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NAGACORP

金界控股有限公司

NAGACORP LTD.

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(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3918)

**VOLUNTARY ANNOUNCEMENT
UNAUDITED OPERATIONAL HIGHLIGHTS (GAMING)
FOR THE THREE MONTHS ENDED 31 MARCH 2023**

The board of directors (the “**Board**”) of NagaCorp Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) is pleased to announce the unaudited operational highlights of the gaming branch of the Group for the three months ended 31 March 2023. This is a voluntary announcement made by the Company to provide the shareholders and potential investors of the Company with a business update and the information contained in this announcement is based on a preliminary assessment of the Group and the information currently available to the Company and is not based on any figure or information which has been audited or reviewed by the auditor of the Company.

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

1. Executive Summary

It is observed as follows that:

- Average daily business volumes for the Mass Market (Tables Buy-ins + Electronic Gaming Machines (“**EGM**”) Bills-in) in the first quarter of 2023 (“**1Q2023**”) increased by 16.8% as compared to the same period last year. This represents a 2.4% increase as compared to the fourth quarter of 2022 (“**4Q2022**”).
- Average daily rollings for the Premium VIP Market in 1Q2023 showed a 43.9% increment as compared to the same period last year. This represents a 48.6% increase as compared to 4Q2022.

- Average daily rollings for the Referral VIP Market in 1Q2023 showed a 117.9% increment as compared to the same period last year. This represents an increase of 22.6% as compared to 4Q2022.
- Gross Gaming Revenue (“GGR”) in 1Q2023 of US\$117.0 million showed a 6.8% year-on-year (“YoY”) growth. This is because the win rates in 1Q2023 were generally lower as compared to last year due to luck factor.
- Earnings before Interest, Tax, Depreciation and Amortization (“EBITDA”) in 1Q2023 of US\$59.0 million is almost flat as compared to the first quarter of 2022 (“1Q2022”) due to an increase in staff cost and luck factor.

Average Daily Business Volumes for Key Business Segments (in US\$’000)

Segments	1Q2023	1Q2022	QoQ Growth
Mass Market (Tables Buy-ins + EGM Bills-in)	9,771	8,363	16.8%
Premium VIP Market — Rollings	10,845	7,536	43.9%
Referral VIP Market — Rollings	4,301	1,974	117.9%

Segments	1Q2023	4Q2022	QoQ Growth
Mass Market (Tables Buy-ins + EGM Bills-in)	9,771	9,539	2.4%
Premium VIP Market — Rollings	10,845	7,299	48.6%
Referral VIP Market — Rollings	4,301	3,508	22.6%

2. Mass Market — Tables Buy-ins and EGM Bills-in increased by 16.8% YoY

The management observed a continuing increase of visitation to our property, especially Chinese visitors in March 2023 after the Chinese Government allowed tour groups to Cambodia since February 2023. The number of direct weekly flights coming from Greater China to Cambodia increased from 35 as at 2 January 2023 to 114 as at 1 April 2023, which represents a 225.7% increase (*Source: Cambodia Airports; respective airlines website; internal data*). The estimated daily visitation to our property also climbed to about 7,000 towards the end of March 2023, up from 6,000 at the year-end of 2022. Our hotel occupancy has also recorded the highest occupancy rates in March 2023 since January 2021.

It is also observed that the average daily business volumes for the Mass Market in 1Q2023 have already recovered to 81.0% of FY2019 level (peak pre-COVID-19 year). In addition, the average daily business volumes for the Mass Market in 1Q2023 have already achieved the highest levels since the first quarter of 2020. However, the win rate of the Mass Tables in 1Q2023 of 16.8% was lower than that for the same period last year of 19.6% due to luck factor. The differential in the win rate accounted for the US\$7.7 million drop of Mass Tables GGR. The management believes that the Mass Tables win rate may be improved in the coming months. The win rate of the EGM remains about the same as that for the same period last year.

3. Premium VIP Market — Rollings increased by 43.9% YoY

The Company observed an accelerated growth in our Premium VIP Market. This may be due to our successful conversion of previous referral VIP players into direct Premium VIP players. Together with the continued recovery of international arrivals and the improving business environment in Cambodia, the Premium VIP business reported 43.9% YoY growth of the average daily rollings. The average daily rollings of Premium VIP Market in 1Q2023 have already recovered by 90.2% compared with FY2019 (peak pre-COVID-19 year). Indeed, the average daily business volumes for the Premium VIP Market in 1Q2023 have also achieved the highest levels since the first quarter of 2020.

The win rate of Premium VIP Market in 1Q2023 of 3.5% was lower than 4.3% reported in 1Q2022.

4. Referral VIP Market — Rollings increased by 117.9% YoY

The average daily rollings from the Referral VIP Market in 1Q2023 rose by 117.9% YoY growth. The Company witnessed the increasing headcounts of the Referral VIP Market especially from our neighbouring countries such as Thailand, Malaysia and Singapore. Win rate has also improved from 2.4% in 1Q2022 to 3.0% in 1Q2023. We will continue to develop the Referral VIP Market by identifying and recruiting more reputable referral VIP agents.

5. Tourism Statistics

- (1) The number of direct weekly flights coming from Greater China to Cambodia has increased from 35 as at 2 January 2023 to 114 as at 1 April 2023, which represents a 225.7% increase. Total direct weekly flights from Asian countries to Phnom Penh have recovered to 68.9% of pre-COVID-19 level in 2019 (*Source: Cambodia Airports; respective airlines website; internal data*).
- (2) The Cambodian Ministry of Tourism (the “**MOT**”) reported that Cambodia has welcomed 402,943 international arrivals in January 2023, representing a 797.2% increase compared to January 2022. This number reinforces the MOT’s expectation of 4 million international visitors in 2023 (*Source: Tourism Statistics Report January 2023 by MOT; Khmer Times, 11 & 18 January 2023*).
- (3) Arrivals via the Phnom Penh International Airport increased by 314.4% to 96,395 visitors in January 2023, representing a sequential increase of 22.3% compared to the month of December 2022 (*Source: Tourism Statistics Report January 2023 by MOT*).
- (4) Arrivals from China increased by 900.3% to 24,978 visitors in January 2023, representing a sequential increase of 53.9% compared to the month of December 2022 (*Source: Tourism Statistics Report January 2023 by MOT*).

(5) International business-related travels coming from China increased by 719.3% to 17,091 visitors in January 2023, representing a sequential increase of 51.4% compared to the month of December 2022 (*Source: Tourism Statistics Report January 2023 by MOT*).

As China only effected Cambodia's Approved Destination Status on 6 February 2023, the management believes that the recovery of Chinese tourists visiting Cambodia is in its early stages.

The Board is pleased to announce the unaudited operational highlights of the gaming branch of the Group for 1Q2023 as tabulated in the following table:

	Unaudited figures for the 3 months ended 31 March 2023 <i>(US\$'000)</i>	Unaudited figures for the 3 months ended 31 March 2022 <i>(Restated)⁽¹⁾ (US\$'000)</i>	Increase/ (Decrease) <i>%</i>
GGR	116,991	109,544	6.8%
Mass Market:			
— Tables Buy-ins + EGM Bills-in	879,385	752,660	16.8%
— GGR	76,625	79,720	(3.9%)
Premium VIP Market:			
— Rollings	976,006	678,266	43.9%
— GGR	28,583	25,549	11.9%
Referral VIP Market:			
— Rollings	387,107	177,673	117.9%
— GGR	11,783	4,275	175.6%
EBITDA	59,020	61,010	(3.3%)

Note:

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

DISCLAIMER

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

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

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

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

Hong Kong, 3 April 2023

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

Executive Directors

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

Non-executive Director

Timothy Patrick McNally

Independent Non-executive Directors

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

This announcement is published on the Company's website at www.nagacorp.com and the website of Hong Kong Exchanges and Clearing Limited at www.hkexnews.hk.