

**For Immediate Release**



## **NagaCorp Announces 2016 Annual Results**

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### **12% Gross Profit and EBITDA growth**

Hong Kong, 8 February 2017 – **NagaCorp Ltd.** (“NagaCorp” or the “Group”, SEHK stock code: 3918), which owns, manages and operates NagaWorld, the largest integrated entertainment and leisure complex in the Mekong Region, today announced strong financial and operating results for the full year ended 31 December 2016.

- 1) EBITDA increased 12%** to US\$256.1 million
- 2) VIP Rollings increased 11%** to US\$8.7 billion
- 3) Mass Market table buy-ins increased 12%** to US\$617.8 million
- 4) Mass Market electronic gaming machines bills-in increased 9%** to US\$1.5 billion
- 5) 60% Dividend Payout Ratio:** A final dividend for shareholders and a distribution for holders of the Convertible Bonds of US cents 0.82 per share/conversion share (or equivalent to HK cents 6.36 per share/conversion share) has been recommended. The proposed final dividend and distribution and the interim dividend and distribution for the six months ended 30 June 2016, in the aggregate amount of US cents 3.59 per share/conversion share (or equivalent to HK cents 27.82 per share/conversion share) represents a dividend and distribution payout ratio of 60% based on the net profit generated for the year.

### **BUSINESS REVIEW**

The Cambodian economy continued to register stable growth. The International Monetary Fund is projecting Cambodia’s real Gross Domestic Product to grow at 7.0% and 6.9%, with an inflation rate of 3.1% and 2.7%, in 2016 and 2017 respectively.

International arrivals to Cambodia, one of the Group's business growth drivers, increased 5.0% year-on-year to 5.0 million visitors in the year of 2016. Visitor arrivals via Phnom Penh International Airport grew 9.7% over the same period. Further, visitors from China increased by 19.5% over the same period to 0.8 million visitors for the year of 2016 (Source: Ministry of Tourism, Cambodia).

As one of the Mekong Region's premier gaming destinations, NagaWorld, which is located in the Cambodian capital Phnom Penh, recorded gross gaming revenue ("GGR") growth of 4%, compared to a 3% decline for Macau. As at 31 December 2016, NagaWorld had 241 gaming tables and 1,648 Electronic Gaming Machines ("EGM") in place.

Mass Market continued to achieve solid growth with a 12% increase in Public Floor Tables buy-ins and 9% increase in EGM bills-in. This business volume growth is attributable to tourism growth into Cambodia, generating increased footfall into NagaWorld.

VIP Rollings grew by 11% to US\$8.7 billion. Since January 2016, the Group has revised its overseas junket incentive program to improve its margins.

## **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. In order to provide convenience for investors and to increase investment in Cambodia, the government of Cambodia is now offering three-year, multiple-entry visas to Chinese, South Korean and Japanese investors (Source: Phnom Penh Post, 2 December 2016). Poised to benefit from this growth is NagaWorld, which is one of the main tourist destinations located in the city centre of Phnom Penh and the entertainment centre for the Mekong region.

The Group continues its efforts to provide internationally recognised products and services to both gaming and non-gaming patrons, while continuing to grow its market share through its unique position in the region. The opening of NagaCity Walk in August 2016 marked a significant step in the Group's development. NagaCity Walk enhances the overall retail experience available to patrons and further strengthens NagaWorld's appeal to both the VIP Market and Mass Market. China Duty Free Group, the largest duty-free operator in China, has leased about 3,900 square metres in NagaCity Walk to operate duty-free shopping at the premises. In addition, the expected opening of the TSCLK Complex (also known as Naga2) in 2017 is expected to enhance NagaWorld's appeal to both the Mass Market and VIP Market across the region and further cement NagaWorld as the entertainment centre in the Mekong Region.

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**ABOUT NAGACORP LTD.**

NagaCorp Ltd. was listed on The Hong Kong Stock Exchange in October 2006 (SEHK stock code: 3918). Established in 1995, NagaCorp's wholly owned subsidiary NagaWorld Ltd. owns, manages and operates the only world-class integrated entertainment and leisure complex in Phnom Penh, the capital of the Kingdom of Cambodia. It owns a casino licence valid for 70 years, and exclusive gaming rights for a period of around 41 years (1995-2035). NagaCorp was selected for inclusion in the Hang Seng Foreign Companies Composite Index and the Hang Seng Global Composite Index launched on 5 September 2011.

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