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NAGACORP LTD.

(Incorporated in the Cayman Islands with limited liability)

Stock code: 3918

**ANNOUNCEMENT OF INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

Unaudited condensed consolidated interim results for the six months ended 30 June 2015

- Gross Gaming Revenue increased by 42% to US\$255.4 million.
- Gross profit increased by 38% to US\$183.1 million.
- Earnings Before Interest, Tax, Depreciation and Amortization (EBITDA) increased by 53% to US\$132.8 million.
- Net profit increased by 49% to US\$101.0 million.
- VIP rollings increased by 50% to US\$3.6 billion.
- Mass Market table buy-ins increased by 11% to US\$262.0 million.
- Mass Market electronic gaming machines bills-in increased by 10% to US\$629.3 million.
- Earnings per share of US cents 4.45 per share.
- An interim dividend of US cents 2.67 per share (or equivalent to HK cents 20.69 per share) has been declared, representing a dividend payout ratio of 60% based on the net profit generated for the Period. The interim dividend shall be paid on Thursday, 17 September 2015.

The board of directors (the “Board”) of NagaCorp Ltd. (the “Company” and together with its subsidiaries, the “Group”) is pleased to announce the unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2015 (the “Period”). The Board has resolved to declare an interim dividend of US cents 2.67 per share (or equivalent to HK cents 20.69 per share) for the Period, representing a dividend payout ratio of 60% based on the net profit generated for the Period. The interim dividend shall be paid on Thursday, 17 September 2015.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF INCOME

		Six months ended 30 June	
		2015	2014
	<i>Note</i>	<i>US\$'000</i>	<i>US\$'000</i>
		<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue	2	265,420	191,000
Cost of sales		<u>(82,332)</u>	<u>(58,302)</u>
Gross profit		183,088	132,698
Other income		2,779	748
Administrative expenses		(22,134)	(23,232)
Other operating expenses		<u>(49,797)</u>	<u>(39,655)</u>
Profit before taxation	3	113,936	70,559
Income tax	4	<u>(12,916)</u>	<u>(2,938)</u>
Profit attributable to owners of the Company		<u>101,020</u>	<u>67,621</u>
Earnings per share (US cents)			
Basic and diluted	6	<u>4.45</u>	<u>2.96</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 June	
	2015	2014
	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Profit for the Period	101,020	67,621
Other comprehensive income for the Period:		
Items that may be reclassified subsequently to profit or loss:		
Exchange adjustments	<u>-</u>	<u>-</u>
Total comprehensive income attributable to owners of the Company for the Period	<u>101,020</u>	<u>67,621</u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2015 <i>US\$'000</i> <i>(Unaudited)</i>	31 December 2014 <i>US\$'000</i> <i>(Audited)</i>
	<i>Note</i>		
Non-current assets			
Property, plant and equipment	8	352,056	337,231
Interest in leasehold land held for own use under operating lease		606	608
Intangible assets	9	71,522	73,295
Prepayments for purchase of construction materials		31,732	13,732
Prepayments – non-current		7,113	1,327
Promissory notes	10	9,166	-
		472,195	426,193
		472,195	426,193
Current assets			
Consumables		1,098	1,292
Trade and other receivables	11	38,963	29,062
Investment in bonds	12	-	25,809
Pledged deposits		1,434	-
Cash and cash equivalents		201,693	178,238
		243,188	234,401
		243,188	234,401
Current liabilities			
Trade and other payables	13	36,742	34,604
Current tax liability		540	490
		37,282	35,094
		37,282	35,094
Net current assets		205,906	199,307
NET ASSETS		678,101	625,500
		678,101	625,500
CAPITAL AND RESERVES			
Share capital		28,526	28,526
Treasury shares		(9,498)	(9,004)
Reserves		659,073	605,978
		659,073	605,978
TOTAL EQUITY		678,101	625,500
		678,101	625,500

Notes:

1. Basis of preparation and principal accounting policies

The unaudited condensed consolidated interim financial information for the Period has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange” and the “Listing Rules”, respectively).

The unaudited condensed consolidated financial statements have been prepared on the historical basis except for certain financial instruments that are measured at fair value as appropriate.

The unaudited condensed consolidated interim financial information contains selected explanatory notes which include an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group after the financial year ended 31 December 2014. The unaudited condensed consolidated interim financial information does not include all of the information required for a full set of annual financial statements prepared in accordance with all applicable International Financial Reporting Standards (“IFRS”) adopted by the International Accounting Standards Board (the “IASB”), and should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2014 (“2014 annual financial statements”).

The unaudited condensed consolidated interim financial information has been prepared in accordance with the same accounting policies and methods of computation adopted by the Group in its 2014 annual financial statements.

Adoption of new or revised standards and interpretations effective on 1 January 2015:

IFRSs (Amendments)	Annual Improvements 2010-2012 Cycle
IFRSs (Amendments)	Annual Improvements 2011-2013 Cycle

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

New or revised IFRSs that have been issued but not yet effective

The IASB has also issued the following amendments, new or revised standards and interpretations, potentially relevant to the Group’s operations, which are not yet effective for the accounting period beginning on or before 1 January 2015 and which have not been early adopted in these condensed consolidated financial statements.

		Effective for accounting period beginning on or after
IFRSs (Amendments)	Annual Improvements 2012-2014 Cycle	1 January 2016
IFRS 9	Financial Instruments	1 January 2018
IFRS 15	Revenue from Contract with Customers	1 January 2017
Amendments to IAS 1	Disclosure Initiative	1 January 2016
Amendments to IAS 16	Property, plant and equipment	1 January 2016
Amendments to IAS 27	Equity Method in Separate Financial Statements	1 January 2016
Amendments to IAS 38	Intangible assets	1 January 2016

The directors of the Company (the “Directors”) are in the process of making an assessment of the expected impact of these amendments, new or revised standard and interpretations in the period of initial application. Presently, the Directors are of the opinion that these amendments are unlikely to have a significant impact on the Group’s results of operations and financial position.

2. Revenue

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

	Six months ended 30 June	
	2015	2014
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Casino operations – gaming tables	163,414	139,141
Casino operations – electronic gaming *	91,991	41,196
Hotel room income, sales of food and beverage and others	10,015	10,663
	<u>265,420</u>	<u>191,000</u>

* Included in the amount is a negotiation fee of US\$40,000,000 from investors for exclusive negotiation of the placement of electronic gaming machines in NagaWorld.

3. Profit before taxation

Profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2015	2014
	US\$'000	US\$'000
	(Unaudited)	(Unaudited)
Amortisation of casino licence premium	1,773	1,773
Depreciation and amortisation	17,111	14,244
Staff costs		
– Salaries, wages and other benefits	30,641	23,661
– Contributions to defined contribution retirement scheme	24	14
	<u>50,549</u>	<u>49,692</u>

4. Income tax

Income tax in the profit or loss represents:

The monthly gaming obligation payment of (1) US\$365,322 (six months ended 30 June 2014: US\$324,731) and monthly non-gaming obligation payment of (2) US\$214,338 (six months ended 30 June 2014: US\$164,875) payable to The Ministry of Economy and Finance of Cambodia (the “MOEF”) by NagaWorld Limited Gaming Branch, a branch registered under the name of NAGAWORLD LIMITED, a subsidiary of the Company incorporated in Hong Kong. There are no Malaysian or Hong Kong income taxes payable by the Group.

During the Period, having discussed with the MOEF, the Group paid an additional non-gaming obligation payment of US\$9,438,000 to the MOEF in respect of previous periods.

As at the date of this announcement, there is no agreement with respect to an additional non-gaming obligation, if any, for the Period.

	Six months ended 30 June	
	2015	2014
	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Current tax expense		
– Current period	3,478	2,938
– Additional non-gaming obligation payment	9,438	-
	<u>12,916</u>	<u>2,938</u>

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

	Six months ended 30 June	
	2015	2014
	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Interim dividend declared after the end of reporting period		
2015: US cents 2.67 per ordinary share	60,612	-
2014: US cents 2.07 per ordinary share	-	47,334
	<u>60,612</u>	<u>47,334</u>

The final dividend of US\$47,925,000 for the year ended 31 December 2014 was proposed in February 2015 and paid in May 2015.

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\$101,020,000 (six months ended 30 June 2014: US\$67,621,000) and the weighted average number of 2,269,992,190 (six months ended 30 June 2014: 2,282,078,875) ordinary shares in issue less treasury shares during the Period.

There were no dilutive potential ordinary shares in existence during the Period (six months ended 30 June 2014: Nil).

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 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.

Segment revenue and results

The Group's chief operating decision maker (the "CODM") is the senior executive management who monitors the revenue and results, attributable to each reportable segment as follows:

Revenue and expenses are allocated to the reportable segments with reference to the 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.

Segment revenue and results are the measure reported to CODM for the purpose of resource allocation and performance assessment. No segment assets and liabilities are presented as the information is not reported to CODM in the resource allocation and assessment of performance.

	Casino operations <i>US\$'000</i>	Hotel and entertainment operations <i>US\$'000</i>	Total <i>US\$'000</i>
Segment revenue:			
Six months ended 30 June 2015 (Unaudited):			
Revenue from external customers	255,405	10,015	265,420
Inter-segment revenue	-	3,646	3,646
Reportable segment revenue	<u>255,405</u>	<u>13,661</u>	<u>269,066</u>
Six months ended 30 June 2014 (Unaudited):			
Revenue from external customers	180,337	10,663	191,000
Inter-segment revenue	-	15,204	15,204
Reportable segment revenue	<u>180,337</u>	<u>25,867</u>	<u>206,204</u>
Segment profit / (loss):			
Six months ended 30 June (Unaudited)			
2015	146,471	(6,324)	140,147
2014	<u>84,181</u>	<u>7,498</u>	<u>91,679</u>

Reconciliation of reportable segment revenue and profit or loss to revenue and profit or loss per the condensed consolidated financial information is as follows:

	Six months ended 30 June	
	2015	2014
	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Revenue		
Reportable segment revenue	269,066	206,204
Elimination of inter-segment revenue	(3,646)	(15,204)
	<hr/>	<hr/>
Consolidated revenue	265,420	191,000
	<hr/>	<hr/>
Profit		
Reportable segment profit	140,147	91,679
Other revenue	390	253
Depreciation and amortisation	(18,884)	(16,017)
Unallocated head office and corporate expenses	(7,717)	(5,356)
	<hr/>	<hr/>
Consolidated profit before taxation	113,936	70,559
	<hr/>	<hr/>

8. Property, plant and equipment

During the Period, the Group acquired property, plant and equipment totalling US\$32,451,000; which included US\$24,663,000 in respect of capital work in progress mainly in relation to construction within NagaWorld.

9. Intangible assets

The intangible assets include the casino licence premium, and the exclusivity premium of the casino licence for the exclusivity period to the end of 2035; in total consideration of US\$108,000,000, less accumulated amortisation of US\$36,478,000 (31 December 2014: US\$34,705,000).

10. Promissory notes

On 12 February 2015, the Group bought some promissory notes (the "Promissory Notes") in total amount of RUB469,100,000 (approximately US\$8,952,000) from a bank in Russia with interest rate 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.

11. Trade and other receivables

	30 June	31 December
	2015	2014
	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Trade receivables, net of allowance for impairment loss	13,812	12,542
Deposits, prepayments and other receivables	25,151	16,520
	38,963	29,062

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

	30 June	31 December
	2015	2014
	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Current to within 1 month	12,128	11,173
1 to 3 months	-	1
6 to 12 months	19	605
More than 1 year	1,665	763
	13,812	12,542

The credit policy for gaming receivables is five to thirty days (31 December 2014: seven days) from end of tour. The credit policy on non-gaming receivables is thirty days from end of month (31 December 2014: thirty days from end of month).

12. Investment in bonds

On 13 June 2014, the Group bought certain notes (the “Bonds”) linked to a China bond USD hedged index issued by a reputable international bank (the “Index”). The Bonds were traded over-the-counter. The coupon rate was 3% per annum based on nominal value of US\$25,000,000 and the maturity date of which was three years from the date of issue, i.e. 13 June 2017. The Bonds were redeemable at the maturity date and the redemption amount was calculated based on the Index level as at the issue date and as at the maturity date. The Bonds contained derivatives and were designated at fair value through profit or loss.

The Bonds were disposed of during the Period.

A reconciliation of the opening and closing fair value balance is set out in the below table:

	Six months ended 30 June	
	2015	2014
	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Fair value:		
At 1 January	25,809	-
Additions	-	25,125
Realised gain / (unrealised loss) included in other operating expenses	329	(125)
Disposal	(26,138)	-
	<hr/>	<hr/>
At 30 June	-	25,000
	<hr/> <hr/>	<hr/> <hr/>

13. Trade and other payables

	30 June	31 December
	2015	2014
	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Trade payables	1,006	1,518
Unredeemed casino chips	16,511	17,365
Deferred revenue	574	456
Deposits	1,116	400
Construction creditors	3,709	3,270
Accruals and other creditors	13,826	11,595
	<hr/>	<hr/>
	36,742	34,604
	<hr/> <hr/>	<hr/> <hr/>

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

	30 June	31 December
	2015	2014
	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Due within 1 month or on demand	988	1,500
Due after 1 month but within 3 months	-	-
Due after 3 months but within 6 months	-	-
Due after 6 months but within 1 year	-	-
Due after 1 year	18	18
	<hr/>	<hr/>
	1,006	1,518
	<hr/> <hr/>	<hr/> <hr/>

BUSINESS OVERVIEW

The Cambodian economy continued to grow, with the International Monetary Fund (“IMF”) projecting Cambodian Gross Domestic Product (“GDP”) to increase by 7.2% in both 2015 and 2016. Inflation is expected to be -0.3% in 2015 primarily due to lower oil prices.

International tourist arrivals to Cambodia continued to grow with 2.3 million visitors in the first half of 2015, a 4.6% increase compared to the same period in 2014. The top three countries where visitors originated from were Vietnam (21%), China (15%) and South Korea (10%), accounting for 46% of total tourist arrivals to Cambodia and collectively increasing 11% year-on-year. Visitors from China increased by 22% year-on-year to 335,042 visitors during the Period (Source: Ministry of Tourism, Cambodia). Continued visitor growth from these gaming-centric countries is one of the drivers of the Group’s business growth.

Macau’s Gross Gaming Revenue (“GGR”) declined 37% for the first half of 2015. In contrast NagaWorld, which is situated in the Cambodian capital city Phnom Penh, recorded GGR growth of 42%. For the Period, the Group’s revenue increased by 39% to US\$265.4 million and net profit increased by 49% to US\$101.0 million. The positive results were attributable to the increase in business volume from all segments of the gaming business. In addition, the Group received a non-refundable Electronic Gaming Machines (“EGM”) negotiation fee (“EGM Negotiation Fee”) from investors, which has been recorded as EGM revenue for the Period. As at 30 June 2015, NagaWorld had 262 gaming tables and 1,600 EGM.

RESULTS

Table 1: Performance Highlights

For the Period and comparative periods:

	1st half of year 2015 ("1H2015") US\$'000	1 st half of year 2014 ("1H2014") US\$'000	Increase / (Decrease) %
Mass Market: Public Floor Tables			
– Buy-ins	261,951	235,156	11.4%
– Win rate	21.3%	22.6%	
– Revenue	55,872	53,117	5.2%
Mass Market: EGM			
– Bills-in	629,284	574,905	9.5%
– Win rate	11.6%	10.1%	
– Win per unit per day (WUD) (US\$)	258	210	22.9%
– Revenue	91,991	41,196	123.3%
– No. of machines at end of Period	1,600	1,544	3.6%
VIP Market			
– Rollings	3,624,742	2,422,040	49.7%
– Win rate	3.0%	3.6%	
– Revenue	107,542	86,024	25.0%
Gross Gaming Revenue including 2015 EGM Negotiation Fee (see Note 1 below)	255,405	180,337	41.6%
Gross Gaming Revenue excluding 2015 EGM Negotiation Fee (see Note 1 below)	215,405	180,337	19.4%
Non-Gaming			
– Revenue	10,015	10,663	(6.1%)

Note 1: During the second quarter of 2015, the Group received an EGM Negotiation Fee of US\$40.0 million from investors for exclusive negotiation of the placement of up to 300 gaming machines in NagaWorld. This fee has been recorded as EGM revenue for the Period. As there were no fees of a similar nature in 1H2014, comparable GGR for 1H2015 is shown including and excluding the effects of this fee.

Mass Market (Public Floor Tables and EGM)

The Group achieved a growth of 11% in Public Floor Tables buy-ins and 10% in EGM bills-in. Gross profit margin remained at 95%.

The growth of Public Floor Tables is attributable to the steady growth in visitation to the property as well as the improvement in table game productivity. The Group's strategy in segmenting the public floor players with its concept of casino cells continued to work well; increasing overall visitation and business volume to the property including the premium mass gaming areas such as NagaRock and Saigon Palace.

During the Period, EGM revenue grew by 123%, as a result of the EGM Negotiation Fee received, higher win-rate and an increase in bills-in of 10%. The growth of bills-in exceeded tourism growth of 4.6%.

The Group's loyalty program, the Golden Edge Rewards Club, has been tracking well with increasing membership. During the Period, approximately 14,000 new members registered. This has allowed the Group to continue its efforts to understand its members' profiles, create targeted marketing promotions and rollout player development initiatives to drive visitation and increase spend per player on the mass gaming market.

VIP Market

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

Rollings under the incentive program continued to grow. In the second quarter of 2015, the Group made progress by signing additional North Asian junkets under the incentive program. Total VIP rollings increased by 50% to US\$3.6 billion and the overall win rate was 3.0% (six month ended 30 June 2014: 3.6%). As a result, total VIP gaming revenue increased by 25% to US\$107.5 million.

Non-Gaming – Hotel, Food & Beverage and Entertainment

Non-Gaming revenue decreased by 6.1% to US\$10.0 million, mainly due to the increase in number of rooms sold to junket operators at a lower room rate, and the temporary loss of rental income from five existing luxury boutiques as a result of the temporary closure of the hotel main lobby area for NagaCity Walk's construction.

The Group continued its efforts to provide internationally recognized products and services to both gaming and non-gaming patrons whilst continuing to grow market share through its unique position in the region. The expected completion of the NagaCity Walk by the first quarter of 2016 and its subsequent opening in the third quarter of 2016 will enhance the overall retail experience available to the patrons and further strengthen NagaWorld's appeal to both the VIP Market and Mass Market. The Group has entered into an agreement with the China Duty Free Group, the largest duty-free operator in China, to lease not less than 2,400 square metres in the NagaCity Walk, to operate duty-free shopping in the premises.

Revenue and Gross Profit Analysis

Table 2(a)

1H2015	Revenue		Gross Profit		Gross Profit Margin
	US\$'m	%	US\$'m	%	%
Mass Market	147.9	56%	140.7	77%	95%
VIP Market	107.5	40%	34.3	19%	32%
Non-Gaming	10.0	4%	8.1	4%	81%
Total	265.4	100%	183.1	100%	69%

Table 2(b)

1H2014	Revenue		Gross Profit		Gross Profit Margin
	US\$'m	%	US\$'m	%	%
Mass Market	94.3	49%	89.9	68%	95%
VIP Market	86.0	45%	33.9	25%	39%
Non-Gaming	10.7	6%	8.9	7%	83%
Total	191.0	100%	132.7	100%	69%

The Group recorded a gross profit increase of 38% to US\$183.1 million for the Period. The gross profit increase in the Mass Market from US\$89.9 million to US\$140.7 million was driven by higher Public Floors Tables buy-ins, EGM bills-in and the receipt of the EGM Negotiation Fee from investors. The Mass Market continued to generate a high margin of 95%. The VIP Market's gross profit margin decreased to 32% (1H2014: 39%) due to higher direct costs paid to junket operators.

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

Administrative and other operating expenses before impairment losses, depreciation and amortisation increased by 13% to US\$53.0 million during the Period. Increased expenses were in line with solid revenue growth, as required to support the higher business volume across all segments. Additionally, the Group has hired a number of experienced and qualified staff to facilitate the regional marketing efforts and ongoing property enhancements at NagaWorld.

Finance Costs

The Group did not incur any finance costs as there were no borrowings during the Period.

Net Profit

Net profit attributable to the shareholders of the Group, or net profit, increased by 49% to US\$101.0 million for the Period. Net profit margin for the Period increased from 35% to 38% due to the increase in contribution from the higher margin Mass Market.

Earnings per share were US cents 4.45 (HK cents 34.49 per share) and US cents 2.96 (HK cents 22.94 per share) for the six months ended 30 June 2015 and 2014 respectively.

FINANCIAL REVIEW

Pledge of Assets

As at 30 June 2015, the Group had the Promissory Notes pledged for issuance of a bank guarantee and pledged deposits for issuance of letter of credit of US\$9.2 million and US\$1.4 million respectively (31 December 2014: Nil).

Contingent Liabilities

Pursuant to the existing service agreement between the Company and the Chief Executive Officer (the “CEO”) of the Company, the CEO is entitled to an annual performance incentive based on the Group’s consolidated profit before taxation. For the financial year ended 31 December 2014, the CEO was entitled to a performance incentive of US\$5.7 million. However, the terms of this performance incentive were revised in last annual reporting period such that it was payable at the discretion of the Board, subject to certain performance benchmarks set for the Period. During the Period, the CEO has waived his performance incentive of US\$5.7 million.

There are no further contingent liabilities as at 30 June 2015.

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 Riel and Russian Ruble. 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 shares issued by the Company during the Period.

Purchase, Redemption or Sale of Listed Securities

During the Period, the Company repurchased 600,000 (six months ended 30 June 2014: Nil) of its ordinary shares of US\$0.0125 each (the “Shares”) on the Stock Exchange for an aggregate consideration of HK\$3,798,840 (equivalent to approximately US\$490,593) (six months ended 30 June 2014: Nil) excluding transaction costs. As at 30 June 2015, the Company had repurchased 12,090,000 Shares (31 December 2014: 11,490,000) for an aggregate consideration of HK\$73,169,860 (equivalent to approximately US\$9,437,593) (31 December 2014: HK\$69,371,020 (equivalent to approximately US\$8,947,000)) excluding transaction costs, which are held by the Company in treasury as at the date of this announcement and will be cancelled in due course.

Particulars of the repurchases during the Period are as follows:

Month of repurchase	Number of Shares repurchased	Price per Share		Aggregate consideration (excluding transaction costs) (HK\$)
		Highest (HK\$)	Lowest (HK\$)	
January	600,000	6.35	6.29	3,798,840

Save as disclosed above, the Company did not redeem any of its Shares listed on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such Shares during the Period.

Funds Raised by the Issue of New Shares in March 2013 and Use of Proceeds

Reference is made to (i) the announcement of the Company dated 14 March 2013 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 27 March 2013 concerning the completion of the Top-up Placing and Subscription and (iii) the interim results announcement of the Company dated 6 August 2014 (collectively, the “Announcements”).

During the year ended 31 December 2014, approximately 83% of the net proceeds from the Top-up Placing and Subscription (the “Net Proceeds”) had been utilised or deployed for such projects as the upgrading of the transportation services, the development of VIP suites at NagaWorld and as working capital for the general development of the high roller business of the Company. As at 30 June 2015, approximately 91% of the Net Proceeds had been utilised or deployed in accordance with the intended use as disclosed in the Announcements. As at 30 June 2015, the remaining 9% of the Net Proceeds amounting to HK\$103.0 million remains unspent and continues to be utilised or deployed in line with the Announcements.

Liquidity, Financial Resources and Gearing

As at 30 June 2015, the Group had total cash and cash equivalents, pledged deposits and bonds of US\$203.1 million (31 December 2014: US\$204.0 million).

As at 30 June 2015, the Group had net current assets of US\$206.0 million (31 December 2014: US\$199.3 million). The Group had net assets of US\$678.1 million as at 30 June 2015 (31 December 2014: US\$625.5 million).

As at 30 June 2015 and 31 December 2014 respectively, the Group had no outstanding borrowings. The Group has continued to remain ungeared.

Capital and Reserves

As at 30 June 2015, the capital and reserves attributable to owners of the Company was US\$678.1 million (31 December 2014: US\$625.5 million).

Employees

As at 30 June 2015, the Group employed a total work force of 5,616 (31 December 2014: 5,417), stationed in Cambodia, Hong Kong, Macau, Malaysia, Thailand, United Kingdom, United States, Vietnam and Russia. The remuneration and staff costs for the Period were US\$30.7 million (six months ended 30 June 2014: US\$23.7 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

The Group continues to monitor the changes in trade receivables. The increase in net trade receivables from US\$12.5 million to US\$13.8 million during the Period was due to new credit facilities extended to overseas junket operators under the new incentive program.

During the Period, the Group has reversed an allowance for impairment loss of US\$167,000 (six month ended 30 June 2014: Nil). These trade debts had been fully provided for in previous years.

The Group has adhered to strict credit policies implemented since 2009. From time to time, the Group will review its policies to ensure they are competitive and are in line with the Group's risk management strategy. As a result, the credit policy for gaming receivables has changed to five to thirty days (31 December 2014: seven days) from end of tour while the credit policy on non-gaming receivables remained as thirty days from end of month.

Significant Investments Held, Material Acquisitions and Disposals of Subsidiaries

There were no other significant investments held, material acquisitions, or disposals of subsidiaries during the Period.

Events After Reporting Period

There were no major subsequent events occurred since the end of the reporting period and up to the date of this announcement.

PROJECT UPDATES AND PROSPECTS

Update on Naga2

As disclosed in the annual results announcement of the Company dated 4 February 2015, NagaCity Walk was scheduled for physical completion by the third quarter of 2015, with operations commencing by first quarter of 2016. Based on the current state of the project, NagaCity Walk with its retail mall is scheduled for physical completion by the first quarter of 2016 and expected to commence operations in the third quarter of 2016. The TSCLK Complex remains broadly on schedule for completion by end of 2016, with operations commencing in 2017.

It is anticipated that with the completion of Naga2 and the present premises, NagaWorld will further strengthen its position as the leading integrated gaming and entertainment destination in Indochina.

Update on the Investment Project in Vladivostok

As disclosed in the annual results announcement of the Company dated 4 February 2015, the Company established certain indirect subsidiaries in Russia for the purposes of undertaking its gaming and resort development project in Vladivostok, Russia (the "PERC Project"). Based on the current state of the PERC Project, it is expected that the PERC Project will commence operation not later than 2018.

The Group believes that its strategy of diversifying its business geographically and expanding into a new casino market will drive revenue growth in the long term.

Prospects

The continued downturn in the gaming sector in Macau offers opportunities for the Group to further penetrate the regional and Chinese gaming market. The Group offers better commercial terms to junket operators and agents as a result of NagaWorld's low cost structure. The Group has signed additional North Asian junkets who are seeking to diversify their operations to other parts of Asia during the Period. The 50% increase in VIP rollings for the Period demonstrates NagaWorld's incentive program's success in promoting NagaWorld to a wider range of operators and players in the region. Moving forward, the Group intends to improve its margins as it captures a larger share of the Asian VIP gaming market.

The Group is collaborating with key Chinese outbound travel agents and an independent airline operator by using its commercial aircraft to bring Chinese tourists into Cambodia. The appeal of Cambodia as a travel destination for Chinese tourists is evident from the continued strong growth of Chinese visitation, which recorded a 22% increase for the first half of 2015. In July 2015, the independent airline operator has collaborated with key Chinese outbound travel agents to charter weekly flights from Changsha, China to Cambodia. The Group will continue promoting Phnom Penh as a tourism destination for the Chinese by improving accessibility to Phnom Penh.

In July 2015, the Group implemented table buy-ins for all Mass Market Public Floor Tables. Previously, players were required to exchange cash for casino chips at the cashier cage. This initiative provides convenience for players at the gaming tables and could potentially lead to incremental growth in business volumes.

The expected opening of the NagaCity Walk with its retail mall in the third quarter of 2016 is intended to enhance NagaWorld's appeal to both the Mass and VIP Markets.

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 Period.

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 for the Period.

AUDIT COMMITTEE

The unaudited interim results for the Period 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.

The unaudited interim results for the Period have also been reviewed by the external auditor of the Company.

INTERIM DIVIDEND

The Board has resolved to declare payment of an interim dividend of US cents 2.67 per share (or equivalent to HK cents 20.69 per share) for the Period payable to the shareholders of the Company (the "Shareholders") whose names appear on the register of members of the Company at the close of business on Friday, 28 August 2015. This represents a dividend payout ratio of approximately 60%, based on the net profit generated for the Period. The interim dividend shall be paid on Thursday, 17 September 2015.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement to the interim dividend for the Period, the Company's register of members will be closed on Friday, 28 August 2015 during which day no transfer of shares will be registered. In order to qualify for the interim dividend for the Period, all completed transfers forms accompanied by the relevant share certificate(s) must be lodged for registration with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 27 August 2015.

PUBLICATION OF FINANCIAL INFORMATION

This announcement is available for viewing on the Company's website at www.nagacorp.com and the website of the Stock Exchange. The interim report of the Company for the Period containing, among others, the interim financial information of the Group will be despatched to the Shareholders and will be published on the above websites in due course.

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

Hong Kong, 12 August 2015

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

Executive Directors

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

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 HK\$ and RUB at the respective exchange rates of US\$1.0 to HK\$7.75 and US\$1.0 to RUB52.40.