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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 2017**

**Financial Highlights for 2017:**

- Gross Gaming Revenue increased by 85% to US\$926.0 million
- Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) increased by 25% to US\$319.7 million
- Net profit increased by 39% to US\$255.2 million
- VIP rollings increased by 142% to US\$21.1 billion
- Mass Market table buy-ins increased by 28% to US\$787.8 million
- Mass Market electronic gaming machines bills-in increased by 21% to US\$1.8 billion
- Basic earnings per share of US cents 7.94
- A final dividend for Shareholders of US cents 1.45 per Share (or equivalent to HK cents 11.24 per Share) has been proposed. The Final Dividend shall be paid on Thursday, 17 May 2018.

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 2017 (the “Year”). The financial information for the Year 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 1.45 per ordinary share of the Company (the “Share(s)”) (or equivalent to HK cents 11.24 per Share) for the Year (the “Final Dividend”). The proposed Final Dividend, and the interim dividend for the six months ended 30 June 2017, in the aggregate amount of US cents 3.53 per Share (or equivalent to HK cents 27.36 per Share) represent a dividend payout ratio of 60% based on the net profit generated for the Year. The Company will pay the Final Dividend on Thursday, 17 May 2018.

**CONSOLIDATED STATEMENT OF INCOME***For the year ended 31 December 2017*

	<i>Notes</i>	<b>2017</b> <i>US\$'000</i>	2016 <i>US\$'000</i>
<b>Revenue</b>	2	<b>956,349</b>	531,558
Cost of sales		<b>(483,434)</b>	(164,714)
<b>Gross profit</b>		<b>472,915</b>	366,844
Other income		<b>7,751</b>	5,748
Administrative expenses		<b>(67,195)</b>	(52,606)
Other operating expenses		<b>(150,165)</b>	(111,765)
<b>Profit before taxation</b>	3	<b>263,306</b>	208,221
Income tax	4	<b>(8,120)</b>	(24,062)
<b>Profit attributable to owners of the Company</b>		<b>255,186</b>	184,159
<b>Earnings per share (US cents)</b>			
<b>Basic</b>	6	<b>7.94</b>	7.89
<b>Diluted</b>	6	<b>5.88</b>	7.04

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME***For the year ended 31 December 2017*

	<b>2017</b>	2016
	<b>US\$'000</b>	US\$'000
<b>Profit for the year</b>	<b>255,186</b>	184,159
<b>Other comprehensive income for the year</b>		
Items that may be reclassified subsequently to profit or loss		
- exchange differences from translation of foreign operations	<b>2,140</b>	(486)
	<hr/>	<hr/>
<b>Total comprehensive income attributable to the owners of the Company for the year</b>	<b>257,326</b>	183,673
	<hr/> <hr/>	<hr/> <hr/>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at 31 December 2017*

	<i>Notes</i>	<b>2017</b> <i>US\$'000</i>	2016 <i>US\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment	8	<b>1,121,737</b>	810,149
Interest in leasehold lands held for own use under operating lease		<b>26,950</b>	27,266
Intangible assets	9	<b>62,654</b>	66,201
Prepayments for acquisition, construction and fitting-out of property, plant and equipment	10	<b>85,343</b>	93,458
Promissory notes	11	<b>9,584</b>	8,647
		<hr/>	<hr/>
		<b>1,306,268</b>	1,005,721
		<hr/>	<hr/>
<b>Current assets</b>			
Consumables		<b>1,795</b>	1,467
Trade and other receivables	12	<b>101,417</b>	72,559
Cash and cash equivalents		<b>52,794</b>	210,912
		<hr/>	<hr/>
		<b>156,006</b>	284,938
		<hr/>	<hr/>
<b>Current liabilities</b>			
Trade and other payables	13	<b>77,948</b>	36,969
Current tax liability		<b>1,781</b>	2,709
		<hr/>	<hr/>
		<b>79,729</b>	39,678
		<hr/>	<hr/>
<b>Net current assets</b>		<b>76,277</b>	245,260
		<hr/>	<hr/>
<b>NET ASSETS</b>		<b>1,382,545</b>	1,250,981
		<hr/> <hr/>	<hr/> <hr/>
<b>CAPITAL AND RESERVES</b>			
Share capital	14	<b>54,263</b>	30,750
Reserves	14	<b>1,328,282</b>	1,220,231
		<hr/>	<hr/>
<b>TOTAL EQUITY</b>		<b>1,382,545</b>	1,250,981
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Notes:

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

The consolidated financial statements for the Year 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 “Stock Exchange” and the “Listing Rules”, respectively) and the Hong Kong Companies Ordinance.

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

### Adoption of new or revised standards and interpretations effective on 1 January 2017:

Amendments to IAS 7	Disclosure Initiative
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Annual Improvements to IFRSs 2014 – 2016 Cycle	Amendments to IFRS 12 Disclosure of Interests in Other Entities

The adoption of the above new or revised IFRSs had no material effect on the reported results or financial position of the Group for both the current and prior reporting periods.

The Group has not applied any new or revised IFRS that are issued but not yet effective for the current accounting period.

The consolidated financial statements have been prepared in accordance with the same accounting policies and the method of the computation adopted by the Group in the consolidated financial statements for the year ended 31 December 2016.

## 2. Revenue

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

	<b>2017</b> <i>US\$'000</i>	2016 <i>US\$'000</i>
Casino operations – gaming tables	<b>775,038</b>	355,324
Casino operations – electronic gaming machines *	<b>150,926</b>	145,513
Hotel room income, sales of food and beverage and others	<b>30,385</b>	30,721
	<b>956,349</b>	531,558

\* During the Year, revenue from electronic gaming machines (“EGM”) included US\$60.0 million (2016: US\$60.0 million) in respect of the assignment of part of the Group’s licensing rights to certain investors to operate a number of EGM for a period of 10 years.

### 3. Profit before taxation

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

	<b>2017</b> <i>US\$'000</i>	2016 <i>US\$'000</i>
Interest income	<b>(738)</b>	(1,092)
Auditor's remuneration:		
- current year	<b>781</b>	637
- (over)/under-provision in prior year	<b>(7)</b>	5
Amortisation of casino licence premium <sup>#</sup>	<b>3,547</b>	3,547
Depreciation and amortisation <sup>#</sup>	<b>52,869</b>	44,312
Impairment loss on trade receivables	<b>1,025</b>	2,082
Write-off of property, plant and equipment	<b>1</b>	14
Gain on disposal of property, plant and equipment	<b>(13)</b>	(58)
Operating lease charges for:		
- land lease rental	<b>1,386</b>	343
- office and car park rental	<b>1,824</b>	1,798
- hire of equipment	<b>5,297</b>	3,757
Staff costs (including directors' remuneration) <sup>#</sup>		
- Salaries, wages and other benefits	<b>93,092</b>	63,312
- Contributions to defined contribution retirement scheme	<b>49</b>	49

<sup>#</sup> included in other operating expenses in the consolidated statement of income

### 4. Income tax

Income tax in the profit or loss represents:

The monthly gaming obligation payment of (1) US\$462,362 (2016: US\$410,987) and monthly non-gaming obligation payment of (2) US\$214,338 (2016: US\$214,338) are payable to The Ministry of Economy and Finance of Cambodia (the "MOEF") by NagaWorld Limited Gaming Branch and NagaWorld Limited Hotel and Entertainment Branch, branches registered in Cambodia. The Group is not subject to Hong Kong, Malaysian, Cayman Islands or Russian income taxes for the Year (2016: Nil).

In the previous year, having discussed with the MOEF, the Group paid an additional obligation payment of US\$16,558,000 to the MOEF. As at the date of this announcement, there is no additional obligation payment for the Year.

	<b>2017</b> <i>US\$'000</i>	2016 <i>US\$'000</i>
Current tax expense		
- Current year	<b>8,120</b>	7,504
- Additional obligation payment	<b>-</b>	16,558
	<b>8,120</b>	24,062

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

	<b>2017</b> <i>US\$'000</i>	2016 <i>US\$'000</i>
Interim dividend declared during the year:		
2017: US cents 2.08 per Share	<b>90,379</b>	-
2016: US cents 2.77 per Share	-	62,938
Final dividend proposed after the end of reporting year:		
2017: US cents 1.45 per Share	<b>62,732</b>	-
2016: US cent 0.82 per Share	-	20,051
	<hr/>	<hr/>
	<b>153,111</b>	82,989
	<hr/> <hr/>	<hr/> <hr/>

The interim dividend of US\$90,379,000 (six months ended 30 June 2016: US\$62,938,000) for the six months period ended 30 June 2017 was declared and paid in August 2017.

As further detailed in note 15, distributions on the convertible bonds issued by the Company (the “Convertible Bonds”) were equal to the dividends that would have been paid on the new shares to be allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds (the “Conversion Shares”).

**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\$255,186,000 (2016: US\$184,159,000) and the weighted average number of shares of 3,212,396,541 (2016: 2,334,273,452) in issue during the Year.

The calculation of diluted earnings per share for the Year is based on the consolidated profit attributable to owners of the Company of US\$255,186,000 (2016: US\$184,159,000) and weighted average number of shares for the purpose of diluted earnings per share of 4,341,008,041 (2016: 2,616,873,080).

	<b>Number of shares</b>	
	<b>2017</b>	2016
Weighted average number of shares in issue during the year used in the basic earnings per share calculation	<b>3,212,396,541</b>	2,334,273,452
Effect of dilution – weighted average number of shares:		
- Convertible Bonds	<b>1,128,611,500</b>	282,599,628
	<hr/>	<hr/>
Weighted average number of shares for the purpose of diluted earnings per share	<b>4,341,008,041</b>	2,616,873,080
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## 7. Segment information

The Group manages its businesses by segments, which comprise a mixture of business activities (casino, hotel and 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 (the "SEM") for the purpose of resource allocation and performance assessment.

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

### (a) Segment results, assets and liabilities

The SEM monitors the results, assets and liabilities attributable to each reportable segment as follows:

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.

	<b>Casino operations US\$'000</b>	<b>Hotel and entertainment operations US\$'000</b>	<b>Total US\$'000</b>
<i>Segment revenue:</i>			
Year ended 31 December 2016 ( <i>restated</i> )			
Revenue from external customers	500,837	30,721	531,558
Inter-segment revenue	(2,694)	11,270	8,576
	<hr/>	<hr/>	<hr/>
Reportable segment revenue	498,143	41,991	540,134
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Year ended 31 December 2017</b>			
<b>Revenue from external customers</b>	<b>925,964</b>	<b>30,385</b>	<b>956,349</b>
<b>Inter-segment revenue</b>	<b>(2,526)</b>	<b>14,425</b>	<b>11,899</b>
	<hr/>	<hr/>	<hr/>
<b>Reportable segment revenue</b>	<b>923,438</b>	<b>44,810</b>	<b>968,248</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<i>Segment profit:</i>			
Year ended 31 December			
2016 ( <i>restated</i> )	255,993	15,868	271,861
<b>2017</b>	<b>344,617</b>	<b>9,174</b>	<b>353,791</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>



	<b>Casino operations US\$'000</b>	<b>Hotel and entertainment operations US\$'000</b>	<b>Total US\$'000</b>
<i>Segment assets:</i>			
As at 31 December 2016 <i>(restated)</i>	955,734	504,101	1,459,835
<b>2017</b>	<b>1,070,902</b>	<b>509,200</b>	<b>1,580,102</b>
<i>Segment liabilities:</i>			
As at 31 December 2016 <i>(restated)</i>	(28,645)	(180,717)	(209,362)
<b>2017</b>	<b>(46,111)</b>	<b>(134,345)</b>	<b>(180,456)</b>
<i>Net assets:</i>			
As at 31 December 2016 <i>(restated)</i>	927,089	323,384	1,250,473
<b>2017</b>	<b>1,024,791</b>	<b>374,855</b>	<b>1,399,646</b>
<i>Other segment information:</i>			
Capital expenditure:			
Year ended 31 December 2016 <i>(restated)</i>	198,506	318,053	516,559
<b>2017</b>	<b>211,312</b>	<b>152,251</b>	<b>363,563</b>
Impairment loss on trade receivables:			
Year ended 31 December 2016	2,082	-	2,082
<b>2017</b>	<b>1,025</b>	<b>-</b>	<b>1,025</b>

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:

	<b>2017</b> <i>US\$'000</i>	2016 <i>US\$'000</i> (restated)
<b>Revenue</b>		
Reportable segment revenue	<b>968,248</b>	540,134
Elimination of inter-segment revenue	<b>(11,899)</b>	(8,576)
	<hr/>	<hr/>
<b>Consolidated revenue</b>	<b>956,349</b>	531,558
	<hr/> <hr/>	<hr/> <hr/>
<b>Profit</b>		
Reportable segment profit	<b>353,791</b>	271,861
Other revenue	-	6
Depreciation and amortisation	<b>(56,416)</b>	(47,859)
Unallocated head office and corporate expenses	<b>(34,069)</b>	(15,787)
	<hr/>	<hr/>
<b>Consolidated profit before taxation</b>	<b>263,306</b>	208,221
	<hr/> <hr/>	<hr/> <hr/>
<b>Assets</b>		
Reportable segment assets	<b>1,580,102</b>	1,459,835
Elimination of inter-segment assets	<b>(120,373)</b>	(171,020)
	<hr/>	<hr/>
Unallocated corporate assets	<b>1,459,729</b> <b>2,545</b>	1,288,815 1,844
	<hr/>	<hr/>
<b>Consolidated total assets</b>	<b>1,462,274</b>	1,290,659
	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities</b>		
Reportable segment liabilities	<b>(180,456)</b>	(209,362)
Elimination of inter-segment payables	<b>120,373</b>	171,020
	<hr/>	<hr/>
Unallocated corporate liabilities	<b>(60,083)</b> <b>(19,646)</b>	(38,342) (1,336)
	<hr/>	<hr/>
<b>Consolidated total liabilities</b>	<b>(79,729)</b>	(39,678)
	<hr/> <hr/>	<hr/> <hr/>

**(b) Geographical information**

The Group's operations and activities are mainly located in Cambodia. As at 31 December 2017, the Group had non-current assets other than financial instruments and deferred tax assets located in Cambodia and Russia of US\$1,218,319,000 (31 December 2016: US\$933,049,000) and US\$78,365,000 (31 December 2016: US\$64,025,000), respectively.

**8. Property, plant and equipment**

For the Year, the Group acquired property, plant and equipment totalling US\$364,146,000 (2016: US\$447,759,000); which included US\$252,623,000 in respect of capital work in progress in relation to construction of TSCLK Complex, and US\$107,672,000 in respect of capital work in progress mainly in relation to construction within NagaWorld.

**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 a consideration of US\$108,000,000, less accumulated amortisation of US\$45,346,000 (31 December 2016: US\$41,799,000).

**10. Prepayments for acquisition, construction and fitting-out of property, plant and equipment**

As at the end of the Year, prepayments for property, plant and equipment relate to advances made for various construction activities in NagaWorld and elsewhere.

**11. Promissory notes**

The promissory notes (the “Promissory Notes”) in total amount of RUB469,100,000 (approximately US\$9,584,000) (31 December 2016: US\$8,647,000) bought from a bank in Russia bear an interest of 6.6% per annum and the maturity date of which is 2,909 days from the date of issue, i.e. 30 January 2023. The Promissory Notes were pledged to the same bank for issuance of a bank guarantee amounting to RUB400,000,000 in favour of Primorsky Krai Development Corporation for the Group’s gaming and resort development project in Russia.

**12. Trade and other receivables**

	2017 <i>US\$’000</i>	2016 <i>US\$’000</i>
Trade receivables	63,705	32,319
Less: Allowance for impairment loss	(5,369)	(4,344)
	<u>58,336</u>	<u>27,975</u>
Deposits, prepayments and other receivables	43,081	44,584
	<u>101,417</u>	<u>72,559</u>

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

	2017 <i>US\$’000</i>	2016 <i>US\$’000</i>
Current to within 1 month	47,111	22,213
1 to 3 months	2,329	2,182
3 to 6 months	6,095	1,494
6 to 12 months	163	1,144
More than 1 year	2,638	942
	<u>58,336</u>	<u>27,975</u>

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

	2017 <i>US\$’000</i>	2016 <i>US\$’000</i>
At beginning of year	4,344	2,262
Impairment loss recognised	1,025	2,082
	<u>5,369</u>	<u>4,344</u>

The credit policy for gaming receivables is five to thirty days (2016: five to thirty days) from end of tour. The credit policy on non-gaming receivables is thirty days from end of month (2016: thirty days from end of month).

**13. Trade and other payables**

	<b>2017</b> <i>US\$'000</i>	2016 <i>US\$'000</i>
Trade payables ( <i>Note</i> )	<b>2,590</b>	2,624
Unredeemed casino chips	<b>24,391</b>	12,305
Deferred revenue	<b>1,273</b>	1,170
Deposits	<b>680</b>	339
Construction creditors	<b>7,039</b>	5,826
Accruals and other creditors	<b>41,975</b>	14,705
	<b><u>77,948</u></b>	<b><u>36,969</u></b>

*Note:*

Trade and other payables include trade creditors, the ageing analysis of which as at the end of the reporting year are set out below:

	<b>2017</b> <i>US\$'000</i>	2016 <i>US\$'000</i>
Due within 1 month or on demand	<b>2,590</b>	2,463
Due after 1 month but within 3 months	-	31
Due after 3 months but within 6 months	-	47
Due after 6 months but within 1 year	-	65
Due after 1 year	-	18
Total	<b><u>2,590</u></b>	<b><u>2,624</u></b>

## 14. Capital and reserves

	Share capital US\$'000	Convertible bonds US\$'000	Share premium US\$'000	Capital redemption reserves US\$'000	Merger reserve US\$'000	Capital contribution reserve US\$'000	Exchange reserve US\$'000	Retained profits US\$'000	Total US\$'000
As at 1 January 2016	28,375	-	278,438	151	(12,812)	55,568	(2,453)	339,309	686,576
Issues of Shares under placement	2,375	-	120,207	-	-	-	-	-	122,582
Share placement expenses	-	-	(2,664)	-	-	-	-	-	(2,664)
Convertible bonds issue	-	378,888	-	-	-	-	-	-	378,888
Profit for the year	-	-	-	-	-	-	-	184,159	184,159
Other comprehensive income – exchange differences from translation of foreign operations	-	-	-	-	-	-	(486)	-	(486)
Dividend and distribution declared and paid	-	-	-	-	-	-	-	(118,074)	(118,074)
As at 31 December 2016	30,750	378,888	395,981	151	(12,812)	55,568	(2,939)	405,394	1,250,981
As at 1 January 2017	30,750	378,888	395,981	151	(12,812)	55,568	(2,939)	405,394	1,250,981
Issues of Shares upon conversion of the Convertible Bonds	23,513	(378,888)	355,375	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	255,186	255,186
Other comprehensive income – exchange differences from translation of foreign operations	-	-	-	-	-	-	2,140	-	2,140
Dividend and distribution declared and paid (Note (a))	-	-	-	-	-	-	-	(125,762)	(125,762)
As at 31 December 2017	54,263	-	751,356	151	(12,812)	55,568	(799)	534,818	1,382,545

Note:

- (a) The dividend and distribution declared and paid during the Year comprises the 2016 final dividend and distribution of US\$35,383,000 which was paid in May 2017 and the 2017 interim dividend of US\$90,379,000 which was paid in August 2017.

### Share Capital

- (i) Authorised:

	2017 US\$'000	2016 US\$'000
8,000,000,000 ordinary shares of US\$0.0125 each	<u>100,000</u>	<u>100,000</u>

- (ii) Issued and fully paid:

	2017		2016	
	Number of Shares	US\$'000	Number of Shares	US\$'000
<b>Issued and fully paid:</b>				
Ordinary shares of US\$0.0125 each:				
As at 1 January	2,459,988,875	30,750	2,269,988,875	28,375
Issue of Shares upon conversion of convertible bonds (Note (a))	1,881,019,166	23,513	-	-
Issue of Shares under placement (Note (b))	-	-	190,000,000	2,375
As at 31 December	<u>4,341,008,041</u>	<u>54,263</u>	<u>2,459,988,875</u>	<u>30,750</u>

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

*Notes:*

- (a) On 8 August 2017, the Company allotted and issued 1,881,019,166 Conversion Shares upon exercise of the conversion rights attached to the Convertible Bonds. Further details are set out in note 15.
- (b) On 9 September 2016, the Company allotted and issued 190,000,000 new Shares of US\$0.0125 each at subscription price of HK\$5.00 per Share pursuant to the Placing and Subscription Agreement dated 1 September 2016. Transaction costs of US\$2,664,000 were incurred for the Shares issued.

## **15. Convertible bonds**

On 17 May 2016 and 30 December 2016, the Company issued the NagaCity Walk Convertible Bonds and the TSCLK Complex Convertible Bonds (which together comprise the Convertible Bonds) with a principal amount of US\$94,000,000 and US\$275,000,000 on a perpetual basis with no maturity date in relation to the acquisition of TanSriChen (Citywalk) Inc. and TanSriChen Inc., respectively. The Convertible Bonds are unsecured and denominated in United States dollars ("US\$"). The Convertible Bonds could be converted into Shares at the option of the holder of the Convertible Bonds (the "Bondholder") in accordance with terms of the Convertible Bonds. On initial recognition, the fair value of the Convertible Bonds amounting to US\$378,888,000 was included in equity.

Distributions on the Convertible Bonds were equal to the dividends that would otherwise have been paid on the Conversion Shares. Distributions were paid to the Bondholder on the date on which the relevant dividends were paid to the shareholders of the Company (the "Shareholders").

On 8 August 2017, based on the conversion price of HK\$1.5301 (equivalent to US\$0.1962) of the Convertible Bonds, 1,881,019,166 Conversion Shares were allotted and issued upon exercise of the conversion rights attached to the Convertible Bonds.

The final distributions of US\$15,332,000 for the year ended 31 December 2016 were proposed in February 2017 and paid in May 2017.

## **16. Contingent Liabilities**

Based on the formula stated in Clause 3.3 of the service agreement entered into between the Company and Tan Sri Dr Chen Lip Keong ("Dr Chen"), the chief executive officer of the Company (the "CEO"), the parties acknowledge and agree that Dr Chen will be entitled to a performance bonus of US\$11,765,321 (the "2017 Bonus Entitlement") for the financial year ended 31 December 2017.

Pursuant to the resolution passed by the Board on 6 February 2018, the Board considered the matter relating to the 2017 Bonus Entitlement and resolved to appeal to the generosity and good judgement of Dr Chen to defer the 2017 Bonus Entitlement. The Company and Dr Chen agreed that it is in the interests of the Company to defer the 2017 Bonus Entitlement to subsequent years until the achievement of certain KPIs set for the year ending 31 December 2018. The Company and Dr Chen agreed that subject to the achievement of the 2018 KPIs, the deferral of the 2017 Bonus Entitlement should be extended to the financial year ending 31 December 2018 or beyond at the sole election of Dr Chen and that the parties should negotiate in good faith a reasonable timeframe which is in the best interests of the Company. For record purposes, Dr Chen has foregone bonus of US\$18,600,000 from the financial years 2010 to 2014.

Except for the above and other than the addition obligation payment, if any, as described in note 4, there were no other contingent liabilities as at 31 December 2017.

### MARKET REVIEW

The Cambodian economy continued to register stable growth in 2017. The International Monetary Fund is projecting real growth in Cambodia's gross domestic product of 6.9% in 2017 and 6.8% in 2018, with an inflation rate of 3.7% and 3.5%, respectively. (Source: International Monetary Fund - World Economic Outlook Database October 2017).

In 2017, visitation to Cambodia continued to grow with international arrivals increasing by 12% to 5.6 million visitors and arrivals at Phnom Penh International Airport grew by 21% over the same period last year. Visitation from China grew by 46% to 1,210,782 visitors and is the leading source of visitation to Cambodia. China (22%), Vietnam (15%) and Laos (9%) are the top three source of arrivals and collectively accounted for 46% of total visitation to Cambodia (Source: Ministry of Tourism, Cambodia). Overall visitation growth continues to be a key driver of growth for the Group.

NagaWorld, which is situated in the Cambodian capital city of Phnom Penh, continued to achieve impressive gross gaming revenue ("GGR") growth of 85% in 2017. Net profit for the Year increased by 39% to US\$255.2 million. The positive results were mainly attributable to robust business volume growth across all segments, especially from the VIP segment where rollings increased by 142%. In addition, the Group earned US\$60.0 million for the Year (2016: US\$60.0 million) in respect of assigning part of the Group's licensing rights to certain investors to operate a number of EGM for a period of 10 years. The EGM are strategically located at certain areas of the newly completed Naga2 that soft-opened in November 2017. As at 31 December 2017, NagaWorld had 384 gaming tables and 2,250 EGM in operation (including the said EGM).

The growth in business volumes and GGR is attributable to a number of factors. First, continued confidence in the political climate and social order of Cambodia's operating environment, leading to favourable economic conditions and increasing visitation, especially from China. Second, confidence in the economic climate leads to increasing economic activity, resulting in increasing number of investors and a growing expat population in Phnom Penh; driving footfall to NagaWorld. Third, as a result of the completion of Naga2 (soft-opened in November 2017), the Company'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. As a consequence of the strengthening balance sheet, players are expressing more confidence, checking in more money, placing higher bets and generating a significant increase in business volume, especially in the VIP Market where rollings increased by 142%.

Management continues to run the Company with a conservative gaming policy and assumes less risk by offering better incentives to operators. Coupled with vigilance of monitoring, managing and discharging the fiduciary duties of all Board members, the Company continues to exercise rigorous financial discipline, especially in regards to cost control measures and greater risk awareness. In this respect, the Company has further reinforced risk management by engaging more human resources in the formulation of risk policies, compliance, auditing and the investigation of breaches (if any). Hence, as the Company grows, it continues to monitor and mitigate risks as part of day to day management.

## BUSINESS REVIEW

**Table 1: Performance Highlights**

For the Year and comparative prior year:

	<b>2017</b> <i>US\$'000</i>	2016 <i>US\$'000</i>	Increase %
<b>Mass Market: Public Floor Tables</b>			
– Buy-ins	<b>787,820</b>	617,799	28
– Win rate	<b>19.0%</b>	21.0%	
– Revenue	<b>149,706</b>	129,669	15
<b>Mass Market: EGM</b>			
– Bills-in	<b>1,812,450</b>	1,498,874	21
– Win rate	<b>7.9%</b>	8.2%	
– Revenue	<b>150,926</b>	145,513	4
<b>VIP Market</b>			
– Rollings	<b>21,124,870</b>	8,714,097	142
– Win rate	<b>3.0%</b>	2.6%	
– Revenue	<b>625,332</b>	225,655	177
<b>Gross Gaming Revenue</b>	<b>925,964</b>	500,837	85

### Naga2 Opening

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. Its 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.

### Mass Market (Public Floor Tables and EGM)

The Group continued to achieve solid growth in the Mass Market segment where Public Floor Tables buy-ins and EGM bills-in increased by 28% and 21%, respectively. This business volume growth is attributable to the improved headcount at NagaWorld as a result of visitation and tourism growth into Cambodia, particularly from China which recorded 46% growth in 2017.

The Golden Edge Rewards Club loyalty program continues to enable the Group to understand its players' profile, create targeted marketing promotions and rollout player development initiatives to increase the frequency of visitation and gaming spend.



## VIP Market

The Group's VIP Market comprises players brought in by junkets, who are either under a commission or incentive program, and direct players without an intermediary. The competitive overseas junket incentive program introduced in March 2013 continues to enable the Group to balance the increase in table limits while managing volatility and credit risk.

The VIP Market continues to register robust growth, as a result of increasing market confidence in NagaWorld as an integrated gaming and entertainment destination, resulting in a 142% increase in rollings to US\$21.1 billion with a win rate of 3.0%. This has translated into a 177% increase in VIP Market revenue to US\$625.3 million during the Year.

## Revenue and Gross Profit Analysis

Table 2(a)

	Revenue		Gross Profit		Gross Profit Margin
	US\$'m	%	US\$'m	%	%
<b>2017</b>					
<b>Mass Market</b>	<b>300.6</b>	<b>32</b>	<b>294.3</b>	<b>62</b>	<b>98</b>
<b>VIP Market</b>	<b>625.3</b>	<b>65</b>	<b>153.9</b>	<b>33</b>	<b>25</b>
<b>Non-Gaming</b>	<b>30.4</b>	<b>3</b>	<b>24.7</b>	<b>5</b>	<b>81</b>
<b>Total</b>	<b>956.3</b>	<b>100</b>	<b>472.9</b>	<b>100</b>	<b>49</b>

Table 2(b)

	Revenue		Gross Profit		Gross Profit Margin
	US\$'m	%	US\$'m	%	%
<b>2016</b>					
<b>Mass Market</b>	<b>275.2</b>	<b>52</b>	<b>270.5</b>	<b>74</b>	<b>98</b>
<b>VIP Market</b>	<b>225.7</b>	<b>42</b>	<b>72.0</b>	<b>19</b>	<b>32</b>
<b>Non-Gaming</b>	<b>30.7</b>	<b>6</b>	<b>24.3</b>	<b>7</b>	<b>79</b>
<b>Total</b>	<b>531.6</b>	<b>100</b>	<b>366.8</b>	<b>100</b>	<b>69</b>

The Group recorded a gross profit increase of 29% to US\$472.9 million for the Year which was in line with the business volume growth across all segments. Overall gross profit margin decreased to 49% (2016: 69%) as a result of the increase contribution from the lower margin VIP Market. Mass Market continued to generate a high gross profit margin of 98%.

## Administrative and Other Operating Expenses (Before Impairment Losses, Depreciation and Amortisation)

Administrative and other operating expenses before impairment losses, depreciation and amortisation increased by 40% to US\$159.9 million during the Year. This increase in expenses were required to support higher business volume across all segments, in addition to the hiring of experienced and qualified staff to facilitate regional marketing efforts, ongoing property enhancements at NagaWorld and the operation of Naga2.

## Finance Costs

The Group did not incur any finance costs during the Year.

## **Net Profit**

Net profit attributable to the Shareholders, or net profit, increased by 39% to US\$255.2 million for the Year. Net profit margin for the Year decreased to 27% (2016: 35%) as a result of the increase in contribution from VIP Market which has a lower margin.

Basic earnings per share were US cents 7.94 (HK cents 61.54) and US cents 7.89 (HK cents 61.15) for the years ended 31 December 2017 and 2016, respectively.

Diluted earnings per share were US cents 5.88 (HK cents 45.57) and US cents 7.04 (HK cents 54.56) for the years ended 31 December 2017 and 2016, respectively.

## **FINANCIAL REVIEW**

### **Pledge of Assets**

As at 31 December 2017, the Group had a Promissory Notes amounting to approximately US\$9.6 million (31 December 2016: US\$8.6 million) pledged for issuance of a bank guarantee in respect of development of the gaming and entertainment project in Vladivostok, Russia.

### **Contingent Liabilities**

Based on the formula stated in Clause 3.3 of the service agreement entered into between the Company and Dr Chen, the CEO, the parties acknowledge and agree that Dr Chen will be entitled to the 2017 Bonus Entitlement of US\$11,765,321 for the financial year ended 31 December 2017.

Pursuant to the resolution passed by the Board on 6 February 2018, the Board considered the matter relating to the 2017 Bonus Entitlement and resolved to appeal to the generosity and good judgement of Dr Chen to defer the 2017 Bonus Entitlement. The Company and Dr Chen agreed that it is in the interests of the Company to defer the 2017 Bonus Entitlement to subsequent years until the achievement of certain KPIs set for the year ending 31 December 2018. The Company and Dr Chen agreed that subject to the achievement of the 2018 KPIs, the deferral of the 2017 Bonus Entitlement should be extended to the financial year ending 31 December 2018 or beyond at the sole election of Dr Chen and that the parties should negotiate in good faith a reasonable timeframe which is in the best interests of the Company. For record purposes, Dr Chen has foregone bonus of US\$18,600,000 from the financial years 2010 to 2014.

Except for the above and other than the addition obligation payment, if any, as described in note 4, there were no other contingent liabilities as at 31 December 2017.

### **Exchange Rate Risk**

The Group's income is earned principally in US\$. The Group's expenditure is paid principally in US\$ and to a lesser extent in Cambodian Riel and Russian Ruble ("RUB"). 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**

On 8 August 2017, the conversions of the TSCLK Complex Convertible Bonds and the NagaCity Walk Convertible Bonds in full were completed and the Company allotted and issued 1,881,019,166 Shares to Dr Chen. Please refer to notes 14 and 15, and section headed "Full Conversion of Convertible Bonds" of this announcement for further details.

## **Funds Raised by the Issue of New Shares in September 2016 and Use of Proceeds**

Reference is made to (i) the announcement of the Company dated 1 September 2016 (the “Announcement”) in relation to the placing of existing Shares and top-up subscription of new Shares under the general mandate (the “Top-up Placing and Subscription”); (ii) the announcement of the Company dated 9 September 2016 on the completion of the Top-up Placing and Subscription; and (iii) the 2016 final results announcement of the Company dated 8 February 2017.

During the year ended 31 December 2016, approximately 16% of the net proceeds from the Top-up Placing and Subscription (the “Net Proceeds”) had been utilised or deployed in accordance with the intended use as disclosed in the Announcement. As at 31 December 2017, the remaining 84% of the Net Proceeds had also been fully utilised or deployed in line with the Announcement.

## **Liquidity, Financial Resources and Gearing**

As at 31 December 2017, the Group had total cash and cash equivalents of US\$52.8 million (31 December 2016: US\$210.9 million). The cash and cash equivalents were mainly denominated in US\$.

As at 31 December 2017, the Group had net current assets of US\$76.3 million (31 December 2016: US\$245.3 million). The Group had net assets of US\$1.4 billion as at 31 December 2017 (31 December 2016: US\$1.3 billion).

As at 31 December 2017 and 31 December 2016 respectively, the Group had no outstanding external borrowings. The Group has continued to remain ungeared.

## **Capital and Reserves**

As at 31 December 2017, the capital and reserves attributable to owners of the Company was US\$1.4 billion (31 December 2016: US\$1.3 billion).

## **Employees**

As at 31 December 2017, the Group employed a total work force of 8,618 (31 December 2016: 6,153), stationed in Cambodia, China, Hong Kong, Macau, Malaysia, Singapore, Thailand, the United Kingdom, the United States, Vietnam and Russia. The remuneration and staff costs for the Year were US\$93.1 million (2016: US\$63.4 million).

## **Employee Benefits**

Salaries, annual bonuses, paid annual leave, contributions to a defined contribution retirement scheme and 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 of such would be material, these amounts are stated at their present value.

## **Trade Receivables and Credit Policy**

The Group continues to monitor changes in trade receivables. Net trade receivables increase from US\$28.0 million to US\$58.3 million during the Year.

During the Year, the Group prudently made provision for impairment loss of US\$1.0 million (2016: US\$2.1 million).

The Group has adhered to strict credit policies implemented since 2009. From time to time, the Group will review its policies to ensure that they are competitive and are in line with the Group's risk management strategy. During the Year, the credit policy for gaming receivables was five to thirty days from end of tour while the credit policy on non-gaming receivables remained as thirty days from end of month.

### **Significant Investments Held and Material Acquisitions of Subsidiaries**

There were no significant investments held, material acquisitions and disposals of subsidiaries, associates or joint ventures during the Year.

### **Full Conversion of Convertible Bonds**

On 28 March 2017, the Company received a notice from Dr Chen, the Bondholder, of his intention to exercise the conversion rights in respect of the TSCLK Complex Convertible Bonds in full in the outstanding aggregate principal amount of US\$275,000,000. Subsequently, on 23 June 2017, the Company received a revised notice of intention from Dr Chen that after careful consideration of the market responses, he had decided to concurrently exercise the conversion rights in respect of both the TSCLK Complex Convertible Bonds and the NagaCity Walk Convertible Bonds in full in the outstanding aggregate principal amounts of US\$275,000,000 and US\$94,000,000, respectively ("the Proposed Concurrent Conversions").

The Proposed Concurrent Conversions were subject to the fulfilment of the following conditions:

- (a) the granting of the whitewash waiver (the "Whitewash Waiver") by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong or any of his delegates; and
- (b) the approval by the independent Shareholders of the proposed resolution regarding the Proposed Concurrent Conversions and the Whitewash Waiver by way of poll at the extraordinary general meeting of the Company.

The conditions precedent were fulfilled in early August 2017. Following the delivery by Dr Chen of the relevant unconditional notices of conversion and the other requisite documents to the Company, the conversions of the TSCLK Complex Convertible Bonds and the NagaCity Walk Convertible Bonds in full were completed and the Company allotted and issued 1,881,019,166 Shares to Dr Chen on 8 August 2017.

Please refer to (a) the Company's announcements dated 13 June 2011, 28 December 2011, 29 December 2015, 17 May 2016, 30 December 2016, 28 March 2017, 18 April 2017 and 12 May 2017, respectively, (b) the 2011 Transaction Circular dated 30 December 2011 in relation to the Company's acquisition of the TSCLK Complex Project and the NagaCity Walk Project, (c) the Whitewash Circular dated 9 June 2017 in relation to the proposed conversion of the TSCLK Complex Convertible Bonds and the application for the Whitewash Waiver, (d) the Company's announcement dated 23 June 2017 in relation to the revised notice of intention from Dr Chen regarding the Proposed Concurrent Conversions and the application for the Whitewash Waiver, (e) the Company's announcement dated 5 July 2017 in relation to, among other things, the delay in despatch of the supplemental circular (the "Supplemental Circular") and the adjournment of the original extraordinary general meeting (the "Original EGM"), (f) the Company's announcement dated 14 July 2017 relating to the delay in despatch of the Supplemental Circular, (g) the Supplemental Circular dated 19 July 2017 and the Company's announcement dated 19 July 2017 in relation to the despatch of the Supplemental Circular, (h) the Company's announcement dated 21 July 2017 in relation to the adjournment of the Original EGM held on 21 July 2017, (i) the Company's announcement dated 4 August 2017 in relation to poll results of the extraordinary general meeting held on 4 August 2017 and (j) the Company's announcement dated 8 August 2017 in relation to the completion of the concurrent conversions of the TSCLK Complex Convertible Bonds and the NagaCity Walk Convertible Bonds for details.

## **Events after Reporting Year**

No major subsequent events has occurred since the end of the Year and up to the date of this announcement.

## **PROJECT UPDATES AND PROSPECTS**

### **Update on NagaCity Walk and Naga2**

NagaCity Walk completion (and the issue of the NagaCity Walk Convertible Bonds to Dr Chen) and TSCLK Complex (also known as Naga2) completion (and the issue of the TSCLK Complex Convertible Bonds to Dr Chen) took place on 17 May 2016 and 30 December 2016, respectively.

Located right next to NagaWorld, NagaCity Walk offers duty-free shopping operated by China Duty Free Group, the largest duty-free operator in China, as its anchor tenant. China Duty Free Group has leased about 3,800 square metres in the NagaCity Walk to operate duty-free shopping which opened in August 2016.

The opening of Naga2 in November 2017 which significantly increased the variety, quality and quantity of NagaWorld's gaming (VIP halls and suites and mass gaming halls) and non-gaming (karaoke, spas, clubs, restaurants, hotel rooms and suites) facilities, has enhanced the Group's ability to expand its business across the region as reflected in the growth in VIP rollings (142% increase), Public Floor Tables buy-ins (28% increase) and EGM bills-in (21% increase). The opening of Naga2 further cements NagaWorld as the entertainment centre in Mekong Region for the benefit of all Shareholders.

### **Update on the Investment Project in Vladivostok**

In respect of the Group's gaming and resort development project in Vladivostok, Russia, site clearing commenced in 2016.

An office has been established in the city centre of Vladivostok, Russia and certain key personnel have been appointed to monitor various aspects of the progress of the project which remains broadly on schedule for operation by 2019.

The Group believes that its strategy to diversify its business geographically and expand into new casino markets will drive revenue growth in the long term.

## **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 targets to attract 7.0 million visitors by 2020, of which 2.0 million are from China (Source: Khmer Times, 4 January 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. NagaWorld, which is a major attraction located in the city centre of Phnom Penh and the entertainment centre of the Mekong Region, is poised to benefit from this growth. The significant milestone achieved with the soft opening of Naga2 in November 2017 further strengthens the positioning of NagaWorld to attract a broader range of international visitors.

As the Group continues its trajectory of asset (the Group's property assets have been valued at US\$5.4 billion by Colliers International (Hong Kong) Limited in July 2017) and business growth, it is also gaining increasing prominence and confidence among the gaming and entertainment community in the region. This allows the Group to further penetrate into new markets, thereby fueling business growth and expansion.

## **COMPLIANCE WITH CORPORATE GOVERNANCE CODE**

The Directors, having reviewed the corporate governance practices of the Company, and considered, amongst other things, the findings of reviews conducted by the independent professional parties, confirm that the Company has complied with all the applicable code provisions as set out in the Corporate Governance Code contained in Appendix 14 to the Listing Rules for the Year.

## **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 the Directors. Having made specific enquiry, the Company confirms that the Directors have complied with the required standard set out in the Model Code regarding securities transactions by Directors for the Year.

## **AUDIT COMMITTEE**

The final results for the Year 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 has been made.

## **INTERIM AND FINAL DIVIDEND**

The Board recommends the payment of a final dividend of US cents 1.45 per Share (or equivalent to HK cents 11.24 per Share) for the Year to Shareholders whose names appear on the Company’s register of members on Monday, 7 May 2018. Subject to the approval of the Shareholders at the annual general meeting to be held on Friday, 27 April 2018 (the “2018 AGM”), the final dividend is expected to be paid to Shareholders by post on or about Thursday, 17 May 2018.

The proposed Final Dividend together with the interim dividend for the six months ended 30 June 2017 of US cents 2.08 per Share (or equivalent to HK cents 16.12 per Share) paid on Tuesday, 22 August 2017, amounts to a total dividend declared for the Year of US cents 3.53 per Share (or equivalent to HK cents 27.36 per Share).

## **CLOSURE OF REGISTER OF MEMBERS**

For the purpose of determining the following entitlements:-

### **1. 2018 AGM**

The register of members will be closed from Monday, 23 April 2018 to Friday, 27 April 2018, both dates inclusive, during which period no transfer of Shares will be registered. In order to qualify for attending and voting at the 2018 AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 20 April 2018.

### **2. Proposed Final Dividend**

The Company’s register of members will be closed on Monday, 7 May 2018, on which no transfer of Shares will be registered. The ex-dividend date will be Thursday, 3 May 2018. In order to qualify for the final dividend for the Year, all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited located at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 4 May 2018.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the Year, the Company did not redeem any of its securities listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such securities.

## **PUBLICATION OF FINANCIAL INFORMATION**

This announcement is available for viewing on the Company's website at [www.nagacorp.com](http://www.nagacorp.com) and the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk). The annual report of the Company for the Year containing, among others, the annual financial information of the Group will be despatched to the Shareholders and published on the above websites in due course.

By Order of the Board  
**NagaCorp Ltd.**  
**Timothy Patrick McNally**  
*Chairman*

Hong Kong, 6 February 2018

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

*Executive Directors*

Tan Sri Dr Chen Lip Keong, Philip Lee Wai Tuck, Chen Yiy Fon 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

For the purpose of this announcement, amounts denominated in US\$ have been converted to Hong Kong dollars ("HK\$") and RUB at the respective exchange rates of US\$1.0 to HK\$7.75 (as at 31 December 2016: HK\$7.75) and US\$1.0 to RUB59.09 (as at 31 December 2016: RUB60.66).