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NAGACORP

金界控股有限公司

NAGACORP LTD.

金界控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3918)

**VOLUNTARY ANNOUNCEMENT
UNAUDITED OPERATIONAL HIGHLIGHTS (GAMING)
FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021**

The board of directors (the “**Board**”) of NagaCorp Ltd. (the “**Company**”, together with its subsidiaries (the “**Group**”)) is pleased to announce the unaudited operational highlights of the gaming branch of the Group for the nine months ended 30 September 2021. This is a voluntary announcement made by the Company to provide the shareholders and potential investors of the Company with a business update and the information contained in this announcement is based on a preliminary assessment of the Group and the information currently available to the Company and is not based on any figure or information which has been audited or reviewed by the auditor of the Company.

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

REOPENING OF BUSINESS

The Company is pleased to inform that it has received a letter of approval with reference number No. 404 Sor Khor Lo from the Cambodian Ministry of Health (the “**MOH**”) which allowed the reopening of our hotel, Mass Market, slots and VIP businesses at NagaWorld on 15 September 2021 (the “**Reopening Date**”). For crowd and cost control, the Company has designated certain zones of gaming and non-gaming floors for contact tracing purposes and has reopened to vaccinated customers from the Reopening Date. In joint consultation and cooperation with the MOH, NagaWorld has implemented the following enhanced health measures in addition to the existing precautionary health and safety measures, which have been implemented since January 2020:

- (1) Entry to the NagaWorld Complex is strictly for the fully vaccinated individuals (who have had at least 2 doses of a COVID-19 vaccine);
- (2) All entries to the NagaWorld Complex are subject to on-the-spot rapid antigen test and the validity of the entry pass for those who are tested negative shall be valid for 7 days;
- (3) All employees of NagaWorld shall be tested every 7 days;
- (4) Contact tracing shall be strictly enforced with the MOH approved QR Code at the NagaWorld Complex. Casino and food and beverage outlets (the “**F&B outlets**”) at the NagaWorld Complex are segregated into 37 different zones, which are tagged with the MOH complied QR Code. Guests are required to “check-in” by scanning the zone QR Code as they move from zone to zone to allow effective contact tracing;
- (5) In order to ensure business continuity in the unaffected zones, in the event that any employee or customer is found to be COVID-19 positive in a particular zone, NagaWorld shall conduct comprehensive sanitization measures and contact tracing only in respect of the particular zone in which COVID-19 case is detected and suspected affected zone; and
- (6) In the affected zone, guests who are tested negative shall be sent home or to the facility as determined by MOH for 14 days’ quarantine before they are allowed to re-visit NagaWorld. If the guest is an in-house guest, the individual shall be quarantined for 14 days in the Company’s quarantine facility. For guests who are tested positive, the guests shall be sent to the hospital or to the COVID-19 treatment facility approved by MOH. Similarly, negative tested in-house employees shall be quarantined for 14 days in the Company’s quarantine facility and non-hotel staying employees shall be sent home or to the facility as determined by MOH for 14 days’ quarantine. Positive tested employees shall be sent to the hospital or to the COVID-19 treatment facility approved by MOH.

In compliance with the guidelines set out by the MOH, these enhanced health measures are implemented in conjunction with the existing precautionary health and safety measures which have been implemented since January 2020, namely (i) mandatory mask wearing within the property; (ii) body temperature checks on all employees and visitors entering the NagaWorld Complex; (iii) installation of thermal cameras and disinfection sprays at the entrances of the property; (iv) sanitizers available at every corner of the casinos and every gaming table for dealers and customers; (v) regular sanitizing of gaming tables, gaming chips and disinfection of electronic gaming machines (“**EGMs**”); (vi) scheduled disinfection and sanitization in all public areas within the property; (vii) social distancing practice, including reduced seats per gaming table and alternate operational EGMS; and (viii) tables in F&B outlets placed at reasonable distance and such arrangement includes staff dining areas. Buffets replaced with a la carte orders.

As of 30 September 2021, the COVID-19 vaccination rate for the Company’s Phnom Penh employees has reached more than 95%.

SUSTAINABILITY OF BUSINESS IN COVID-ENDEMIC TIMES

It is observed that during the COVID-endemic period of the opening of business for the nine months in 2020 and the two and half months in 2021 when foreign visitation is at minimum level, sustainability of the Company's business is mainly supported by a reasonably large captive local community (comprising expatriates and qualified local customers) in search of the luxurious offerings of the only integrated resort in town. The local expatriate community is built up as a result of business migration and the continued increase in foreign visitation to Cambodia for investment purposes, bringing in the much-needed foreign direct investment and creation of more job opportunities in the country. This healthy trend is also made possible by the increasing prosperity and peace in the Kingdom of Cambodia as a result of the maturity of the political and economic developments of Cambodia for the past 28 years since 1993 during which time Cambodia experienced the first UNTAC-sponsored general election after the Khmer Rouge regime.

It is only natural that the Company is continuously rejuvenating and revitalizing its businesses in face of a challenging COVID-endemic period. Hence, our business strategy focuses mainly on the domestic Mass Market, Premium Mass and the referral VIP business groups.

Our strategy going forward is also to react to the opportunities offered by the tourism business generated by foreign visitation when the visitation numbers pick up. The Cambodian government is set to reopen for vaccinated tourists in the fourth quarter of this year (*Source: Khmer Times, 28 September 2021*). With its attractive and quality facilities and its strategic location in the city centre, NagaWorld has been the focal point of leisure and entertainment activities for incoming travellers since its inception. The direction is clear that NagaWorld shall continue to promote tourism in line with the national expectation, more particularly, because of the strong bilateral ties between China and Cambodia, NagaWorld shall be a key player in the promotion of tourism related business between the two countries.

VACCINATION SUCCESS AND THE REOPENING OF TOURISM BUSINESS

As of 30 September 2021, 13,370,838 people (about 83.6% of Cambodia total population) have been vaccinated in Cambodia. Of which, 11,060,573 had their second dose of the COVID-19 vaccine. 894,351 people in Cambodia have received their third booster shot of COVID-19 vaccine (*Source: MOH*). The successful rollout of the vaccination campaign will eventually lead to a restoration of market confidence, and put the country on track for possible reopening of its borders for international tourists. The Cambodian government is formulating the possible reopening of Cambodia's tourism industry to fully vaccinated tourists, with reduced 7 days' quarantine and flexibility to move within specific areas (*Source: Jian Hua Daily, 18 September 2021*).

OPERATIONAL HIGHLIGHTS

The Board is pleased to announce the unaudited operational highlights of the gaming branch of the Group for the nine months ended 30 September 2021 (“**3Q2021**”) as tabulated in the following table:

	Unaudited figures for the 9 months ended 30 September 2021 ⁽¹⁾ (US\$'000)	Unaudited figures for the 9 months ended 30 September 2020 ⁽²⁾ (US\$'000)	Increase/ (Decrease) %
Mass Market:			
– Mass Tables Average Daily Buy-ins	2,900	3,469	(16.4%)
– Mass Tables Average Daily Gross Gaming Revenue (“ GGR ”)	415	655	(36.6%)
– EGM Average Daily Bills-in	4,207	5,426	(22.5%)
– EGM Average Daily GGR	294	320	(8.2%)
Premium Mass:			
– Average Daily Rollings	6,115	7,813	(21.7%)
– Average Daily GGR	285	309	(7.9%)
Referral VIP:			
– Average Daily Rollings	32,229	82,046	(60.7%)
– Average Daily GGR	814	2,161	(62.4%)

Notes:

- (1) Average daily volumes and GGR recorded during the operational period in 2021 (from 1 January 2021 to 1 March 2021, and from 15 September 2021 to 30 September 2021).
- (2) Average daily volumes and GGR recorded during the operational period in 2020 (from 1 January 2020 to 1 April 2020, and from 8 July 2020 to 30 September 2020).

The following observations are made:

1. Despite the short period of operation of two and half months for 3Q2021, the Mass Table Buy-ins which has a dip of only 16.4% compared to the correspondence period of nine months of operations in 3Q2020 was contributed by more quality play by the captive community living in Phnom Penh city. The EGM sector in the Mass Market segment was even more impressive with only a dip of 8.2% for the EGM Average Daily GGR.
2. The Premium Mass segment continued to outshine the performance of the rest of business mix. Due to six months of business closure during 3Q2021, the low-end players are seen to thin out. However, the affordable business migration group seems to provide a more constant source of energy, with a dip of only 7.9% of Premium Mass Average Daily GGR for the period ended 30 September 2021.

3. For the period ended 30 September 2021, the drop of Referral VIP Average Daily Rollings was comprehensible due to lack of movement of referral business from overseas visitation.
4. Although the half of month of opening of business in September 2021 was not comprehensive enough to form a more concrete opinion of the business performance, the pick-up of the business mix and daily average head count of more quality and serious players are consistent with the sustainability and strength of the business seen during the short period of opening for 3Q2021.

DISCLAIMER

The above figures, including average daily gaming business volumes (from which revenues are derived based on the actual daily percentage win-rates recorded by the Group) and average daily GGR contained in this announcement are for illustrative purposes only, and do not constitute forward looking statements or profit numbers.

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

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

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

Hong Kong, 3 October 2021

As at the date of this announcement, the directors of the Company are:

Executive Directors

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

Non-executive Director

Timothy Patrick McNally

Independent Non-executive Directors

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

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