</u>	<u>(199,573)</u>	<u>(212,664)</u>
<i>Net assets/(liabilities):</i>			
As at 31 December			
2010	318,990	(10,536)	308,454
2011	359,611	(6,807)	352,804
	<u>359,611</u>	<u>(6,807)</u>	<u>352,804</u>

	Casino operations US\$'000	Hotel and entertainment operations US\$'000	Total US\$'000
<i>Other segment information:</i>			
<i>Capital expenditure:</i>			
Year ended 31 December			
2010	263	16,734	16,997
2011	1,930	41,762	43,692
	<u> </u>	<u> </u>	<u> </u>
<i>Income tax expense:</i>			
Year ended 31 December			
2010	3,877	—	3,877
2011	3,979	—	3,979
	<u> </u>	<u> </u>	<u> </u>
<i>Impairment loss on trade receivables:</i>			
Year ended 31 December			
2010	7,219	—	7,219
2011	279	—	279
	<u> </u>	<u> </u>	<u> </u>

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities to revenue, profit or loss, assets and liabilities per the consolidated financial statements is as follows:

	2011 US\$'000	2010 US\$'000
Revenue		
Reportable segment revenue	255,449	174,119
Elimination of inter-segment revenue	(31,668)	(23,602)
	<u> </u>	<u> </u>
Consolidated revenue	<u><u>223,781</u></u>	<u><u>150,517</u></u>
Profit		
Reportable segment profit	115,190	64,353
Depreciation and amortisation		
- reportable segment	(15,721)	(13,910)
- unallocated	(51)	(59)
Unallocated head office and corporate expenses	(3,409)	(2,446)
	<u> </u>	<u> </u>
Consolidated profit before taxation	<u><u>96,009</u></u>	<u><u>47,938</u></u>
Assets		
Reportable segment assets	565,468	489,140
Elimination of inter-segment receivables	(195,608)	(168,180)
	<u> </u>	<u> </u>
Unallocated corporate assets	369,860 1,747	320,960 1,556
	<u> </u>	<u> </u>
Consolidated total assets	<u><u>371,607</u></u>	<u><u>322,516</u></u>
Liabilities		
Reportable segment liabilities	(212,664)	(180,686)
Elimination of inter-segment payables	195,608	168,180
	<u> </u>	<u> </u>
Unallocated corporate liabilities	(17,056) (2,073)	(12,506) (1,323)
	<u> </u>	<u> </u>
Consolidated total liabilities	<u><u>(19,129)</u></u>	<u><u>(13,829)</u></u>

(b) Geographical information

The Group's operations and activities are located entirely in Cambodia.

8. Property, plant and equipment

The major additions during the year are construction costs in relation to NagaWorld of approximately US\$39,900,000.

9. Intangible assets

The intangible assets comprise the casino licence premium and the extended exclusivity premium of the casino licence for the exclusivity period to the end of 2035 for the consideration of US\$108 million, less accumulated amortisation of US\$24.1 million (2010: US\$20.5 million).

10. Trade and other receivables

	2011 US\$'000	2010 US\$'000
Trade receivables — non-current assets (note)	—	3,431
Trade receivables — current assets	24,734	31,295
	<hr/>	<hr/>
Less: Allowance for impairment loss included in current portion	24,734 (11,469)	34,726 (11,190)
	<hr/>	<hr/>
Deposits, prepayments and other receivables	13,265	23,536
Amounts due from related companies	8,969	4,343
	2,157	488
	<hr/>	<hr/>
Less: Trade receivables classified as non-current assets	24,391 —	28,367 (3,431)
	<hr/>	<hr/>
Balance classified as current assets	24,391	24,936
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Note: As at 31 December 2010, the balance is unsecured, bears interest at 8.5% per annum from 1 January 2011 and repayable by December 2012.

The ageing analysis of trade receivables (net of impairment losses) is as follows:

	2011 US\$'000	2010 US\$'000
Current to within 1 month	167	916
1 to 3 months	841	3,610
3 to 6 months	1,150	1,538
6 to 12 months	567	174
More than 1 year	10,540	17,298
	<hr/>	<hr/>
	13,265	23,536
	<hr/> <hr/>	<hr/> <hr/>

The following table reconciles the impairment loss of trade receivables for the year:

	2011 US\$'000	2010 US\$'000
At beginning of year	11,190	3,971
Impairment loss recognised	279	7,219
	<hr/>	<hr/>
At end of year	11,469	11,190
	<hr/> <hr/>	<hr/> <hr/>

The credit policy on gaming revenue is 7 days from the end of tour. Trade receivables relate mostly to Junket VIP operators and local operators who have good track records with the Group or were active during the year. At the end of reporting period, the Group has a certain concentration of credit risk at 44% (2010: 66%) of the total trade and other receivables that were due from the five largest operators.

The Group recognises impairment loss based on individual assessment of each trade receivable. The Group has a credit policy in place and the exposure to credit risk is monitored on a regular basis. The Group grants credit facilities, on an unsecured basis, to selected Junket VIP operators who have good financial background or with whom the Group has had extensive dealings over the past several years. Credit evaluations are performed on all customers requesting credit facilities.

11. Deposit payments for purchase of raw materials

Deposit payments for purchase of raw materials relate to deposits made for the purchase of materials for the construction of NagaWorld.

The materials have not been received by the Group as at the year end. It is anticipated that the materials will be used in the construction of NagaWorld within one year from the end of the year.

12. Trade and other payables

	2011 US\$'000	2010 US\$'000
Trade payables (note)	794	444
Unredeemed casino chips	7,335	6,185
Deposits	96	320
Construction creditors	5,533	3,514
Accruals and other creditors	5,036	3,362
	<hr/>	<hr/>
	18,794	13,825
	<hr/> <hr/>	<hr/> <hr/>

Note:

Included in trade and other payables are trade creditors with the following ageing analysis as at the end of the reporting period:

	2011 US\$'000	2010 US\$'000
Due within 1 month or on demand	718	407
Due after 1 month but within 3 months	14	—
Due after 3 months but within 6 months	6	15
Due after 6 months but within 1 year	56	—
Due over 1 year	—	22
	<hr/>	<hr/>
Total	794	444
	<hr/> <hr/>	<hr/> <hr/>

13. Capital and reserves

	Share capital US\$'000	Share premium US\$'000	Merger reserve US\$'000	Capital contribution reserve US\$'000	Exchange reserve US\$'000	Retained profits US\$'000	Total US\$'000
At 1 January 2010	26,026	135,498	(12,812)	55,568	79	83,389	287,748
Profit for the year	—	—	—	—	—	44,061	44,061
Dividend declared and paid	—	—	—	—	—	(23,105)	(23,105)
Exchange differences on translation of financial statements of foreign entities	—	—	—	—	(17)	—	(17)
At 31 December 2010	26,026	135,498	(12,812)	55,568	62	104,345	308,687
At 1 January 2011	26,026	135,498	(12,812)	55,568	62	104,345	308,687
Profit for the year	—	—	—	—	—	92,030	92,030
Dividend declared and paid (note)	—	—	—	—	—	(48,242)	(48,242)
Exchange differences on translation of financial statements of foreign entities	—	—	—	—	3	—	3
At 31 December 2011	26,026	135,498	(12,812)	55,568	65	148,133	352,478

Note: The dividend declared and paid during the year ended 31 December 2011 comprises the 2010 final dividend of US\$16,101,000 which was paid in August 2011 and the 2011 interim dividend of US\$32,141,000 which was paid in December 2011.

Share capital

(i) Authorised:

	2011 US\$'000	2010 US\$'000
8,000,000,000 ordinary shares of US\$0.0125 each	100,000	100,000

(ii) Issued and fully paid:

	2011 Number of shares	2011 US\$'000	2010 Number of shares	2010 US\$'000
Ordinary shares of US\$0.0125 each				
At 1 January and 31 December	2,082,078,875	26,026	2,082,078,875	26,026

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

14. Acquisition of subsidiaries

The Company entered into a conditional share purchase agreement on 13 June 2011 with Tan Sri Dr Chen Lip Keong, the controlling shareholder of the Company, to acquire the entire equity interests in TanSriChen Inc. ("TSC Inc.") and TanSriChen (Citywalk) Inc. ("City Walk Inc.") both of which are incorporated in the British Virgin Islands and wholly owned by Tan Sri Dr Chen Lip Keong. The agreed consideration is US\$369,000,000, which will be settled upon completion, in the form of shares of the Company or convertible bonds to be issued by the Company. The acquisition was approved by the shareholders of the Company at the Extraordinary General Meeting held on 30 January 2012. The completion of the acquisition is subject to the completion of the construction of several projects to be undertaken by TSC Inc. and City Walk Inc. The projects include the development and construction of the hotel and gaming complex, a retail walkway and a tourist park in Cambodia.

MANAGEMENT DISCUSSION & ANALYSIS

NagaCorp owns, manages and operates the largest integrated entertainment hotel complex in Cambodia, NagaWorld, and is the only licensed casino in Phnom Penh, the capital city. In addition to the casino complex, the Company has world-class hotel and entertainment facilities with a 720-room hotel, 13 food and beverage outlets, a nightclub, karaoke lounge, and spa. NagaWorld is also widely recognised as a popular meetings, incentives, conventions and exhibitions ('MICE') facilities destination in Indochina. This includes 25,000 square meters of meeting and ballroom space, (6,500 square-meter ballroom), a 60-seat auditorium, and state-of-the-art exhibition space. With a built-up area of approximately 110,768 square meters, NagaWorld's scope positions it as a favourite destination in Indochina.

The Company holds a casino licence (the "Casino Licence") granted to the Group by the Royal Government of Cambodia (the "Cambodian Government"), for a duration of 70 years commencing from 2 January 1995, and 41 years of exclusivity within a 200-km radius of Phnom Penh, Cambodia (except the Cambodia-Vietnam border area, Bokor, Kirirom Mountains and Sihanoukville).

The Company completed an initial public offering of its shares (the "IPO") and became a public company listed on the Main Board of The Stock Exchange of Hong Kong on 19 October 2006.

INTERIM AND FINAL DIVIDENDS

On 9 December 2011 the Company made an interim dividend payment of US cents 1.54 per share (or equivalent to HK cents 12.01 per share) during the year ended 31 December 2011. The Board has also resolved to recommend payment of a Final Dividend of US cents 1.55 per share (or equivalent to HK cents 12.09 per share) for the year ended 31 December 2011, proposed to be declared by the Company at the 2012 annual general meeting. The Company will make a further announcement in respect of the payment of the Final Dividend in accordance with the requirements under the Listing Rules.

RESULTS

Performance Highlights

For the year ended 31 December 2011 and comparative prior year:

	2011 <i>US\$'000</i>	2010 <i>US\$'000</i>
Public Floor Gaming Tables		
- Buy-ins	259,343	203,586
- Revenue	62,625	41,517
Electronic Gaming Machines		
- Bills-in	777,257	538,396
- Revenue	68,708	44,888
- No. of machines at end of period	1,130	1,032
Junket Floor Gaming Tables		
- Rollings	3,237,939	2,377,480
- Revenue	80,137	54,099
- Number of visitors (persons)	16,019	7,928
Hotel and Entertainment Operations		
- Revenue	12,311	10,013
- Average room occupancy rate	78%	60%

Net profit for the year ended 31 December 2011 increased by 109% to approximately US\$92.0 million, amidst a competitive and robust gaming climate throughout the Asia Pacific region. This compared to approximately US\$44.1 million in 2010. The Company's net profit was partnered with a gross profit increase of 54% to approximately US\$163.8 million for the year ended 31 December 2011, from US\$106.7 million in 2010.

The Company's gross profit margin was 73% for the year ended 31 December 2011, which improved from 71% in 2010. Revenue increased by 49% to approximately US\$223.8 million for the year ended 31 December 2011, from approximately US\$150.5 million in 2010. Earnings before interest, tax, depreciation and amortisation was approximately US\$111.8 million for the year ended 31 December 2011, and US\$61.9 million in 2010. Profit before taxation increased by 100% to approximately US\$96.0 million, from approximately US\$47.9 million in 2010.

BUSINESS OVERVIEW

The strong economy throughout the Asia Pacific region is expected to continue driving significant visitation and spending. International tourist arrivals grew by over 4.4% in 2011 to a total of 980 million, up from 939 million in 2010. In 2012, international tourist arrivals growth is forecast to reach the historic 1 billion mark by the end of the year (Source: World Tourism Organisation). Comparatively, tourism in Cambodia increased by approximately 15% to 2.9 million visitors in 2011 compared to 2010. Vietnamese visitors increased by 19% to 614,000 in 2011 compared to 2010, as a result of visa-free entry into Cambodia. Vietnamese visitors accounted for 21% of total tourist arrivals in 2011 and represented the largest proportion of tourist to Cambodia. (Source: Ministry of Tourism, Cambodia).

Tourist arrivals into Cambodia are estimated to reach 3.2 million in 2012 (approximately 14% growth), including the effect of anticipated new air links with the Philippines and Indonesia. Overall, tourism arrivals into Cambodia are expected to grow 140% over the next 10 years, from 2.5 million in 2010 to 6 million by 2020. (Source: Ministry of Tourism of Cambodia)

NagaCorp's competitive strengths lie principally in its unique geographic location, world class food and beverage outlets, entertainment events, high quality hotel rooms, and its meetings, incentives, conventions and exhibitions ('MICE') facilities. The Company's primary strategy is to continue to build on its core strengths: to optimize its products and services, to expand and maximise key gaming areas on the property, to strengthen its brand awareness in its target markets, and to refine the Company's customer targeting process to maximise revenue and profitability.

This year was a record-breaking year for NagaCorp on many fronts, in particular its financial performance. Not only did the Company achieve 49% growth in total revenue and a 109% increase in net profit, but also more than doubled earnings per share at US cents 4.42. The Company's profit margins also continued to grow as a result of an efficient business mix and continued control over operating costs. These measures increased gross profit margin from 71% in 2010 to 73% in 2011 and net profit margin from 29% in 2010 to 41% in 2011.

Propelled by the vibrant economic development of the Asia Pacific region, the gaming market in this part of the world continues to grow at impressive rates. That regional vibrancy has undoubtedly had a positive effect on the Company's customer volume and increased gaming traffic, but NagaCorp's financial performance also suggests that it has a competitive advantage in terms of efficiency and better margin levels compared to its regional peers.

Public Floor Gaming Tables

Revenue from public floor tables increased by 51% from US\$41.5 million for the year ended 31 December 2010 to US\$62.6 million for the year ended 31 December 2011, as a result of higher buy-ins and an increased win rate. Buy-ins on the public floor increased from US\$203.6 million for the year ended 31 December 2010 to US\$259.3 million for the year ended 31 December 2011.

This significant growth is a clear indicator that the Company's strategy of emphasising the mass gaming market to build a strong business base is a sustainable business model. NagaWorld's consistently steady arrivals from neighbouring countries, in particular Vietnam, is a key customer base filling the public floor area. Several factors also have affected the Company's increased win rate in the public floor segment of the business: Tighter supervision of the Company's table operations and limits, increased efficiency and speed of the games, and an emphasis on a games mix

that addresses demand and profitability.

Electronic Gaming Machines

The sustained demand for gaming machines drove revenue for this part of the Company's business to US\$68.7 million for the year ended 31 December 2011, representing an increase of 53% over revenue of US\$44.9 million in 2010. As at 31 December 2011, the number of slot stations was 1,130, compared with 1,032 as at 31 December 2010.

The continued regulatory enforcement environment and sustained political stability has further ensured the Company's monopoly position within Cambodia and played a significant role in the growth of this part of the business. As the sole casino in Phnom Penh, NagaWorld is committed to placing the most up-to-date gaming machines to satisfy customers' tastes and experience.

Visibly recognizable growth was also reflected in the increase in bills-in from US\$538.4 million for the year ended 31 December 2010 to US\$777.3 million for the year ended 31 December 2011.

During 2011, NagaWorld launched its first rapid gaming area by installing 91 gaming machines aimed at attracting customers with a particular taste and appetite for rapid play card games. These machines operate live games with a combination of a dealer and an electronic betting interface that increases gaming turnover time. Players place bets using individual touch screens on a computerized table game layout, and wins / losses are instantly settled.

Junket Floor Tables

For the year ended 31 December 2011, revenue from the Company's junket business was US\$80.1 million, compared to US\$54.1 million in 2010, representing a growth of 48%. Revenue from our junket floor tables accounted for 36% of the Company's total revenue for the year ended 31 December 2011, as well as during 2010. There were approximately 16,019 junket players who visited the casino for the year ended 31 December 2011, compared to 7,928 junket players in 2010.

The level of gaming activity conducted at junket floor tables, as measured by rollings, increased by 36% to approximately US\$3.2 billion for the year ended 31 December 2011, from approximately US\$2.4 billion for the same period in 2010.

The increase in the number of players and business volume clearly validates that the Company's conservative credit policy installed in 2009 is not a deterrent to players' comfort level playing with cash. The gaming policy is aimed at earning stable revenue from this business segment without gaming volatility. The Company will continue to execute its strategy of maintaining a conservative gaming policy aimed at regional mid-size players, retaining good relationships with key junket operators, growing its own direct VIP players organically and building a strong player database.

Non-Gaming Revenue – Hotel, Food & Beverage and Entertainment

For the year ended 31 December 2011, the Company derived non-gaming revenue of US\$12.3 million, representing an increase of 23% from revenue of US\$10.0 million for the same period in 2010. This revenue represents hotel, food & beverage and entertainment services to both gaming and non-gaming patrons. The increase in non-gaming revenue was largely due to the increase in the Company's overall casino volume and foot traffic into the property.

Currently, NagaWorld has a total of 13 food & beverage outlets providing a wide variety of choice for the Company's diverse customer base. This variety helps capture specific target markets and encourages non-gaming guests to visit the property. The Company's non-gaming facilities are critical for NagaWorld to establish its brand in the Indochina region, and extend the length of customers' stay in the hotel.

NagaWorld also is widely recognized as a popular entertainment and meetings, incentives, conventions and exhibitions ('MICE') facilities destination in Indochina, well patronized by both the public and private sectors. These facilities include 25,000 square meters of meeting and ballroom space, (6,500 square-meter ballroom), a 60-seat auditorium, and state-of-the-art exhibition space which can accommodate up to 750 participants.

The Company's hotel segment continued to maintain an average room occupancy rate of 78% for the year ended 31 December 2011, compared to 60% for the year ended 31 December 2010. The solid occupancy levels help increase public floor and gaming machine usage.

The Company's strategic marketing efforts in key target markets, as well as providing internationally recognized services to both gaming and non-gaming patrons continues to carve the Company a unique niche in an increasingly competitive landscape.

Gross Profit

Gross profit margin improved slightly from 71% for the year ended 31 December 2010 to 73% in 2011. The high gross profit margin was primarily a result of 64% of total revenue being derived from the public floor, gaming machines and hotel and entertainment segments of the Company for the year ended 31 December 2011. These business segments do not incur rolling commissions, compared to the junket business where commissions are paid based on rollings achieved by junket players.

Administrative and Other Operating Expenses (Before Impairment losses, Depreciation and Amortization)

Administrative and other operating expenses before impairment losses, depreciation and amortization increased by 28% to approximately US\$53.6 million for the year ended 31 December 2011, from approximately US\$42.0 million in 2010, generally due to higher operational costs required to support the increased level of business activity in 2011. Increases were recorded in fuel consumption for the operation and usage of various gaming and hotel space, food and beverage outlets, and promotional events hosted by NagaWorld. Staff related costs also increased due to the hiring of experienced and qualified staff to enhance the operations of NagaWorld.

Finance Costs

The Company did not incur any significant finance costs as there were no significant financing arrangements in 2011.

Net Profit

Profit attributable to shareholders of the Company, or net profit, increased by 109% to approximately US\$92.0 million for the year ended 31 December 2011, from approximately US\$44.1 million in 2010. Net profit margins were 41% and 29% for the years ended 31 December 2011 and 2010 respectively.

The Company's financial performance was a result of implementing effective business strategies that fit well into the current demands of its target markets, combined with continuously improving operational efficiency. The strategy of adopting a conservative gaming policy within its junket business is generating steady increases in revenue with high quality players. Also, the Company's focus on public floor gaming has paid off with improved operating margins. The results of these strategies are reflected in better operational efficiency through strict cost control, better management of table limits as well as continuous improvement in the facilities that meet the needs of gaming and non-gaming patrons.

Earnings per share were approximately US cents 4.42 (HK cents 34.5 per share) and US cents 2.12 (HK cents 16.5 per share) for the years ended 31 December 2011 and 2010 respectively.

FINANCIAL REVIEW

Pledge of Assets

As at 31 December 2011, the Group had not pledged any assets for bank borrowings (2010: Nil).

Contingent Liabilities

As at 31 December 2011, the Group had no contingent liabilities (2010: Nil).

Very Substantial Acquisition

The Company entered into a conditional Share Purchase Agreement on 13 June 2011 with Tan Sri Dr Chen Lip Keong to acquire TSC Inc. and City Walk Inc.

The agreed consideration for the transaction is US\$369,000,000, divided into US\$275,000,000 for TSC Inc. and US\$94,000,000 for City Walk Inc. The consideration will be settled, at the option of Dr Chen, in the form of

consideration shares (being new ordinary shares of the Company), to be allotted and issued at a price of HK\$1.8376 per consideration share; or in the form of convertible bonds issued by the Company and convertible at the option of the bondholder into conversion shares (being new ordinary shares in the Company), also to be allotted and issued at a conversion price of HK\$1.8376 per conversion share; or through a combination of consideration shares and convertible bonds, to an aggregate value of US\$369,000,000. The total number of new ordinary shares of the Company that stand to be allotted and issued as consideration shares or on exercise of the convertible bonds is 1,566,282,107 shares.

In advance of shareholder consideration on this agreement, a shareholder circular was issued on 30 December 2011 detailing all aspects of the agreement. An Extraordinary General Meeting (EGM) was held on 30 January 2012 at which the independent shareholders voted in favour of the acquisition agreement.

Please refer to the Company's announcements dated 13 June 2011, 22 June 2011, 19 August 2011, 4 October 2011, 26 October 2011, 17 November 2011, 28 December 2011 and 30 January 2012, and circular dated 30 December 2011 for details on the transaction.

Exchange Rate Risk

The Group's income is earned principally in United States dollars. The Group's expenditure is paid principally in United States dollars and to a lesser extent in Cambodian Riels. The Group therefore does not have any significant exposure to foreign currency risk and therefore has not entered into any currency hedging transactions.

Issue of New Shares

There were no share issues during the year.

Liquidity, Financial Resources and Gearing

As at 31 December 2011, the Group had total cash and cash equivalents and fixed deposits at bank of approximately US\$64.8 million (2010: approximately US\$44.0 million).

As at 31 December 2011, the Group had net current assets of approximately US\$76.4 million (2010: US\$61.4 million). The Group had net assets of approximately US\$352.5 million as at 31 December 2011 (2010: US\$308.7 million).

As at 31 December 2011 and 2010, the Group had no outstanding borrowings.

Capital and Reserves

As at 31 December 2011, the capital and reserves attributable to owners of the Company was approximately US\$352.5 million (2010: US\$308.7 million).

Staff

As at 31 December 2011, the Group employed a work force of 3,403 (2010: 3,270), stationed in Cambodia, Malaysia and Hong Kong. The remuneration and staff costs for the financial year were approximately US\$22.0 million (2010: approximately US\$18.1 million).

Employee benefits

Salaries, annual bonuses, paid annual leave, contributions to a defined contribution retirement scheme and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

Trade Receivables and Credit Policy

NagaWorld is committed to delivering excellence in services and products to its gaming customers and good relationships with its junket operators are crucial toward satisfying this objective. The Company has maintained a win-win cordial commercial relationship with many of these junket operators for a long period of time, spanning many ups and downs in economic cycles. Mutual support is essential, as our junket business continues to make an important contribution to our business. However, we continue to closely monitor and review the performance of our operators.

We have closely monitored the changes in trade receivables and focused on their recovery, resulting in a 29% decrease in trade receivables from US\$34.7 million to US\$24.7 million. We feel this is a manageable level of receivables and are pleased with the downward trend going forward.

Management has credit guidelines and supervision in place for monitoring our junket operators, and depending on the performance and other criteria as set by the Company from time to time, some unqualified operators are not granted a credit facility. By doing so, we believe that this revised credit policy will be beneficial to the control and management of trade receivables in the future.

On a prudent basis, the Group has made provision for impairment losses amounting to US\$0.3 million in the year ended 31 December 2011 (2010: US\$7.2 million) for certain trade receivables which the Group is of the opinion may not be fully recoverable.

DEVELOPMENT OF NAGAWORLD

NagaWorld is a popular tourist destination, well known not only in Cambodia but also within the Indochina region and beyond. The Company's hotel and casino complex appeals to guests from a wide variety of backgrounds, cultures and interests – guests not only from the Asia Pacific region, but worldwide. An award-winning property, NagaWorld operates its facilities at an international standard and continues to receive praise and accolades from global media, investors and repeat guests. NagaWorld's built-up area of approximately 110,768 square meters provides both scope and variety.

The Company continually upgrades and improves NagaWorld. During 2011 the Company launched a new rapid gaming floor with 91 rapid gaming machines to attract a clientele that appreciates the uniqueness of these machines and a low-scale option of table gaming. On the public floor, to ensure its competitive position on Indochina's fast-growing entertainment scene, the Company recently launched NagaRock, a lifestyle gaming, entertainment and dining venue targeted toward high-end customers wanting high-energy entertainment, combined with slot machines and higher limit gaming tables.

NagaWorld's third wing, called the Pool Block is scheduled for completion this year. Along with 220 additional hotel rooms, the additional wing will feature a rooftop swimming pool, health club, more gaming space and car park facilities. The incremental hotel rooms are positioned at a lower price point to appeal to a wider segment of the Company's casino guests. Also under construction is the renovation of 6 luxury suites with attached individual private gaming space for the enjoyment of high-end junket players who seek ultimate privacy. In addition, in 2012 the Company will launch Saigon Palace, a gaming, entertainment and dining venue targeted toward its Vietnamese customers.

These continuous development efforts are aimed at strengthening NagaWorld's position as the gaming and entertainment hub of Indochina. However, this leadership position also means increasing popularity, and a strain on the Company's current facilities. Occupancy rates remain high and NagaWorld's public floor tables and gaming machines see consistent high levels of activity. The additional third wing and its rooms and other facilities will help alleviate an immediate need for space, however, strengthening the Company's long term competitive edge and maintaining its momentum require strategic vision in addressing this critical issue. The shareholders approval to acquire TSC Inc. and City Walk Inc. in a very substantial acquisition agreement with Tan Sri Dr Chen Lip Keong, signifies a new, significant chapter in the history of NagaCorp. These additional facilities which will be completed within 3 to 5 years, will forge the Company's long term competitive edge and help secure its leadership position in the Indochina region.

PROSPECTS

During year-end 31 December 2011, the Company achieved a record-breaking 109% increase in net profit compared to the same period last year. This was the highest net profit achieved by the Company since its public listing in 2006. The Company achieved these results by implementing an effective business strategy combined with staying focused on operational efficiency. This produced higher net profit margins and lower earnings volatility for the Company.

The Company's marketing strategy for Vietnam is an integral component in generating business from this customer base, both on the public floor as well as junket VIP segments. The Company believes that the success of these marketing efforts has set the standard for similar marketing strategies for Thailand and other markets in the region and will continue to generate growth from all segments of the business.

NagaCorp's junket business continues to be an important component of the Company's business model. NagaCorp's conservative credit policy, combined with relatively low table limits has bolstered its junket business. The positive growth in this segment of the business occurred in conjunction with credit policies that grant limited credit lines to certain junket operators under strict guidelines and supervision, as well as efforts to encourage wagering on cash terms.

The Company believes that it has only just begun to tap into the junket market, especially within the burgeoning economies of Vietnam, China and Thailand. Penetration into these emerging junket markets with sizeable potential is the key future growth of this business. In both Vietnam and Thailand, the Company has engaged international advertising agencies to create and execute broad branding and awareness campaigns in those markets to help the Company capture critical market share. NagaCorp believes that tapping revenue from low-end junkets and careful penetration into lucrative high-end junket markets, is one of the keys to the future growth of the Company's junket business.

As NagaCorp reports its most profitable annual results in the history of the Company, it is optimistic about the future. Being centrally located in the gaming culture of Asia, the Company will particularly strive to continue offering rewarding gaming and non-gaming products to the almost 160 million people of the rapidly growing economies of Thailand and Vietnam, presenting prime opportunities to both the mass market and junket segments of the Company.

During 1998-2007, Cambodia's GDP growth was strong – averaging 9.1% per year. This period of impressive growth was interrupted in 2008-2009, but is recovering strongly and forecast to grow between 6.5-6.8% annually from 2011 to 2015 (Source: Ministry of Economy and Finance of Cambodia, International Monetary Fund). Gross National Income (GNI) per capita during 2010 increased 17% over 2009 (Source: World Bank). Cumulatively, GNI increased by 46% during 2006-2010. This strong economic growth is tightly woven into the country's stable political environment.

A strong local economy, especially in agriculture, garment manufacturing and the services industry, along with a stronger financial sector, has led the economic growth in Cambodia. According to preliminary projections from the Cambodian Ministry of Economy and Finance, Cambodia's gross domestic product (GDP) grew 6.9 per cent year-on-year in 2011, and is set to grow 6.5 per cent in 2012. The economic rebound has helped to boost the need for additional capital for business expansion and working capital.

Tourist arrivals to Cambodia in 2011 represented an increase of 15% to 2.9 million (Source: Ministry of Tourism of Cambodia). The majority of these visitors who come to Phnom Penh also visit NagaWorld, making the company's hotel and entertainment complex one of the most visited sites in the Kingdom of Cambodia. This increased traffic of visitors to Phnom Penh, which translates into greater visitation and business volume at NagaWorld - driving higher gaming revenue and Company performance - continues to keep pace with robust levels of intra-regional travel and consumer spending.

The Company's performance is on an upward trend, producing notable shareholder value during 2011. However, during the next 3-5 years, NagaWorld's growth trajectory is expected to put significant strain on the Company's capacity. Operational issues such as hotel room demand, public floor congestion, and public car parking all need to be addressed. The Company's corporate vision is to become an internationally competitive, world class corporation with sustained excellence. The approval of a very substantial acquisition and connected transaction with NagaCorp Chief Executive Officer and majority shareholder, Tan Sri Dr Chen Lip Keong in the Extraordinary General Meeting (EGM) held on 30 January 2012 is a crucial component of the Company's growth and continued footprint in Cambodia..

NagaCorp is intent on enhancing its position as Indochina's premier hotel casino complex, offering international standard services and products to its customers and visitors coming from surrounding and growing economies, and beyond. The Company is intent on becoming more competitive throughout the region and internationally, both in terms of scale, and the range of facilities it offers. The acquisition of the connected transaction with Tan Sri Dr Chen Lip Keong in 3-5 years will be the culmination of a vision and foresight that will transform NagaWorld to an integrated gaming and entertainment destinations in Indochina. This, in conjunction with the Company's already burgeoning market share, will continue to benefit Cambodia as a host nation and continue generating optimum value for the Company, its shareholders and investors.

CORPORATE GOVERNANCE PRACTICES

In the Directors' opinion, having considered amongst others, the findings of reviews and/or audits conducted by the independent professional parties (as explained below), the Company has applied the principles and complied with all the applicable code provisions as set out in the Code on Corporate Governance Practices (the "Code") as set out in

Appendix 14 to the Listing Rules for the financial year ended 31 December 2011.

The Company has engaged an independent professional party to review and/or audit internal controls of the Group with a focus on anti-money laundering. The independent professional party has performed their review and/or audit of the internal controls of the Group and will set out their findings in our annual report 2011 to be dispatched to our shareholders.

The Company has also engaged another independent professional party to assess the investment risks in Cambodia and will set out their findings in our annual report 2011 to be dispatched to our shareholders.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the code of conduct in respect of transactions in securities of the Company by Directors. Having made specific enquiry, the Company confirms that the Directors have complied with the required standards set out in the Model Code for the financial year ended 31 December 2011.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The annual results for the year ended 31 December 2011 have been reviewed by the audit committee of the Company which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

FINAL DIVIDEND

The Board recommends a Final Dividend of US cents 1.55 per share (or equivalent to HK cents 12.09 per share) for the year ended 31 December 2011 subject to approval in the Annual General Meeting. The period of closure of the Company’s register of members and the date of the Annual General Meeting will be announced later.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the year ended 31 December 2011, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company’s shares.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and on the Company’s website at www.nagacorp.com. The annual report 2011 of the Company will also be published on the aforesaid websites in due course.

ANNUAL GENERAL MEETING

The date of the Annual General Meeting will be announced later in accordance with the Listing Rules.

OUR APPRECIATION

Finally, we would like to express our gratitude to our shareholders, suppliers and customers for their unfaltering support. We would also like to thank our dedicated staff for their contributions to the success of the Group.

On behalf of the Board of
NAGACORP LTD.
Timothy Patrick McNally
Chairman

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 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

Hong Kong, 22 February 2012

* *For identification purpose only*

“Please also refer to the electronic version of the announcement on the Company’s website at www.nagacorp.com, www.irasia.com and website of The Stock Exchange of Hong Kong Limited”

For the purpose of this announcement, amounts denominated in US\$ have been converted to HK\$ at an exchange rate of US\$1.0 to HK\$7.8