



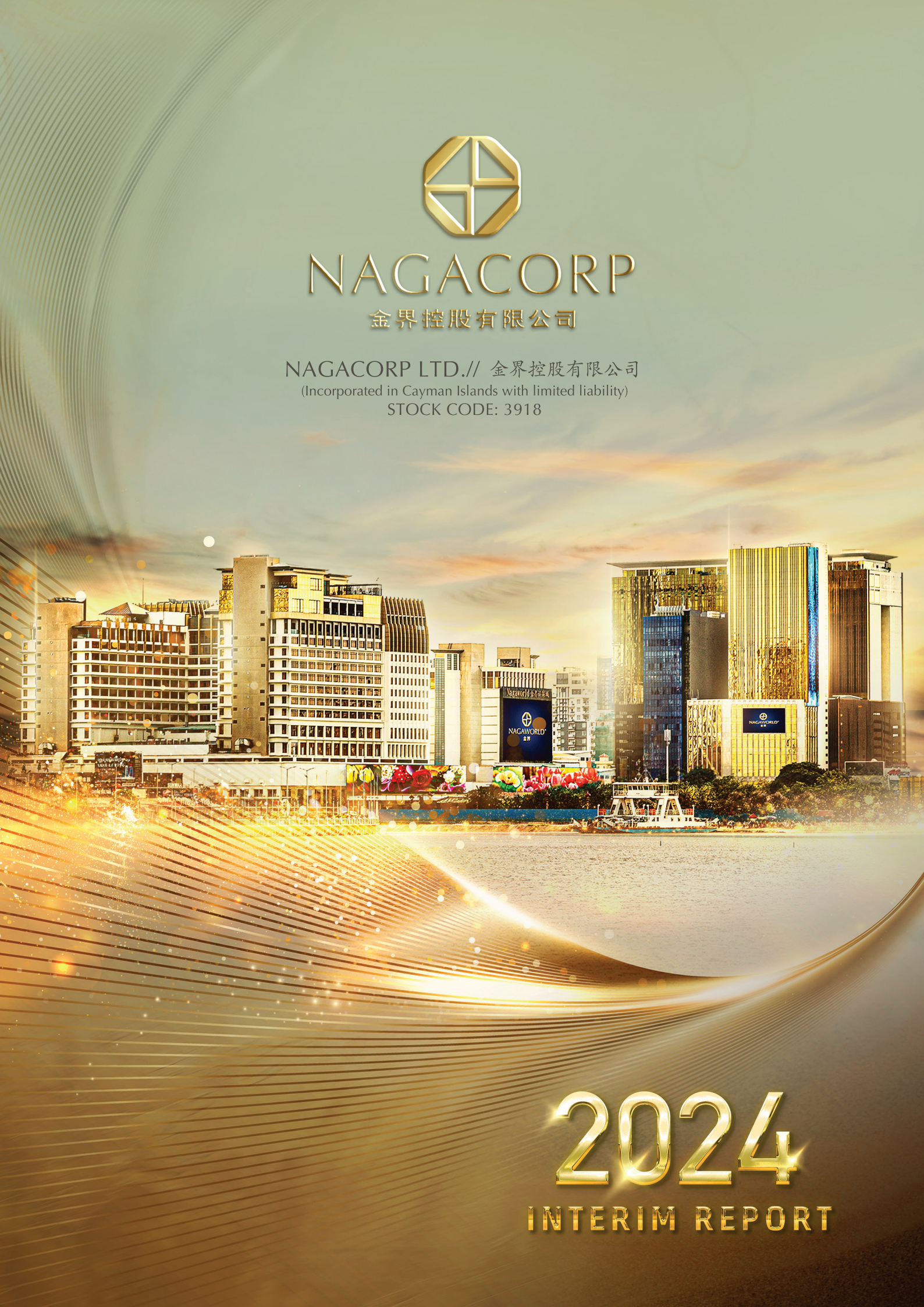
# NAGACORP

金界控股有限公司

NAGACORP LTD.// 金界控股有限公司

(Incorporated in Cayman Islands with limited liability)

STOCK CODE: 3918



# 2024

INTERIM REPORT







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# CORPORATE INFORMATION

NagaCorp Ltd. (“NagaCorp” or the “Company”, together with its subsidiaries, the “Group”) is the largest hotel, gaming and leisure operator in Cambodia. The Company has been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (Stock code: 3918) since 2006. NagaCorp was the first company with operations in Cambodia to become a publicly listed entity and the first gaming initial public offering traded on the Stock Exchange. Our flagship, NagaWorld, is Phnom Penh’s only integrated hotel and entertainment complex and we enjoy a 70-year casino licence that will run until 2065, as well as an exclusive right to operate casinos within a 200-km radius of Phnom Penh (except the Cambodia-Vietnam border area, Bokor, Kirirom Mountains and Sihanoukville) that expires in 2045.

## BOARD OF DIRECTORS

### Executive Directors

Chen Yiy Fon (*Chief Executive Officer*)

Philip Lee Wai Tuck (*Executive Deputy Chairman*)

### Non-executive Director

Timothy Patrick McNally (*Chairman*)

### Independent Non-executive Directors

Lim Mun Kee

Michael Lai Kai Jin

Leong Choong Wah

## AUDIT COMMITTEE

Lim Mun Kee (*Chairman*)

Michael Lai Kai Jin

Leong Choong Wah

## REMUNERATION COMMITTEE

Michael Lai Kai Jin (*Chairman*)

Lim Mun Kee

Leong Choong Wah

## NOMINATION COMMITTEE

Michael Lai Kai Jin (*Chairman*)

Lim Mun Kee

Leong Choong Wah

## AML OVERSIGHT COMMITTEE

Timothy Patrick McNally (*Chairman*)

Chen Yiy Fon

Michael Lai Kai Jin

## COMPANY SECRETARY

Lam Yi Lin

## AUTHORISED REPRESENTATIVES

Philip Lee Wai Tuck

Lam Yi Lin

## INDEPENDENT AUDITOR

BDO Limited (*Registered Public Interest Entity Auditors*)

## SOLICITORS

Ashurst Hong Kong (*as to Hong Kong Laws*)

## PRINCIPAL BANKER

CIMB Bank Plc

# INVESTOR RELATIONS

We acknowledge the importance of maintaining communication with the shareholders of the Company (the “Shareholders”) and investors through channels like annual reports, interim reports, press releases and announcements. Our interim reports contain details of financial and other information about the Group’s activities. We welcome enquiries about the Group’s activities and will handle them in a timely fashion.

## Listing

The Company’s ordinary shares of US\$0.0125 each (the “Share(s)”) have been listed on the Main Board of the Stock Exchange since 19 October 2006.

## 2024 Interim Report

This interim report, in both English and Chinese, is available on the website of Hong Kong Exchanges and Clearing Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and on the website of the Company at [www.nagacorp.com](http://www.nagacorp.com).

## Stock Code

3918

## Registered Office

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## Principal Place of Business in Cambodia

NagaWorld  
Samdech Techo, Hun Sen Park  
Phnom Penh, 120101  
P.O. Box 1099 Phnom Penh  
Kingdom of Cambodia  
Tel: +855 23 228822 Fax: +855 23 225888

## Principal Place of Business in Hong Kong

Suite 2806, 28/F  
Central Plaza  
18 Harbour Road  
Wanchai, Hong Kong  
Tel: +852 2877 3918 Fax: +852 2523 5475

## Principal Share Registrar and Transfer Office

Conyers Trust Company (Cayman) Limited  
Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## Hong Kong Branch Share Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716  
17th Floor  
Hopewell Centre  
183 Queen’s Road East  
Wanchai, Hong Kong

## Chief Executive Officer

Chen Yiy Fon

## Chief Executive Officer - Hotels

Chen Yiy Hwuan

## Chief Financial Officer

Cheung King Man

## Head of Investor Relations

Gerard Chai, *Managing Director*

## Investor Relations (North America and Europe)

Kevin Nyland, *Vice President*

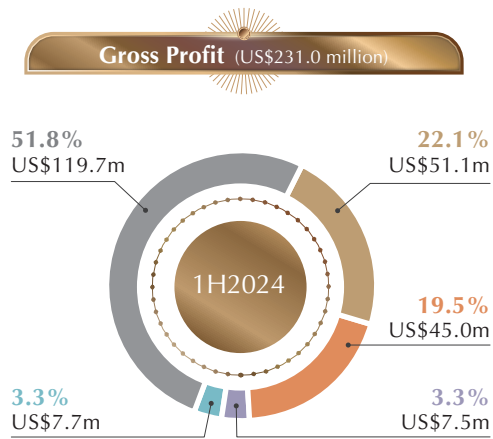
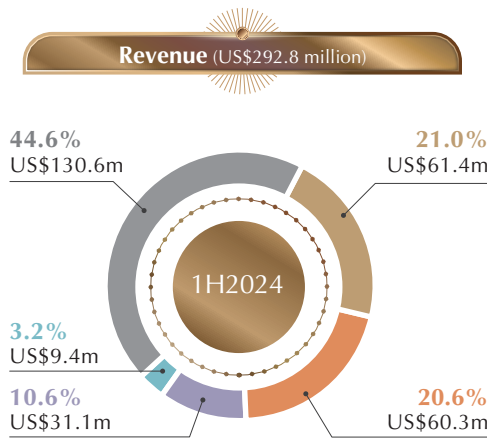
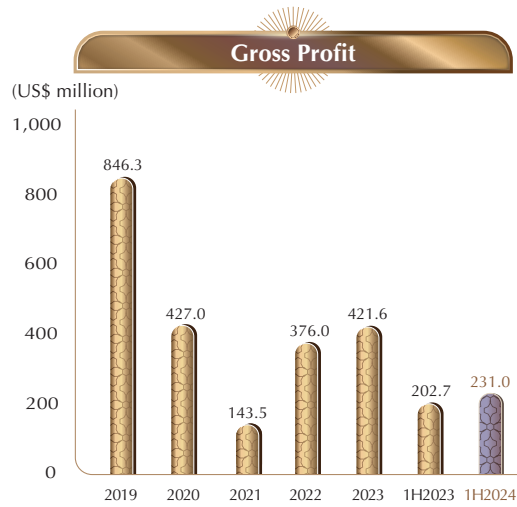
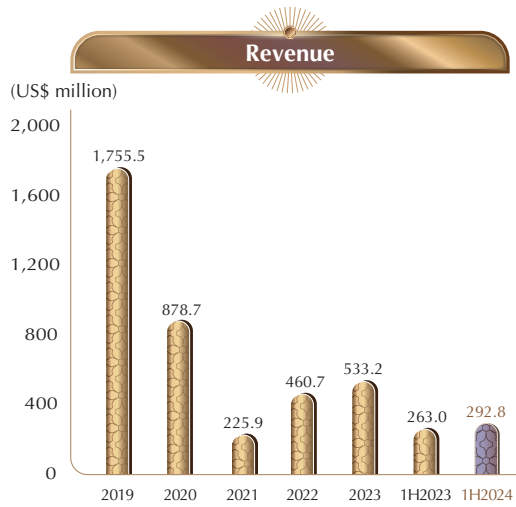
## Company Website

[www.nagacorp.com](http://www.nagacorp.com)

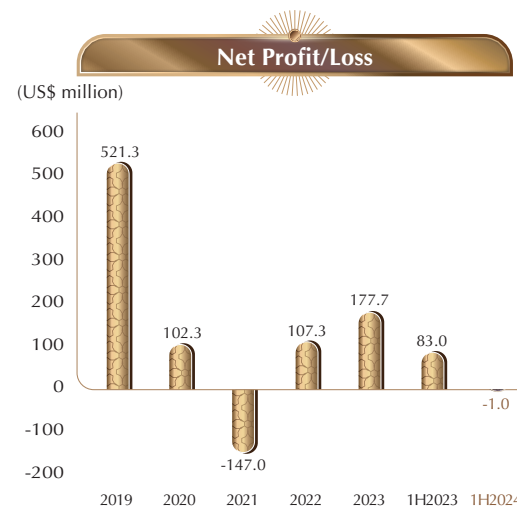
## Share Information

Board lot: 2,000 Shares  
Issued Shares as at 30 June 2024:  
4,422,990,160 Shares

# FINANCIAL HIGHLIGHTS



- Mass Market: Public Floor Tables
- Mass Market: Electronic Gaming Machines
- Premium VIP Market
- Referral VIP Market
- Non-Gaming Market





# CHAIRMAN'S STATEMENT



**Timothy Patrick McNally**  
*Chairman*

## **Dear Shareholders,**

We are pleased to report that NagaCorp continued to see business recovery and generated positive operational and financial results for Shareholders during the six months ended 30 June 2024 (the "Period" or "1H2024"). The Group registered a net loss of US\$1.0 million which was primarily attributable to a non-cash impairment loss of US\$89.1 million related to the Group's gaming and resort project in Vladivostok, Russia (the "Vladivostok Project"). Excluding this asset impairment loss recognised, the Company's net profit of US\$88.1 million and EBITDA (a non-IFRS Accounting Standards measure) of US\$144.6 million recorded a 6.2% and 1.0% growth respectively compared to the corresponding period last year. We continue to build momentum across our business, giving us a sustained level of business volume recovery as tourism continues to build in the region. Our relatively stable performance reflected the gradual recovery of both leisure and business visitation to NagaWorld, along with the stable captive domestic expatriate market that has proven to be a self-sustaining business, placing NagaCorp as one of the leading regional gaming companies in achieving sustained profitability.

Our business volumes and operational results are attributed to the following:

## **Continuing Business Recovery and Growth Trajectory**

Our positive results were attributed to a combination of solid business strategy and acumen, operational and execution efficiency, along with increased tourist arrivals into Cambodia for business and investment purposes, which have continued to increase, further reinforcing business migration into the country. NagaWorld continues to be a beneficiary of this continued business migration into the Association of Southeast Asian Nations ("ASEAN") and Cambodia. This influx of foreign capital and increased expatriates into Cambodia helps sustain our market as we continue to benefit from the growing domestic market in Cambodia which has proven to be a self-sustaining business.

## CHAIRMAN'S STATEMENT

### **International Arrivals and Direct Flights into Cambodia Continue to Increase**

The revival of tourism has played a significant role in Cambodia's economic resurgence, with the continued return of international tourists bolstering economic recovery and stimulating growth. The Royal Government of Cambodia ("RGC") has been actively working to improve the number of weekly flights into the country, reviving tourism and maintaining Cambodia's position as a global tourist destination that is competitive, sustainable, and inclusive. The first half of the year saw several new airlines and routes entering Cambodia, including seven weekly direct flights from Dubai and Qatar and four weekly direct flights from India. This resumption of flights is a promising sign for the country's economy and tourism sector as Cambodia expects to attract 7 million annual international arrivals by 2025, surpassing the pre-pandemic level of 6.6 million arrivals in 2019. We expect this visitation turn-around in 2024 and 2025 as a result of country-to-country joint initiatives pushed by the RGC.

In 1H2024, total international tourist arrivals into Cambodia was 3.2 million. This was a result of the gradual return of leisure and business visitors, marking an encouraging recovery rate of 94.8% compared to the same period in 2019. In fact, international arrivals for the second quarter of this year surpassed the same period in 2019 by 8%. The revival of the global tourism industry appears promising, and Cambodia is showing a substantial recovery in its tourism sector. The continuous influx of international tourist arrivals has been contributing to the socio-economic activities in all sectors.

### **Foreign Direct Investment Continues to Support the Cambodian Economy and Growth**

While global uncertainties remain in place, Cambodia continues to be one of the most favourable investment destinations for foreign investors and businesses, boosted by inflows of foreign direct investment ("FDI"). According to the Council for Development, Cambodia attracted investment projects worth US\$3.2 billion in 1H2024, nearly double the investment recorded in the same period last year, with China, as a joint strategic partner of Cambodia, being the top foreign investor at 43% of total FDI. Thailand is also becoming a significant FDI contributor in Cambodia, following China's lead. The increase of FDI from Thailand is in line with a significant rise in tourists and business travellers from that country. FDI inflows into Cambodia grew rapidly over the past decade and remained relatively resilient even through the pandemic period. The RGC has continuously implemented reforms to overcome challenges and attract more FDI to serve the goal of sustaining growth and supporting the development of the country.

Cambodia's appeal as a top FDI destination in Asia Pacific can be attributed to its strategic geographic position, a skilled and continuously improving workforce and a liberal investment climate. The commitment to fostering robust bilateral relations between Cambodia and other countries in the region will encourage more businesses to expand in Cambodia, leading to an increase in business visitation and business migration.

### **Continued Political Stability of Cambodia**

Given its continued political and social stability, Cambodia is expected to continue its upward trajectory of recovery with an influx of tourist arrivals, business visitation and expected surge in FDI into the country, leading to a growing domestic expatriate population. We believe that NagaWorld, the only integrated resort in Phnom Penh, will benefit from this ongoing recovery and growing wave of tourism with increasing customer footfall.

### **Sustainability and Environmental, Social and Governance Performance**

NagaWorld Kind Hearts (the Company's corporate social responsibility - "CSR") arm is a company initiative with long term contribution towards the betterment of communities throughout Cambodia. This CSR arm has conducted more than 688 programmes, with the participation of about 37,000 dedicated employee hours focusing on Education Enhancement, Community Engagement, Sports Development and the promotion of sound environmental practices.

We believe that education is fundamental to Cambodia's continued growth and NagaWorld Kind Hearts has continued conducting initiatives over the past two years that help further children's education, by providing study materials and other educational sessions to schools around Cambodia. NagaWorld Kind Hearts' notable contributions and positive impact on the education sector in Cambodia have been recognised by the Cambodia Ministry of Education, Youth and Sport by presentation of Certificates of Appreciation and medals to NagaWorld.

NagaWorld recognises that our responsibility extends beyond our immediate communities, and is actively working towards achieving the United Nations' Sustainable Development Goals in Cambodia. Through our robust Environmental, Social and Governance ("ESG") initiatives, we have aligned our efforts with the government's vision for sustainable development. This includes being involved and supporting key milestones such as Cambodia's role as host nation for the 2022 ASEAN Summit and the 2023 Southeast Asian Games. NagaWorld was the first company to forge a sponsorship with the national Olympic Committee of Cambodia and has continually provided this support since 2011. This partnership includes support of the Southeast Asian Games, the Asia Games, and the Olympics. We remain steadfast in our commitment to creating a better future for all, and we look forward to continued progress towards this important goal.

### **Resilient, Solid Strategy for Growth**

During the first half of the year, we continued to see continued growth in all operational business segments, producing an upward trajectory in revenue. Specifically, we continued to see a steady increase in the Mass Market business, attributable to the reasonably sized expatriate community, visitors from ASEAN and the recovery of business travellers patronizing NagaWorld in search of entertainment. Notably, in the second quarter of this year, Mass Market business volume was the highest it has been since the property re-opened in the third quarter of 2021. With the region's business environment largely experiencing a post-Covid economic recovery, the footfall on the Mass Market areas continue to see a gradual stable increase. We believe the Company's self-sustaining business in a challenging, recovering environment give us a unique advantage and competitive position.

## CHAIRMAN'S STATEMENT

The NagaWorld Rewards loyalty program continued to enable the Company to understand its customers' profile, creating targeted marketing promotions and rollout customer development initiatives to increase the frequency of visitation and gaming spend.

The VIP Market (Premium and Referral) volumes saw a 2.3% increase in revenue during the year, primarily due to visitation of both current expatriates in Cambodia, as well as the faster pace of business visitation.

Looking forward, we believe the market outlook is positive. Cambodia is expected to continue its upward trajectory of recovery with the influx of tourist arrivals, business visitation and expected surge in FDI into the country resulting in an increased number of investors and a growing domestic expatriate population. The International Monetary Fund ("IMF") expects Cambodia to be one of the fastest-growing economies in ASEAN this year. The country's gross domestic product ("GDP") growth is forecasted to be 6.0% for 2024 and 6.1% for 2025. At the same time, the new Phnom Penh Techo Takhmao International Airport, is expected to be operational by 2025, will be a booster for the country's economic growth and infrastructure advancement when it begins operations with new routes and destinations.

We believe that NagaWorld – the only integrated resort in Phnom Penh will benefit from these tourist arrivals, with increasing footfall from customers seeking entertainment and luxurious lifestyle offerings at competitive pricing and value. We remain optimistic on the long-term prospects and believe the outlook will remain stable.

### **Social Responsibility**

For many years, NagaCorp has been recognized for its leadership in corporate social responsibility. The first half of 2024 was no different. We will continue our journey of being a good corporate citizen and striving for excellence to uphold our responsible position in the country.

### **Corporate Governance**

NagaCorp has engaged an independent professional party to review the internal controls of the Group with a focus on anti-money laundering on a semi-annual basis. The independent professional party will issue its findings in a report, details of which will be enclosed in the annual report of the Company for the year ending 31 December 2024. The Company has also engaged another professional party, Political and Economic Risk Consultancy, Ltd., to assess the investment risks in Cambodia and its findings are set out in this interim report.

### **Our Appreciation**

The board of directors (the "Directors") of the Company (the "Board") would like to express their appreciation to our employees for their hard work and dedication, and to our Shareholders, customers and suppliers for their continued support.

**Timothy Patrick McNally**  
*Chairman*

Hong Kong, 27 August 2024

# MANAGEMENT DISCUSSION AND ANALYSIS

## MARKET OVERVIEW

According to the IMF, the global economy remains resilient with steady growth and inflation continuing to slowdown, driven by better-than-expected performance of emerging market economies. Global inflation is expected to steadily decline from 6.8% in 2023 to 5.9% in 2024 and 4.5% in 2025 (*Source: IMF – World Economic Outlook, April 2024*). Through rapid economic growth, Cambodia leads the growth projection in the ASEAN as one of the fastest-growing economies in ASEAN and ranking third in Asia in 2024, supported by effective leadership of the new RGC, as well as a promising recovery across diverse sectors, including tourism and trade (*Source: Khmer Times, 8 April 2024*). Cambodia's real GDP growth is projected to be 6.0% for 2024 and 6.1% for 2025 (*Source: IMF – World Economic Outlook, April 2024*).

The overall financial results and performance of the Group were attributed to the following:

(a) **Steady Business Recovery and Growth Trajectory**

The Group recorded a steady business volumes recovery during the Period. This reflected the continued increase in leisure and business visitation to NagaWorld with the gradual recovery of tourism in Cambodia, together with a stable captive domestic market that has proven to be a self-sustaining business.

The average daily business volumes for the Mass Market saw a 5.7% year-on-year (“YoY”) increase from US\$10.0 million to US\$10.5 million, representing a recovery of 87.2% compared to the pre-pandemic financial year ended 31 December 2019 (“FY2019”). This growth was primarily attributable to the stable and improving headcount at NagaWorld and the increase in the average business volumes highlighted the resilience of the captive domestic market comprising a reasonably sized expatriate community, along with the recovery of international arrivals to Cambodia via the Phnom Penh International Airport, which has recovered to 76.9% of the pre-pandemic level in 1H2024 compared to the same period in 2019.

In 1H2024, the average rollings per Premium VIP player increased by about 11.6% YoY. The average daily rollings of the Premium VIP Market in 1H2024 recovered to 82.6% of the pre-pandemic level in FY2019. This performance was on the back of the return of business travellers to Cambodia and ongoing conversion of some previous Referral VIP players into direct Premium VIP players. The Group observed that business travellers typically have greater spending power and longer repeated stays.

Collectively, the Mass Market and Premium VIP Markets contributed approximately 89.0% and 93.4% of the Group's total gross gaming revenue (“GGR”) and gross profit respectively during the Period.

## MANAGEMENT DISCUSSION AND ANALYSIS

Referral VIP Market revenue recorded a YoY growth of 17.6% during the Period, supported by an improved win rate of 3.8% despite softer rollings. Average daily rollings increased sequentially quarter-on-quarter by 33.3% to US\$5.1 million in the second quarter of 2024 ("2Q2024"). This can be attributed to the ongoing gradual return of both leisure and business travellers patronising NagaWorld in search for high quality entertainment offerings. The Group will continue its strategic efforts to pursue and work with reputable referral VIP agents.

### (b) **Tourism Revival Fuels Cambodia's Economic Growth and Growing Global Appeal**

The revival of the tourism sector has been pivotal in Cambodia's economic resurgence, with the steady increase in international arrivals driving economic recovery and stimulating growth. The RGC has been actively working to revitalise the tourism sector, enhance flight capacity recovery and transform Cambodia into a competitive, sustainable and inclusive global tourist destination. Cambodia's Ministry of Tourism (the "MOT") aims to reposition Cambodia as a leading global tourism destination. In July 2024, the MOT has formed Cambodia Tourism Marketing and Promotion Board ("CTB") (consists of 15 public and private institutions) tasked with spearheading international marketing efforts to attract tourists to Cambodia's top destinations. Following the formation of the CTB, one of the initiatives by the RGC to promote tourism include the approval of US\$50 million budget in an effort to attract more international

tourists into Cambodia in the next two years (*Source: Jianhua Daily, 13 July 2024*). The budget allocated will be used to promote Cambodia's tourism resources, strengthen overseas marketing activities and further expand international tourism market (*Source: China News, 27 July 2024*). At the third Ministerial Meeting on tourism cooperation between Cambodia and Thailand in July 2024, five key collaborations have been agreed including the "Two Countries, One Destination" campaign, promoting quality tourism and tourism investments (*Source: Khmer Times, 2 & 20 July 2024*). On 28 February 2024, the MOT announced that Cambodia has once again been voted Asia's leading cultural destination for 2023 by the prestigious World Travel Awards, underscoring its unique destination appeal. This remarkable achievement highlights the country's exceptional contribution to culture and tourism (*Source: Khmer Times, 29 February 2024*).

The total international arrivals into Cambodia were 3.2 million in 1H2024. This was a result of the gradual return of leisure and business travellers, representing an encouraging recovery rate of 94.8% compared to the same period in 2019. Furthermore, international arrivals for 2Q2024 surpassed that of the second quarter of 2019 ("2Q2019") (the peak pre-pandemic year) by 8.4%. In this regard, business travels saw a significant improvement, reaching 93.8% of the pre-pandemic level in 1H2024, driven mostly by cross-border business travels from Vietnam

## MANAGEMENT DISCUSSION AND ANALYSIS

and Thailand. Whilst visitation from China is still lagging, there are signs of accelerated recovery as quarterly visitation from China recovered from 27.8% in the first quarter of 2024 of 189,961 arrivals (compared to the first quarter of 2019 of 683,436 arrivals) to 32.7% in 2Q2024 of 199,399 arrivals (compared to 2Q2019 of 609,050 arrivals) (*Source: MOT*).

Catering to rising travel demand, a majority of airlines have resumed services and introduced new direct flights into Cambodia. As of 15 August 2024, weekly international direct flights to Cambodia stood at 486, including 327 from Southeast Asia and 123 from Greater China cities such as Guangzhou, Shenzhen, Shanghai, Kunming, Xiamen, Beijing, Nanning, Chengdu, Changsha, Chongqing, Zhengzhou, Nantong, Haikou, Sanya, Macau, Taipei and Hong Kong (*Source: Cambodia airports, airline websites, Company internal data*). With more airlines entering the market (including 7 weekly direct flights from Dubai and Qatar respectively and 4 weekly direct flights from India) and existing operators expanding their operations, total direct weekly flights into Cambodia from Southeast Asia, South Korea and Greater China have recovered to about 72.3%, 66.7% and 29.6% respectively, compared to the pre-pandemic levels in 2019. These increased flights have resulted in international arrivals into the Phnom Penh International Airport recovering to 76.9% of the pre-pandemic level in 1H2024.

In 2024, some notable new international direct flights into Cambodia including those from Dubai, Qatar and India will reduce travel time, making trips more feasible and frequent. The introduction of direct flights leads to further fostering of relations between the countries and boosting economic, tourism and trade ties (*Source: Khmer Times, 21 May 2024*).

NagaWorld, as the only integrated resort in Phnom Penh, continues to benefit from the ongoing recovery of tourism, resulting in increased customer footfall. As the economy continues to expand, NagaWorld is well-positioned to capitalise on the influx of both leisure and business travellers, enhancing its role as a premier destination for leisure and business activities.

### (c) **Expansion of FDI and Global Trade Diversification Boosts Cambodia's Economic Growth and Prosperity**

On 16 May 2024, Moody's Ratings upgraded its outlook on Cambodia to stable, reflecting Cambodia's improving external positioning amid narrowing trade deficits, gradual recovery in tourism and FDI inflows (*Source: Moody's Ratings Credit Opinion, 16 & 23 May 2024*). Moreover, Moody's Ratings and S&P Global revised the Company's outlook to stable on 6 June 2024 and 6 August 2024 respectively (*Source: Moody's Ratings Credit Opinion, 6 June 2024; S&P Global Credit Research, 6 August 2024*). Cambodia continues to be positioned as a prime emerging investment destination for foreign investors and businesses, with a growing economy, modern

## MANAGEMENT DISCUSSION AND ANALYSIS

infrastructure and rapid urbanisation. According to FDI Standouts Watchlist 2024 by FDI Intelligence, Cambodia ranks first among the top 10 emerging markets carrying the strongest investment momentum into 2024 and is expected to be Southeast Asia's fastest-growing economy. This ranking is attributed to Cambodia's robust and consistent GDP growth, low inflation rate and rapid expansion in FDI (Source: *Khmer Times*, 22 May 2024). According to the Council for Development of Cambodia, the country witnessed a surge in investment projects with the approval of new and expansion projects totaling US\$3.2 billion in 1H2024, nearly double the investment recorded in the same period of last year, of which China remained Cambodia's largest trading partner, contributing 42.6% of total investment into the country (Source: *Khmer Times*, 8 July 2024).

The RGC has launched various initiatives to enhance bilateral trade with key countries, notably China, Thailand and South Korea. In recent years, Thailand emerged as a significant FDI contributor in Cambodia, following China's lead. South Korea is also in talks to promote trade between the two countries as one of the top priorities following the signing of the Cambodia-Korea free trade agreement, making it easier for Korean investors to invest in the country (Source: *Khmer Times*, 18 May 2024). According to a recent article, South Korea believes that Cambodia is the most favourable country for investment among ASEAN countries (Source: *Khmer Times*, 20 May 2024). The increase in FDI from Thailand and South Korea aligns

with a notable rise in leisure and business travels from both countries in 2023, which has surpassed pre-pandemic levels. Cambodia's appeal as a top FDI destination in Asia Pacific can be attributed to its strategic geographic position, a skilled and continuously improving workforce and a liberal investment climate. The commitment to fostering robust bilateral relations between Cambodia and other countries in the region will encourage more businesses to expand in Cambodia, leading to an increase in business visitation and business migration.

Since joining the Regional Comprehensive Economic Partnership in January 2022, Cambodia continued to reap the benefits of free trade, greater market access and increased trade and FDI. These trade agreements have been crucial in strengthening diplomatic relations among member countries, fostering a more integrated and interconnected region and simplifying travel restrictions, thereby boosting business and leisure travels. Cambodia's diversification of export market destinations is in line with a substantial increase in trade volume, reaching US\$16.9 billion in 1H2024, an increase of 14.2% YoY (Source: *Khmer Times*, 20 July 2024). As Cambodia continues to leverage the benefits of these trade agreements, it is poised to further expand and diversify its market reach to support long-term economic growth by attracting new FDI and businesses seeking to strengthen their presence in the region.



**(d) Maintaining Sufficient Liquidity and Prudent Debt Management**

As of 30 June 2024, the Group's cash and deposits were US\$570.8 million. On 31 May 2024, the Company drew down US\$70 million of the shareholder's loan from ChenLipKeong Capital Limited ("CLK Capital") (which is directly and wholly owned by SAKAI PRIVATE TRUST COMPANY PTE. LTD. ("The Sakai Trustee"), in its capacity as the trustee of The Sakai Trust, which is in turn a controlling shareholder of the Company) for the purpose of discharging the outstanding 7.95% senior notes that matured on 6 July 2024 ("the 2024 Senior Notes"). Subsequently, the Company fully repaid the outstanding principal amount of US\$472.2 million of the 2024 Senior Notes together with the interest accrued to the maturity date. Following the full repayment of the 2024 Senior Notes, the Company does not have any debt obligations, other than the outstanding shareholder's loan.

**(e) Increasing Shareholdings under Hong Kong Stock Connect Continue to Boost Stock Liquidity**

Since being added to Southbound Trading on 13 March 2023, the trading of the Company's shares through Shanghai Connect and Shenzhen Connect have been trending upward. As of 15 August 2024, total shareholdings held through the Stock Connect programme were 43.3 million Shares, comprising 0.97% of the total Shares issued. This indicates the success of the Stock Connect programme in attracting more Mainland China investors to trade the Company's stock on the Shanghai Stock Exchange and the Shenzhen Stock Exchange. As the only foreign gaming operator eligible for the Southbound trading, the Company believes its stock liquidity will continue to improve with access to a sizable pool of domestic investors in Mainland China.

**(f) CSR Initiatives and Corporate Level Performance**

NagaWorld's commitment to making a positive impact in the community is unwavering. NagaWorld Kind Hearts (the Company's CSR arm) is a grassroots initiative with long-term contribution towards the betterment of communities in Cambodia. Since 2014, NagaWorld has organised more than 688 activities, with the invaluable participation of about 37,000 dedicated employee hours focusing on education enhancement, community engagement, sports development and environmental care.

NagaWorld recognises that responsibility extends beyond its immediate communities, and is actively working towards achieving the United Nations Sustainable Development Goals in Cambodia. Through robust ESG initiatives, the Company has aligned its efforts with the RGC's vision for sustainable development. NagaWorld remains steadfast in its commitment to creating a better future for all and looks forward to continued progress towards this important goal.

The Company believes that investing in education is investing in the future of a nation. NagaWorld Kind Hearts is committed to creating sustainable change in its communities through various CSR initiatives. NagaWorld Kind Hearts has initiated the stationery set distribution project at schools, NGOs and communities and also organised the "Trash or Treasure" station to create awareness among children about proper waste segregation. During the Period, there were over 700 students benefitting from this programme. Also, the

## MANAGEMENT DISCUSSION AND ANALYSIS

Company's Fire Safety Awareness initiative has attracted more than 288 participants from various communities and contributed about 9 fire extinguishers to bolster their safety measures.

NagaWorld has promoted awareness of environmental conservation as part of its continuing effort to create a tourist-friendly destination and to raise awareness about environmental issues. NagaWorld joined Earth Hour, the world's largest grassroots movement, to draw public attention to the most important issues facing the planet. Since 2017, NagaWorld supported the "Soap for Hope" project to recycle used hotel soap by diverting the product from landfills, and in tandem, providing alternative livelihoods to marginalised communities and raising hygiene standards. To date, over 1,660kg of soap has been recycled and given to 725 families, promoting waste reduction, sustainability, and personal hygiene awareness.

NagaWorld clinched top honours in the Investment in People, Social Empowerment and Green Leadership categories at the 2024 Asia Responsible Enterprise Award (AREA). The Company was recognised for its commitment in employee development and engagement through its "Training for Success" and "Engaging for Growth" initiatives that have significantly enhanced employees' lives at work. In the Social Empowerment and Green Leadership categories, NagaWorld Kind Hearts has been the driving force behind numerous

initiatives, all aimed at making a meaningful impact under the motto "We Serve Cambodia". The triple honours follow NagaWorld's recent achievement of the Platinum Award for "Best in Cambodia" for the fourth consecutive year at the 16th Annual Global CSR & ESG Summit and Awards™. These accolades mark another significant milestone for NagaWorld, highlighting its steadfast commitment in human capital development and community empowerment through its CSR and ESG initiatives.

At the corporate level, in June 2024, the Company was awarded the coveted Most Honoured Company under the Small & Mid-Cap and Asia (ex-Mainland China) and an Honoured Company under the Asia (ex-Japan) by the renowned financial publication *Institutional Investor* for exceptional leadership and investor relations, including "Best Investor Relations", "Best IR Team", "Best CFO", "Best IR Professional", "Best Overall ESG" and "Best Company Board of Directors" in the Gaming & Lodging sector. This recognition is part of *Institutional Investor's* 2024 Asia (ex-Japan) Executive Team rankings survey as voted by the buy-side and sell-side financial community, which are regarded globally as the financial industry's benchmark for excellence.

The Company is committed to creating long-term value for all stakeholders and continuously strives for excellence by ensuring the sustainable growth of business.

**BUSINESS REVIEW****Table 1: Performance Highlights**

Below are the performance highlights of the Group for the Period and 1H2023:

	1H2024	1H2023	Increase/ (Decrease)
	US\$'000	US\$'000	%
<b>Mass Market: Public Floor Tables</b>			
– Buy-ins	<b>659,914</b>	549,693	20
– Win rate	<b>19.8%</b>	17.8%	
– Revenue	<b>130,616</b>	98,030	33
<b>Mass Market: Electronic Gaming Machines (“EGM”)</b>			
– Bills-in	<b>1,254,892</b>	1,251,857	0
– Win rate	<b>7.3%</b>	7.5%	
– Revenue	<b>61,334</b>	64,896	(5)
<b>Premium VIP Market</b>			
– Rollings	<b>1,807,646</b>	2,047,303	(12)
– Win rate	<b>4.0%</b>	3.7%	
– Revenue	<b>60,336</b>	62,932	(4)
<b>Referral VIP Market</b>			
– Rollings	<b>819,561</b>	938,421	(13)
– Win rate	<b>3.8%</b>	2.8%	
– Revenue	<b>31,105</b>	26,452	18
<b>GGR</b>	<b>283,391</b>	252,310	12
<b>Net Gaming Revenue</b>	<b>243,801</b>	212,363	15

## MANAGEMENT DISCUSSION AND ANALYSIS

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

During the Period, the Company observed a continuing increase in the Mass Market business volumes for Public Floor Tables and EGM by 20.1% and 0.2% respectively compared to the corresponding period last year. The increase in business volumes was attributed to the reasonably sized expatriate community, visitors from ASEAN and to some extent the recovery of Chinese visitors patronising NagaWorld in search of entertainment. With the business environment starting to normalise, the footfall on the Mass Market areas continue to see a gradual increase and recovery.

The NagaWorld Rewards loyalty program continued to enable the Group to understand its customers' profile, create targeted marketing promotions and roll out customer development initiatives to increase the frequency of visitation and gaming spend.

### Premium VIP Market

During the Period, Premium VIP Market saw an 11.7% YoY decrease in rollings to US\$1.8 billion (after recording annual growth of 46.5% and 141.7% in 2023 and 2022 respectively) with a higher win rate of 4.0%. This translated into a 4.1% YoY decrease in Premium VIP Market revenue to US\$60.3 million during the Period.

### Referral VIP Market

During the Period, Referral VIP Market segment saw a 12.7% YoY decrease in rollings to US\$819.6 million with a higher win rate of 3.8%. This translated into a 17.6% YoY increase in Referral VIP Market revenue to US\$31.1 million during the Period.

### Non-Gaming – Hotel, F&B and Entertainment

During the Period, non-gaming revenue decreased by 12.6% YoY, which was mainly attributable to the lower hotel room rate.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Revenue and Gross Profit Analysis

Table 2(a)

	Revenue		Gross Profit		Gross Profit Margin
	US\$'m	%	US\$'m	%	%
<b>1H2024</b>					
Mass Market	192.0	66	170.8	74	89
Premium VIP Market	60.3	20	45.0	20	75
Referral VIP Market	31.1	11	7.5	3	24
Non-Gaming	9.4	3	7.7	3	82
<b>Total</b>	<b>292.8</b>	<b>100</b>	<b>231.0</b>	<b>100</b>	<b>79</b>

Table 2(b)

	Revenue		Gross Profit		Gross Profit Margin
	US\$'m	%	US\$'m	%	%
<b>1H2023</b>					
Mass Market	162.9	62	144.6	71	89
Premium VIP Market	62.9	24	43.7	22	69
Referral VIP Market	26.5	10	6.3	3	24
Non-Gaming	10.7	4	8.1	4	76
<b>Total</b>	<b>263.0</b>	<b>100</b>	<b>202.7</b>	<b>100</b>	<b>77</b>

The Group recorded a gross profit of US\$231.0 million for the Period. The higher gross profit margin of 79% (six months ended 30 June 2023: 77%) was a result of higher revenue contribution from the Mass Market and higher win rates recorded in the Premium VIP Market. Mass Market continued to maintain a high gross profit margin of 89%.

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

Administrative and other operating expenses before impairment losses, depreciation and amortisation were US\$84.9 million during the Period, representing an increase of US\$23.6 million or 39% YoY.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Finance Costs

During the Period, the Group incurred finance costs, after interest capitalisation, of US\$10.1 million (six months ended 30 June 2023: US\$10.9 million) for the interest expenses and transaction costs relating to the 2024 Senior Notes issued. Please see note 16 to the condensed consolidated financial statements for further details of the 2024 Senior Notes.

### Net Loss

Net loss attributable to the Shareholders, or net loss, was US\$1.0 million (six months ended 30 June 2023: net profit of US\$83.0 million) for the Period. Excluding the impact of non-cash asset impairment loss of US\$89.1 million in respect of the Vladivostok Project, the Company would have registered net profit of US\$88.1 million in 1H2024.

Basic loss per share was US cents 0.02 (HK cents 0.16) for 1H2024 and basic earnings per share was US cents 1.88 (HK cents 14.57) for 1H2023, respectively.

## FINANCIAL REVIEW

### Pledge of Assets

In December 2014, in accordance with the terms of the investment agreement (the "Investment Agreement") in respect of development of the Vladivostok Project, the Company's subsidiary remitted approximately US\$8.9 million from its Hong Kong bank account to a Russian bank account of the Company's Russian subsidiary Primorsky Entertainment Resorts City LLC. This amount was deposited in the same Russian bank as fixed deposits, which are pledged against which promissory notes were subsequently issued to provide collateral for the issuance of a bank guarantee from the same bank required under the Investment Agreement.

The old promissory notes were realised and withdrawn fully upon its maturity date on 30 January 2023. Subsequently, new promissory notes amounted to RUB400,000,000 (approximately US\$5,726,000) were issued by another bank to provide collateral for the issuance of a bank guarantee required under the Investment Agreement.

### Contingent Liabilities

Prior to the promulgation of the Casino Law, NAGAWORLD LIMITED paid monthly gaming and non-gaming obligation payments to the Ministry of Economy and Finance of Cambodia ("MOEF"). Additional obligation payments (if any), other than those paid during prior years, are subject to the future development in this matter and instruction from the MOEF. Other than the additional obligation payments, there were no other contingent liabilities as at 30 June 2024.

### Exchange Rate Risk

The Group's income is earned principally in United States Dollars ("US\$"). The Group's expenditure is paid principally in US\$ and to a lesser extent in Cambodian Riel and RUB. The Group, therefore, does not have any significant exposure to foreign currency risk and thus has not entered into any currency hedging transactions.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Liquidity, Financial Resources and Gearing

The Group had total cash and bank balances (including restricted bank balance and fixed deposits) of US\$570.8 million as at 30 June 2024 (31 December 2023: US\$367.6 million). The cash and bank balances were mainly denominated in US\$.

The Group had net current liabilities of US\$82.8 million as at 30 June 2024 (31 December 2023: US\$243.7 million). The Group had net assets of US\$2.0 billion as at 30 June 2024 (31 December 2023: US\$2.0 billion).

The Group had outstanding 2024 Senior Notes with a carrying amount of US\$472.1 million as at 30 June 2024 (31 December 2023: US\$471.0 million).

As at 30 June 2024, the Group's gearing ratio calculated as total debts less cash and bank balances (including restricted bank balance and fixed deposits) divided by equity, is not applicable as the Group's cash and bank balances (including restricted bank balance and fixed deposits) were more than the Group's debts (31 December 2023: 5.1%).

### Capital and Reserves

As at 30 June 2024, the capital and reserves attributable to owners of the Company were US\$2.0 billion (31 December 2023: US\$2.0 billion).

### Employees

As at 30 June 2024, the Group employed a total work force of 6,015 (31 December 2023: 6,038), stationed in Cambodia, China, Hong Kong, Malaysia, Singapore, Thailand, the United States and Russia. The remuneration and staff costs for the Period were US\$51.4 million (six months ended 30 June 2023: US\$39.3 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 Period 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. The Company has adopted a share option scheme and a share award scheme as incentive to its Directors and other eligible participants. The Group also provides and arranges on-the-job training for the employees.

### Trade Receivables and Credit Policy

The Group continues to monitor changes in trade receivables. Net trade receivables decreased from US\$13.8 million (as at 31 December 2023) to US\$7.7 million (as at 30 June 2024).

During the Period, the Group prudently made provision for impairment loss of US\$5.5 million (six months ended 30 June 2023: US\$1.2 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 Period, 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.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Significant Investments Held and Material Acquisitions of Subsidiaries

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

### Non-IFRS Accounting Standards Measures

To supplement our consolidated financial statements, which are presented in accordance with the IFRS Accounting Standards, the Company also assesses the operating performance based on a measure of EBITDA as an additional financial measure. We believe that such non-IFRS Accounting Standards measure facilitates comparisons of operating performance from

time to time by eliminating potential impacts of items that our management does not consider to be indicative of our operating performance. We believe that such measure provides useful information to investors and others in understanding and evaluating our consolidated results of operations in the same manner as it helps our management. EBITDA does not have a standardised meaning prescribed by IFRS Accounting Standards and therefore may not be comparable to similar financial information presented by other issuers. The use of such non-IFRS Accounting Standards measure has limitations as an analytical tool, and should not be considered in isolation from, or as a substitute for analysis of our results of operations or financial conditions as reported under IFRS Accounting Standards.

The table below presents a reconciliation of (loss)/profit attribute to owners of the Company to EBITDA:

	Six months ended 30 June 2024	Six months ended 30 June 2023
	US\$'000	US\$'000
(Loss)/profit attributable to owners of the Company	(963)	82,974
Income tax	117	123
Finance costs	10,144	10,883
Depreciation		
– Own assets	41,986	45,014
– Right-of-use assets	2,841	2,861
Amortisation of casino licence premium	1,358	1,358
EBITDA	55,483	143,213



### Events after Reporting Period

Upon the maturity of the 2024 Senior Notes on 6 July 2024, the Company fully repaid the outstanding principal amount of US\$472.2 million of the 2024 Senior Notes together with the interest accrued to the maturity date.

Save as disclosed above, no major subsequent events have occurred since the end of the Period and up to the date of this interim report.

### Sustainability and ESG

On 19 April 2024, the Stock Exchange published New Climate Requirements aligned with the IFRS Accounting Standards S2 Climate-related Disclosures (“IFRS S2”) after a public consultation. Listed companies must report according to the New Climate Requirements, or Part D of the ESG Code contained in Appendix C2 (formerly Appendix 27) to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”), from financial years commencing on or after 1 January 2025. To address companies’ readiness and data availability issues, the Stock Exchange introduced a phased approach and implementation reliefs to facilitate listed companies’ adoption of the New Climate Requirements (*Source: The Stock Exchange, 19 April 2024*). The Stock Exchange is among the world’s first exchanges to adopt the IFRS Sustainability Standards (also known as the International Sustainability Standards Board (ISSB) Standards). It joins more than 20 jurisdictions representing over half of global GDP to adopt the ISSB Standards, in part or in full, in their legal or regulatory frameworks (*Source: IFRS, 28 May 2024*). The IFRS Sustainability Standards comprise the IFRS S1 and IFRS S2 Standards. The standards aim to establish a universal language for companies to communicate sustainability-related risks and opportunities.

Published on 28 June 2024, the Code on Environment and Natural Resources serves to integrate Cambodia’s environmental laws and regulations across government ministries and functions, acting as a guiding compass to enhance environmental protection, conservation, and restoration of natural resources, biodiversity, and ecological functions for sustainable livelihood and development in Cambodia (*Source: Khmer Times, 1 July 2024*). With temperatures in Cambodia peaking to their highest in 170 years in April and May 2024, the Group acknowledges the worsening physical climate and its potential impacts that may translate to business risks (*Source: Bloomberg, 29 April 2024*).

To this end, the Group continues to monitor the impact of climate change on its business and stakeholders through its Task Force on Climate-related Financial Disclosures (TCFD)-aligned climate risk assessment. Also, in February 2024, the Board approved the following implementations, taking the Group’s environmental commitments to greater heights: (i) established a Sustainability Governance Structure; (ii) set 2030 environmental targets for carbon emissions, electricity use, water use and food waste; and (iii) adopted an Environmental Policy.

In June 2024, the Board and senior management attended a training workshop conducted by an external consultant to stay informed about global and regulatory developments in sustainability and sustainability reporting, and understand how the Group’s decarbonisation efforts can be further advanced.

## MANAGEMENT DISCUSSION AND ANALYSIS

### PROJECT UPDATES AND PROSPECTS

#### Update on Naga 3 Project

The foundation and structural works for the basement floors of the Naga 3 project have been broadly completed. Clearing, cleaning and defect rectification works are on-going and are expected to be fully completed by the fourth quarter of 2024.

#### Update on Vladivostok Project

As disclosed in the announcement of the Company dated 3 March 2022, the Company has suspended its performance under the Investment Agreement in respect of the Vladivostok Project due to force majeure event. Hence, the development of the Vladivostok Project has been suspended indefinitely until the circumstance is clearer.

During the Period, the Group recognized a total impairment loss of US\$89.1 million (six months ended 30 June 2023: Nil) on property, plant and equipment and prepayments for construction in relation to the Vladivostok Project. Such impairment was due to an increase in discount rate used for the purpose of determining the project present value and the lower business volume expected to be generated from the Vladivostok Project.

#### Prospects

Cambodia's economy continues to demonstrate strong post-pandemic resilience driven by the continued growth of the service sector in tourism and the manufacturing sector, despite rising external challenges and risks from geopolitical tensions and the potential impact of global economic slowdown.

The tourism sector is one of the major contributors to GDP growth in Cambodia amidst the country's rapid economic growth and transformation. The ongoing recovery of tourism in Asia Pacific and the upswing of Chinese outbound tourism are key catalysts for boosting sustainable tourism and economic development. The RGC has been in talks with various countries to introduce direct flights and launch new routes between Cambodia and countries such as the Philippines, Turkey, Australia and several European nations (*Source: Khmer Times, 12 March 2024, 23 March 2024, 18 July 2024 & 9 August 2024*). The under-construction Phnom Penh Techo Takhmao International Airport is nearing completion and expected to be operational by 2025 with capacity for up to 13 million passengers annually during the first phase of operation, anticipating the ability to facilitate and drive more leisure and business travellers to Cambodia (*Source: Khmer Times, 25 June 2024*). This new airport is part of the RGC's roadmap aimed at turning Cambodia into a world-class tourist destination in the long-term, acting as a booster for the country's economic growth and infrastructure advancement with new routes and destinations. The RGC expects annual international arrivals to reach 7 million by 2025, surpassing the pre-pandemic level of 6.6 million arrivals in 2019 (*Source: Khmer Times, 5 July 2024*).

The RGC has been developing joint action plans and implementing several strategies to attract tourists. In addition to the "China Ready" strategy of targeting Chinese tourists, Cambodia is also actively participating in the ASEAN Tourism initiative, forming partnerships with countries such as Thailand and Vietnam to boost regional tourism (*Source: Khmer Times, 18 June 2024*). In order to make travel to Cambodia easier and

## MANAGEMENT DISCUSSION AND ANALYSIS

attractive, the country has been improving its infrastructure and hospitality services. The launch of the “Year of People-to-People Exchanges” in the beginning of 2024 between China and Cambodia has been injecting stronger vitality into the development of bilateral relations in the areas of culture, tourism and economy. With these comprehensive and distinctive mechanisms, Cambodia remains optimistic that investment and tourism between the two countries will further improve, by attracting more Chinese tourists and investors (*Source: Khmer Times, 11 April 2024*).

The RGC is committed in facilitating more investment from Thailand through various potential opportunities, with a target of attaining bilateral trade of US\$15 billion by 2025 (*Source: Khmer Times, 6 February 2024*). This strong trade partnership will encourage more businesses to expand into Cambodia, leading to an increase in business visits. Similarly, with aims to elevate people-to-people ties, tourism and cultural relations between South Korea, the RGC also engaged with South Korea in proposing several initiatives to boost trade and tourism between the two countries by promoting direct flights between Siem Reap and major South Korea provinces such as Busan, Jeju and Incheon (*Source: Khmer Times, 20 May 2024*).

The RGC aims to become a high-middle-income country by 2030 and a high-income country by 2050 (*Source: Khmer Times, 21 February 2024*). The transition into a digitalization economy is necessary in achieving this goal with improved connectivity and digital literacy. In this regard, the need for data centers will continue to rise to support Cambodia’s rapid socio-economic development,

ensure reliable access to data and foster a conducive business environment. As part of the digitalization plan, Cambodia’s National Data Centre, which is expected to be fully operational by 2025, aims to improve the country’s administrative services (*Source: Asian Telecom, 12 January 2024*). Moreover, the strategic location of Cambodia in Southeast Asia makes the country an attractive location for regional data centers and an appealing destination for multinational corporations. Given the country’s sustained political and social stability, the RGC’s proactive measures to attract FDI, combined with efforts to improve digital infrastructure and ease of doing business, will encourage more international companies establishing operations in Cambodia, further contributing to the country’s economic growth and development.

Looking ahead, the Group is optimistic about its long-term growth prospects and outlook with Cambodia’s ongoing economic recovery and political stability. The Group is confident that the tourism sector will maintain its recovery momentum, driven by the return of international travel. NagaWorld, as the only integrated resort in Phnom Penh, will continue to benefit by attracting more visitors seeking entertainment and luxurious lifestyle offerings at competitive prices and value. The development of Naga 3 as a leading tourism asset for Cambodia aligns with the RGC’s vision and commitment in bolstering the tourism sector. This initiative positions Naga 3 as a key contributor to the regional tourism landscape, showcasing a shared dedication to elevating the global presence of Cambodia’s tourism.

# DISCLOSURE OF INTERESTS

## Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporations

The Directors and the chief executives of the Company who held office as at 30 June 2024 had the following interests in the Shares, underlying Shares or debentures of the Company at that date as recorded in the register of directors' and chief executives' interests required to be kept under section 352 of the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) (the "SFO") or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 (formerly Appendix 10) to the Listing Rules:

### (1) Interests in Shares

#### (a) Director

Name of Director	Capacity	Number of Shares Held	% of Total Issued Shares (Note 1)
Mr. Chen Yiy Fon	Interest of controlled corporation (Notes 2 and 3)	3,063,547,160	69.26 (L)
Mr. Chen Yiy Fon	Interest of controlled corporation (Note 4)	1,142,378,575	25.83 (L)

#### (b) Chief Executive

Name of Chief Executive	Capacity	Number of Shares Held	% of Total Issued Shares (Note 1)
Mr. Chen Yiy Hwuan	Beneficiary of a discretionary trust (Note 3)	1,531,773,583	34.63 (L)
Mr. Chen Yiy Hwuan	Beneficial owner (Note 3)	291,036,980	6.58 (L)

Notes:

- Based on 4,422,990,160 Shares in issue as at 30 June 2024.
- SAKAI PRIVATE TRUST COMPANY PTE. LTD. ("The Sakai Trustee") as trustee of The Sakai Trust, a Jersey law governed discretionary family trust established by the late Tan Sri Dr. Chen Lip Keong ("Dr. Chen"), who passed away on 8 December 2023, as settlor for the purposes of succession planning, directly holds 1,979,803,846 Shares and indirectly holds an aggregate of 1,083,743,314 Shares through its wholly-owned subsidiaries, ChenLipKeong Capital Limited ("CLK Capital"), LIPKCO Group Limited ("LGL") and LIPKCO ENTERPRISES LIMITED ("LEL"). The Sakai Trustee is therefore deemed to be interested in the Shares held by CLK Capital, LGL and LEL. The Sakai Trustee is entrusted with legal title to the trust assets for the benefit of the late Dr. Chen and his family. The Sakai Trustee is wholly owned by SAKAI GLOBAL HOLDINGS LTD. ("Sakai Global") which is in turn accustomed to act in accordance with the directions of Mr. Chen Yiy Fon and Mr. Chen Yepern and both of them are members and directors of Sakai Global after the passing away of Dr. Chen. Hence, Mr. Chen Yiy Fon is deemed to be interested in the Shares held by The Sakai Trustee.

## DISCLOSURE OF INTERESTS

3. After the passing away of Dr. Chen, out of the 3,063,547,160 Shares under The Sakai Trust, a total of 1,531,773,577 Shares can be distributed pursuant to its terms (including 367,625,657 Shares to Mr. Chen Yiy Fon and 291,036,980 Shares to each of Mr. Chen Yiy Hwuan, Mr. Chen Yepern, Mr. Chen Cherchi and Mr. Chen Cien Then). The Sakai Trust continues to hold the 1,531,773,577 Shares on trust for specific beneficiaries (including 367,625,657 Shares for Mr. Chen Yiy Fon and 291,036,980 Shares for each of Mr. Chen Yiy Hwuan, Mr. Chen Yepern, Mr. Chen Cherchi and Mr. Chen Cien Then), until their respective directions; and 1,531,773,583 Shares on trust on a discretionary basis (each of Mr. Chen Yiy Fon, Mr. Chen Yiy Hwuan, Mr. Chen Yepern, Mr. Chen Cherchi and Mr. Chen Cien Then is a beneficiary thereof), and The Sakai Trustee is the trustee.
4. Such interests represent 1,142,378,575 Settlement Shares or such Adjusted Settlement Shares (both as defined in the circular of the Company dated 22 July 2019 (the "Circular")) for the development funding of the Naga 3 Project (as defined in the Circular) that will be issued to ChenLipKeong Fund Limited ("CLK Fund") upon the completion of the Guaranteed Maximum Sum Design and Build Agreement and the Subscription Agreement (both as defined in the Circular) on or before 30 September 2029 or such other extended date as is agreed between the parties. The Sakai Trustee, which holds the entire issued share capital of CLK Fund as the trustee of The Sakai Trust, is wholly owned by Sakai Global which is in turn accustomed to act in accordance with the directions of Mr. Chen Yiy Fon and Mr. Chen Yepern and both of them are members and directors of Sakai Global after the passing away of Dr. Chen. Hence, Mr. Chen Yiy Fon is deemed to be interested in the Shares which will be held by The Sakai Trustee.
5. The Letter "L" denotes a long position in the Shares.

### (2) Interests in Debentures

Name of Director	Capacity	Amount of Debentures Held
Mr. Chen Yiy Fon	Interest of controlled corporation <sup>(Note)</sup>	US\$45,000,000

Note:

CLK Capital held an aggregate principal amount of US\$45,000,000 of the 2024 Senior Notes. The notes could not be converted into Shares. Sakai Global (being the ultimate holding company of CLK Capital) is accustomed to act in accordance with the directions of Mr. Chen Yiy Fon and Mr. Chen Yepern and both of them are members and directors of Sakai Global after passing away of Dr. Chen. Hence, Mr. Chen Yiy Fon was deemed to be interested in the 2024 Senior Notes held by CLK Capital. The 2024 Senior Notes had been repaid in full by the Company upon their maturity on 6 July 2024.

Save as disclosed above, as at 30 June 2024, none of the Directors or the chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code.

## DISCLOSURE OF INTERESTS

### Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 June 2024, the substantial Shareholders and other persons (other than the Directors and the chief executives of the Company), who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 in Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein, were as follows:

#### (1) Substantial Shareholders

Name of Substantial Shareholder	Capacity	Number of Shares Held	% of Total Issued Shares (Note 1)
Sakai Global	Interest of controlled corporation (Note 2)	4,205,925,735	95.09 (L)
The Sakai Trustee	Beneficial owner	1,979,803,846	44.76 (L)
The Sakai Trustee	Interest of controlled corporations (Note 2)	1,083,743,314	24.50 (L)
The Sakai Trustee	Interest of controlled corporation (Notes 2 and 4)	1,142,378,575	25.83 (L)
LGL	Beneficial owner	804,445,667	18.19 (L)
CLK Fund	Beneficial owner (Note 4)	1,142,378,575	25.83 (L)
Mr. Chen Yepern	Interest of controlled corporation (Notes 2 and 3)	3,063,547,160	69.26 (L)
Mr. Chen Yepern	Interest of controlled corporation (Notes 2 and 4)	1,142,378,575	25.83 (L)
Mr. Chen Cherchi	Beneficiary of a discretionary trust (Notes 3)	1,531,773,583	34.63 (L)
Mr. Chen Cherchi	Beneficial owner (Note 3)	291,036,980	6.58 (L)
Mr. Chen Cien Then	Beneficiary of a discretionary trust (Notes 3)	1,531,773,583	34.63 (L)
Mr. Chen Cien Then	Beneficial owner (Note 3)	291,036,980	6.58 (L)

## DISCLOSURE OF INTERESTS

### (2) Other Persons

Name of Shareholder	Capacity	Number of Shares Held	% of Total Issued Shares (Note 1)
Mr. Chan Kin Sun	Beneficial owner	209,859,338	4.74 (L)
Mr. Chan Kin Sun	Interest of spouse	12,736,068	0.29 (L)
Ms. Cheng Kwan Ying Jennifer	Beneficial owner	12,736,068	0.29 (L)
Ms. Cheng Kwan Ying Jennifer	Interest of spouse	209,859,338	4.74 (L)

Notes:

- Based on 4,422,990,160 Shares in issue as at 30 June 2024.
- Such interests include (i) 1,979,803,846 Shares directly held by The Sakai Trustee, as trustee of The Sakai Trust, a Jersey law governed discretionary family trust established by the late Dr. Chen, who passed away on 8 December 2023, as settlor for the purposes of succession planning. The Sakai Trustee is entrusted with legal title to the trust assets for the benefit of the late Dr. Chen and his family; (ii) 1,083,743,314 Shares indirectly held by The Sakai Trustee through CLK Capital, LGL and LEL; and (iii) 1,142,378,575 Shares to be held by CLK Fund (as referred to note 4 below for details). All of CLK Capital, LGL, LEL and CLK Fund are in turn wholly owned by The Sakai Trustee as the trustee of The Sakai Trust. The Sakai Trustee is therefore deemed to be interested in the Shares held by CLK Capital, LGL, LEL and CLK Fund. Furthermore, The Sakai Trustee is wholly owned by Sakai Global which is in turn accustomed to act in accordance with the directions of Mr. Chen Yiy Fon and Mr. Chen Yepern and both of them are members and directors of Sakai Global after the passing away of Dr. Chen. Hence, Mr. Chen Yepern and Sakai Global are deemed to be interested in the Shares held by The Sakai Trustee.
- After the passing away of Dr. Chen, out of an aggregate of 3,063,547,160 Shares under The Sakai Trust, a total of 1,531,773,577 Shares can be distributed pursuant to its terms (including 367,625,657 Shares to Mr. Chen Yiy Fon and 291,036,980 Shares to each of Mr. Chen Yiy Hwuan, Mr. Chen Yepern, Mr. Chen Cherchi and Mr. Chen Cien Then). The Sakai Trust continues to hold 1,531,773,577 Shares on trust for specific beneficiaries (including 367,625,657 Shares for Mr. Chen Yiy Fon and 291,036,980 Shares for each of Mr. Chen Yiy Hwuan, Mr. Chen Yepern, Mr. Chen Cherchi and Mr. Chen Cien Then) until their respective directions; and 1,531,773,583 Shares on trust on a discretionary basis (each of Mr. Chen Yiy Fon, Mr. Chen Yiy Hwuan, Mr. Chen Yepern, Mr. Chen Cherchi and Mr. Chen Cien Then is a beneficiary thereof), and The Sakai Trustee is the trustee.
- Such interests represent 1,142,378,575 Settlement Shares or such Adjusted Settlement Shares (both as defined in the Circular) for the development funding of the Naga 3 Project (as defined in the Circular) that will be issued to CLK Fund upon the completion of the Guaranteed Maximum Sum Design and Build Agreement and the Subscription Agreement (both as defined in the Circular) on or before 30 September 2029 or such other extended date as is agreed between the parties.
- The Letter "L" denotes a long position in the Shares.

Save as disclosed above, as at 30 June 2024, no other persons (other than the Directors and the chief executives of the Company) had interests or short positions in the Shares or the underlying Shares which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 in Part XV of the SFO, or which would be required, pursuant to section 336 of the SFO, to be entered in the register referred to therein.

## DISCLOSURE OF INTERESTS

### Share Option Scheme and Share Award Scheme

#### (1) Share Option Scheme

On 20 April 2016, the Company adopted a share option scheme (the “Share Option Scheme”) for the purpose of providing incentive or reward to any employees, executives or officers, directors of the Group or any invested entity and any consultant, business associates, adviser or agent of any member of the Group or any invested entity, who have contributed or will contribute to the growth and development of the Group or any invested entity.

Since its adoption and up to 30 June 2024, no share option has been granted by the Company under the Share Option Scheme. Accordingly, there were no outstanding share options as at 30 June 2024. At the beginning and end of the Period, the total number of Shares available for grant under the Share Option Scheme was 226,998,887 Shares, representing approximately 5.13% of the Shares in issue (i.e. 4,422,990,160) as at 30 June 2024.

#### (2) Share Award Scheme

The Company has adopted a share award scheme (the “Share Award Scheme”) on 28 January 2021 with the purposes and objectives to attract skilled and experienced personnel, to incentivise them to remain with the Group and/or to recognise their contribution to the Group and to motivate them to strive for the future development and expansion of the Group by providing them with the opportunity to obtain equity interests in the Company.

Pursuant to the Share Award Scheme, share awards may be granted to the participants credited as fully paid for non-cash consideration by way of incentive remuneration in respect of such participants’ past service, current and prospective roles with, and/or contributions to, the Group.

Participants of the Share Award Scheme will comprise the Directors (including executive Directors, non-executive Directors and independent non-executive Directors), the directors of the subsidiaries of the Company and the employees of the Group who the Board considers, in its absolute discretion, have contributed or will contribute to the Group.

The Share Award Scheme is valid for a term of 10 years from the adoption date, unless terminated earlier.

No share awards have been granted under the Share Award Scheme since its adoption and up to 30 June 2024. At the beginning and end of the Period, the total number of Shares available for grant under the Share Award Scheme was 217,050,402 Shares, representing approximately 4.91% of the Shares in issue (i.e. 4,422,990,160) as at 30 June 2024.

Apart from the foregoing, at no time during the six months ended 30 June 2024 was the Company, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.



# INDEPENDENT REVIEW OF INVESTMENT RISKS IN CAMBODIA

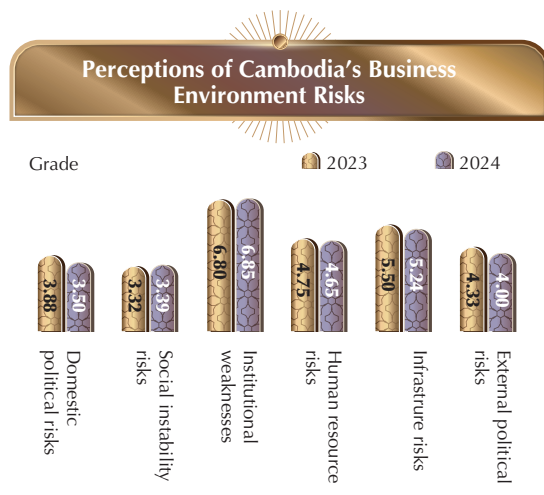
Political and Economic Risk Consultancy, Ltd. ("PERC")  
 Room 2302, 23/F, Lee Garden Two  
 28 Yun Ping Road, Causeway Bay  
 Hong Kong

## TO THE BOARD OF NAGACORP LTD.

We have assessed and reviewed Cambodia's political, social, investment, and macroeconomic risks related to NagaCorp's casino, hotel, and entertainment business

operations. In arriving at our findings below, we have taken into account, amongst others, domestic political risks, social instability risks, institutional weaknesses, human resource risks, infrastructure risks, and external political risks.

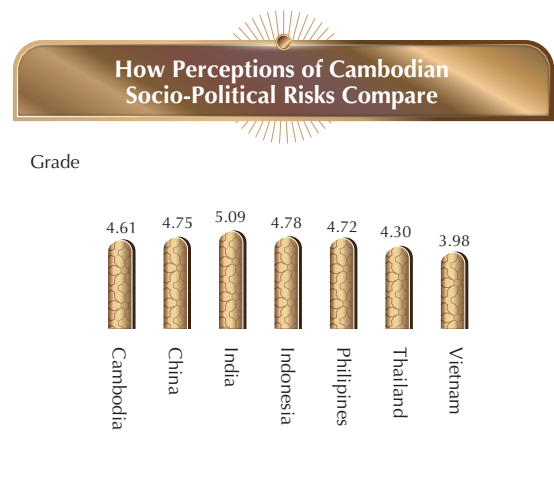
Based on the assessments and reviews carried out between mid-November 2023 and the end of December 2023, we summarised our findings below:



Grades range from zero to 10, with zero being the best grade possible and 10 the worst.

We quantify investment risks in Cambodia through the measure of the following variables:

- Domestic political risks
- Social instability risks
- Institutional weaknesses
- Human resource risks
- Infrastructure risks
- External political risks



Grades range from zero to 10, with zero being the best grade possible and 10 the worst.

Each variable comprises several sub-variables relating to specific aspects of the assessed category. The weighted sum of the grades for sub-variables equals the score of a broader variable, while the weighted sum of the grades of the broad variables defines overall investment risks in Cambodia. We have treated each variable as having equal importance or weight.

## INDEPENDENT REVIEW OF INVESTMENT RISKS IN CAMBODIA

### SUMMARY

Cambodia's biggest concerns going into 2024 are economic rather than political. Events of the past year have answered previous outstanding political questions in reassuring ways. The country has been able to orchestrate a smooth leadership transition. The new government's policies continue those practiced by the previous government. The general population is supportive of the new leadership, which is centered on Prime Minister Hun Manet, the son of the former prime minister, Mr. Hun Sen. The position of the ruling Cambodian People's Party has never been stronger.

Although long-standing factions within the CPP remain a feature of the political scene, all factions have supported the new government. In part, that is because Hun Sen is still present to support his son's transition and to ensure that other factions do not challenge him. It is also partly due to an expansion in the number of special advisors to the prime minister, so key factions have been able to orchestrate generational leadership changes of their own in ways that have protected their influence.

The downside of this transition is that the number of special advisors has grown so large that it is unwieldy and forces the new prime minister to play a more direct role in a wide range of matters. Although the total number of people in advisory positions is large, the prime minister is taking guidance from a much smaller number of experienced advisors who also had the trust of and worked closely with his father. The prime minister is also listening closely to private sector business leaders, including foreign investors, to ensure their biggest concerns are being addressed in ways that protect and enhance the business environment at a time when economic conditions remain challenging.

Cambodia's economy has moved beyond the COVID-19 pandemic but has not returned to its pre-pandemic levels. Most of the reasons for this delayed economic recovery are external. Unfortunately, that means they are largely beyond the ability of the government to control and are likely to disappoint those hoping for a speedy rebound.

Overall growth will remain below pre-pandemic levels for another few years. Construction and several categories of real estate, such as the luxury condominium and office markets, are undergoing corrections. As a result, instead of leading the economy's expansion as they did in the years immediately preceding COVID-19, these industries were a drag on the economy in the second half of 2023 and are likely to remain so in 2024. The most significant adverse influences include a downturn in demand in the US and Europe for some of Cambodia's biggest exports like garments, the continuing reluctance of Mainland Chinese to travel outside their country, and the inflationary impact and other economic disruption caused by the Ukraine and Gaza wars.

All of these negative external factors are likely to continue to impede growth in 2024, just as they did in 2023. Cambodia will also have to contend with the slowness with which the US Federal Reserve lowers interest rates, possible fallout from further strains in US-China relations, and continuing economic weakness in China, the US, and Europe. The new Cambodian government has a more nuanced foreign policy that has positioned the country well to maintain stable relations with all key players, including China, the US, and other ASEAN member countries.

## INDEPENDENT REVIEW OF INVESTMENT RISKS IN CAMBODIA

There will be a few positive external developments. For example, more direct investment will likely flow into Cambodia as multinationals adjust their supply lines and try to reduce their reliance on China for sourcing. Still, Cambodia's domestic economy will have to contend with a continuing correction in the local residential real estate market in 2024, with limited growth in consumer spending due to low wage increases and slow job growth, and with a rise in non-performing loans, which will put pressure on the financial sector.

### POSITIVE DEVELOPMENTS

- The government has gone through its first leadership transition in modern history. It was orchestrated peacefully and has fortified confidence in Cambodia's social and political stability.
- The new government's policies will be consistent with those of the previous government. One change likely to be made is greater attention to the environment, such as by reducing reliance on coal, which should be welcomed by those involved in the green tourism industry.
- The new prime minister is changing how he filters the information he gets. First, he relies more on a small number of people with considerable experience. Second, he is listening more to committees of different private sector leaders to discuss specific issues of importance and is acting on this advice.
- The government has further strengthened its special relationship with Mainland China over the past year, even as it has also improved

its relations with other countries, including Vietnam, the US, Thailand, and the EU. Moreover, there has been less negative fallout for Cambodia from Russia's war in Ukraine and Israel's war against Hamas in Gaza than there has been for many other countries. This is likely to continue to be the case in 2024.

- Cambodia is succeeding in growing the number of tourists from sources other than the Mainland. The sharpest increases in percentage terms have been from Russia and other Eastern European countries, while the most significant gains in numerical terms have been from countries like Thailand, Vietnam, Laos, Japan, and South Korea.

### THE CHALLENGES

- Official growth figures exaggerate how fast the GDP and some of its components are expanding. The traditional engines of growth – tourism, manufacturing, and construction -- are still experiencing problems. Most causes are external, but the coming year will still be difficult for the private sector. The real estate and financial sectors are experiencing the most significant challenges, but the overall level of consumer spending is weak and likely to remain so in 2024.
- The political transition has involved a bloating of the government, with the appointment of 1,422 secretaries and undersecretaries of state. A team as top-heavy as this will be challenging to coordinate and will make it difficult for Hun Manet to delegate authority easily during his first year in office.

## INDEPENDENT REVIEW OF INVESTMENT RISKS IN CAMBODIA

- Perceptions of some risks are worse than the actual situation. This relates to the stability of the political system and personal security threats. The challenge Cambodia faces is to align perceptions better with reality. These risks are lower than they are often portrayed in the media and lower than the same variables in other countries in the region. Cambodia is more stable than is often appreciated. The challenge is how best to improve perceptions.
- The high costs of using some kinds of infrastructure (mainly power), inadequate development of specific services like waste management, and poor maintenance make physical infrastructure issues some of the most substantial considerations for many foreign investors and a factor that will limit the future economic growth rate.
- Perhaps the most significant human resources shortcoming is the shortage of well-educated labor with strong specialist skills. Labor productivity has declined since the COVID-19 pandemic. That is mainly because there has been a shift in labor from higher-productivity manufacturing to lower-productivity agriculture. The government is trying to transition the economy from a low-skilled, labor-intensive growth model to a skills-driven one. However, progress toward that goal will only be achieved slowly and depends on further improvements in the education system.

### **Robert Broadfoot**

*Managing Director PERC*

Hong Kong, 10 January 2024

### **ABOUT THE REVIEWER**

Robert Broadfoot researched and wrote the report on the review of investment risks in Cambodia. Mr. Broadfoot is the founder and Managing Director of Political & Economic Risk Consultancy, Ltd. (PERC). Established in 1976, PERC is headquartered in Hong Kong and engaged principally in the monitoring and auditing of country risks in Asia. From this base, PERC manages a team of researchers and analysts in the ASEAN countries, the Greater China region, and South Korea. Corporations and financial institutions use PERC's services to assess key trends and critical issues shaping the region, identify growth opportunities, and develop effective strategies for capitalising on these opportunities.

PERC helps companies understand how politics and other subjective variables shape the business environment. Such variables may be difficult to quantify but can nevertheless have a critical impact on investment performance and, therefore, have to be factored into the decision-making process, which is the function of PERC's services. PERC's value lies in the organisation's experience, its Asian network of seasoned analysts, its emphasis on primary research, its complete independence from any vested interest groups, its pioneering work in the technical aspects of country risk research, its discretion, and its integrated, regional approach to analysis.

# CORPORATE GOVERNANCE AND OTHER INFORMATION

## **Compliance with Corporate Governance Code**

The Board is committed to maintaining a high standard of corporate governance and ensuring integrity, transparency and comprehensive disclosure.

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 C1 (formerly Appendix 14) to the Listing Rules (the “CG Code”) for the Period.

## **Compliance with Model Code**

The Company has adopted the Model Code as the code of conduct in respect of transactions in securities of the Company by the Directors. Having made specific enquiries by the Company, all the Directors confirm that they have complied with the required standard set out in the Model Code regarding securities transactions by the Directors during the Period.

## **Purchase, Sale or Redemption of the Company’s Listed Securities**

The Company did not redeem any of its listed securities nor did the Company or any of its subsidiaries purchase or sell any of such securities during the Period.

## **Audit Committee**

The audit committee of the Board (the “Audit Committee”) is responsible for overseeing, among other things, the objectivity and credibility of financial reporting of the Company and the effectiveness of the risk management and internal control systems of the Group as well as maintaining an appropriate relationship with the external auditor of the Company. The Audit Committee consists of three independent non-executive Directors, namely Mr. Lim Mun Kee (Chairman), Mr. Michael Lai Kai Jin and Mr. Leong Choong Wah.

During the Period, the Audit Committee has reviewed, among other things, the financial reports and statements as well as the internal control framework of the Company. In addition, the Audit Committee held private sessions with the external auditor without the presence of the management. The Audit Committee reviewed the report from the Group’s Internal Audit Department and deliberated on the report regarding risk management and internal controls in the business operations of the Group.

The Audit Committee has reviewed this interim report, and in particular the condensed consolidated financial statements for the Period and the financial standards adopted by the Group, and was of the opinion that the preparation of such financial statements complied with the applicable accounting standards and requirements and that adequate disclosure has been made.

### **Nomination Committee**

The nomination committee of the Board (the “Nomination Committee”) is responsible for reviewing the structure, size and composition of the Board to ensure that it has a balance of appropriate skills, knowledge, experience and diversity of perspectives for the needs of the businesses of the Group, and makes recommendations to the Board in the above areas. The Nomination Committee undertakes to identify individuals suitably qualified to become a Director and to nominate such individuals to the Board for directorship. It also assesses the independence of independent non-executive Directors, makes recommendations to the Board on the appointment, re-appointment and succession plans for Directors, and reviews and monitors the implementation of the Board Diversity Policy and the Nomination Policy.

The Nomination Committee consists of Mr. Michael Lai Kai Jin (Chairman), Mr. Lim Mun Kee and Mr. Leong Choong Wah.

During the Period, the Nomination Committee nominated Mr. Lim Mun Kee and Mr. Leong Choong Wah, the retired Directors, for re-election by the Shareholders at the Company’s 2024 annual general meeting (the “2024 AGM”). It has also assessed the independence of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules.

### **Remuneration Committee**

The remuneration committee of the Board (the “Remuneration Committee”) is responsible for making recommendations to the Board on the Company’s policy for and structure of remuneration of the Directors and senior management of the Company.

The Remuneration Committee consists of Mr. Michael Lai Kai Jin (Chairman), Mr. Lim Mun Kee and Mr. Leong Choong Wah.

During the Period, the Remuneration Committee reviewed the remuneration of the Directors and senior management; and considered and proposed granting the authorisation to the Board to fix the Directors’ remuneration for the year ending 31 December 2024 for the Shareholders’ approval at the 2024 AGM.

### **Risk Management and Internal Control**

The Board plays a key role in overseeing risks undertaken by considering risks as part of the strategy setting process. The Company has an established risk framework under which it identifies risks relevant to the operations and activities of the Group, and assesses these risks in relation to their likelihood and potential impacts. Such systems are designed to manage, rather than eliminate the risk of failure to achieve business objectives, and aims to provide a reasonable, as opposed to an absolute assurance, against material misstatement or loss. Under the framework, management is primarily responsible for the design, implementation and maintenance of the risk management and internal control systems, while the Board and the Audit Committee oversee the actions of management and monitor the effectiveness of these systems in safeguarding the Group’s assets. This risk management and internal control framework is reviewed annually by the Audit Committee on behalf of the Board.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

Besides, the Company has in place an AML Procedure Manual, which takes into account regulatory requirements and expectations, as well as industry demands, to ensure that regulatory compliance is maintained at the highest monitoring standards. The Board was also satisfied that the Company complies with the code provisions relating to internal control contained in the CG Code.

### Internal Controls on Anti-Money Laundering

In order to ensure that the Company maintains a high standard for compliance and integrity on anti-money laundering (“AML”), the Company has established a program designed to protect its reputation and mitigate AML risks. NagaCorp’s long-term sustainability and success is dependent on its integrity and transparency in its daily gaming operations in relation to the world’s best practices on AML. The Company has in place a four-tier AML control structure comprising:

Tier 1 – An AML Management Committee, led by the Compliance Officer and supported by senior managers from various key operational departments, is tasked with ensuring that the Company adopts policies and procedures as governed by the AML Procedure Manual in its day to day operational activities.

Tier 2 – Internal audit of AML procedures to ensure that the Company is in compliance with AML policies, with the results of such audits reported to the Audit Committee and the AML Oversight Committee.

Tier 3 – AML Oversight Committee established at the Board level, chaired by the non-executive chairman of the Board, which meets on a quarterly basis to review the work and reports of the AML Management Committee and Internal Audit Department. Matters of significance are then reported to the Board for deliberation.

Tier 4 – External audit of the Company’s AML procedures. The Company engages an AML specialist firm which carries out a biannual audit of the Company’s AML procedures, which includes work conducted by the AML Management Committee. The report of this external AML audit for the year 2024 will be enclosed in our annual report for the financial year ending 31 December 2024.

The AML Oversight Committee consists of Mr. Timothy Patrick McNally (Chairman), Mr. Michael Lai Kai Jin and Mr. Chen Yiy Fon. During the Period, the AML Oversight Committee considered, among other things, reports from the independent professional party and the AML Management Committee in relation to the internal controls of the Group.

## CORPORATE GOVERNANCE AND OTHER INFORMATION

### **Independent Review of Investment Risks in Cambodia**

Since the listing of the Company, the Company has engaged Political and Economic Risk Consultancy, Ltd., an independent professional party, to assess and review on an annual basis, the political, social, investment and macro-economic risks in Cambodia, and discloses its findings in the Company's annual and interim reports. For more details, please refer to the section headed "Independent Review of Investment Risks in Cambodia" on pages 31 to 34 in this interim report.

### **Disclosure under Rule 13.21 of the Listing Rules**

On 6 July 2020, a written agreement (the "Notes Indenture") was entered into among the Company as issuer of US\$350 million of the 2024 Senior Notes (the "Original Notes"), NagaCorp (HK) Limited, NAGAWORLD LIMITED, NagaCity Walk Limited, Naga 2 Land Limited and Naga 3 Company Limited, companies wholly and beneficially owned by the Company and collectively as guarantors, and GLAS Trust Company LLC as trustee of the Original Notes, pursuant to which the Original Notes were issued. The Notes Indenture provides that upon the occurrence of a Change of Control (as defined in the Notes Indenture), the Company will make an offer to repurchase all outstanding Original Notes at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest and Additional Amounts (as defined in the Notes Indenture), if any, at the date of repurchase. Please refer to the announcements of the Company dated 22 June 2020, 24 June 2020 and 6 July 2020 for details about the Original Notes.

On 30 September 2020, a supplemental indenture to the Notes Indenture was entered into among the Company, the guarantors under the Original Notes, Ariston Sdn. Bhd. ("Ariston") and GLAS Trust Company LLC as trustee of the Original Notes, pursuant to which Ariston was added as a subsidiary guarantor under the Original Notes.

On 15 June 2021, the Company issued the additional US\$200 million 2024 Senior Notes (the "Additional Notes"). The Additional Notes were issued on the same terms and conditions (other than the issue date and the offer price) and were consolidated and formed the same series as the Original Notes. Since the principal terms of the Additional Notes are the same as the terms of the Original Notes, the change of control provisions under the Notes Indenture remains unchanged and apply to the Additional Notes. These Original Notes and Additional Notes are not convertible into Shares. Please refer to the announcements of the Company dated 7 June 2021 and 15 June 2021 for details about the Additional Notes.



**Changes in Directors' Information pursuant to Rule 13.51B(1) of the Listing Rules**

The changes in the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules are set out below:

**Philip Lee Wai Tuck, Executive Deputy Chairman and Executive Director**

- basic salary has been revised to US\$46,837 per month effective 1 January 2024

**Leong Choong Wah, Independent Non-Executive Director**

- SWIFT ENERGY TECHNOLOGY SDN. BHD., of which he is a director, was converted into a public limited company and adopted its present name, SWIFT ENERGY TECHNOLOGY BERHAD effective 19 April 2024

Save as disclosed above, since the date of the Company's 2023 annual report and up to the date of this interim report, there had not been any other changes in the Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

# CONDENSED CONSOLIDATED STATEMENT OF INCOME

for the six months ended 30 June 2024 (unaudited)  
(Expressed in United States dollars)

	Notes	Six months ended 30 June	
		2024	2023
		\$'000 (Unaudited)	\$'000 (Unaudited)
<b>Revenue</b>	4	<b>292,756</b>	263,029
Gaming tax	7	(17,286)	(15,147)
Cost of sales		(44,425)	(45,164)
<b>Gross profit</b>		<b>231,045</b>	202,718
Other income		7,657	3,012
Administrative expenses		(40,431)	(23,214)
Other operating expenses		(99,863)	(88,536)
Impairment of property, plant and equipment	11	(48,852)	—
Impairment of prepayments for construction	11	(40,258)	—
<b>Profit from operations</b>		<b>9,298</b>	93,980
Finance costs	5	(10,144)	(10,883)
<b>(Loss)/profit before taxation</b>	6	<b>(846)</b>	83,097
Income tax	7	(117)	(123)
<b>(Loss)/profit attributable to owners of the Company</b>		<b>(963)</b>	82,974
<b>(Loss)/earnings per share (US cents)</b>			
<b>Basic</b>	9	<b>(0.02)</b>	1.88
<b>Diluted</b>	9	<b>(0.02)</b>	1.88

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2024 (unaudited)  
(Expressed in United States dollars)

	Six months ended 30 June	
	2024	2023
	\$'000 (Unaudited)	\$'000 (Unaudited)
<b>(Loss)/profit for the period</b>	<b>(963)</b>	82,974
<b>Other comprehensive income for the period:</b>		
Item that may be reclassified subsequently to profit or loss:		
– exchange differences from translation of foreign operations	<b>1,943</b>	(2,449)
<b>Total comprehensive income attributable to owners of the Company for the period</b>	<b>980</b>	80,525

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2024 (unaudited)

(Expressed in United States dollars)

	Notes	30 June 2024	31 December 2023
		\$'000 (Unaudited)	\$'000 (Audited)
<b>Non-current assets</b>			
Property, plant and equipment	11	1,944,113	2,016,155
Right-of-use assets		74,664	77,505
Intangible assets	12	58,405	59,763
Prepayments for acquisition, construction and fitting-out of property, plant and equipment	11	157,181	182,326
Promissory notes	13	5,726	5,576
		<b>2,240,089</b>	2,341,325
<b>Current assets</b>			
Consumables		2,083	2,344
Trade and other receivables	14	25,322	39,589
Restricted bank balances		491,098	19,217
Cash and cash equivalents		79,674	348,381
		<b>598,177</b>	409,531
<b>Current liabilities</b>			
Trade and other payables	15	195,310	169,376
Senior notes	16	472,119	471,021
Contract liabilities		6,923	6,793
Lease liabilities		4,461	3,977
Current tax liability		2,148	2,031
		<b>680,961</b>	653,198
<b>Net current liabilities</b>		<b>(82,784)</b>	(243,667)
<b>Total assets less current liabilities</b>		<b>2,157,305</b>	2,097,658

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

at 30 June 2024 (unaudited)  
(Expressed in United States dollars)

	Notes	30 June 2024	31 December 2023
		\$'000 (Unaudited)	\$'000 (Audited)
<b>Non-current liabilities</b>			
Other payables	15	8,927	15,641
Shareholder's loan	17	70,000	–
Contract liabilities		4,000	7,000
Lease liabilities		48,752	50,371
		<b>131,679</b>	73,012
<b>NET ASSETS</b>		<b>2,025,626</b>	2,024,646
<b>CAPITAL AND RESERVES</b>			
Share capital		55,288	55,288
Reserves		1,970,338	1,969,358
<b>TOTAL EQUITY</b>		<b>2,025,626</b>	2,024,646

Approved and authorised for issue by the Board on 27 August 2024.

Timothy Patrick McNally  
*Chairman*

Philip Lee Wai Tuck  
*Executive Deputy Chairman*

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2024 (unaudited)  
(Expressed in United States dollars)

	Share capital	Share premium	Capital redemption reserve	Merger reserve	Capital contribution reserve	Other reserve	Exchange reserve	Retained profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2023</b>	54,777	751,356	151	(12,812)	55,568	316,060	(3,689)	687,916	1,849,327
<b>Changes in equity for the six months ended 30 June 2023:</b>									
Profit for the period	-	-	-	-	-	-	-	82,974	82,974
Other comprehensive income									
– exchange difference from translation of foreign operations	-	-	-	-	-	-	(2,449)	-	(2,449)
Total comprehensive income for the period	-	-	-	-	-	-	(2,449)	82,974	80,525
Issue and allotment of scrip dividend shares under scrip dividend scheme	511	-	-	-	-	-	-	(511)	-
<b>Balance at 30 June 2023 (unaudited)</b>	55,288	751,356	151	(12,812)	55,568	316,060	(6,138)	770,379	1,929,852
Profit for the period	-	-	-	-	-	-	-	94,758	94,758
Other comprehensive income									
– exchange difference from translation of foreign operations	-	-	-	-	-	-	36	-	36
Total comprehensive income for the period	-	-	-	-	-	-	36	94,758	94,794
<b>Balance at 31 December 2023 (audited)</b>	55,288	751,356	151	(12,812)	55,568	316,060	(6,102)	865,137	2,024,646

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
for the six months ended 30 June 2024 (unaudited)  
(Expressed in United States dollars)

	Share capital	Share premium	Capital redemption reserve	Merger reserve	Capital contribution reserve	Other reserve	Exchange reserve	Retained profits	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 January 2024</b>	55,288	751,356	151	(12,812)	55,568	316,060	(6,102)	865,137	2,024,646
<b>Changes in equity for the six months ended 30 June 2024:</b>									
Loss for the Period	-	-	-	-	-	-	-	(963)	(963)
Other comprehensive income									
– exchange difference from translation of foreign operations	-	-	-	-	-	-	1,943	-	1,943
Total comprehensive income for the Period	-	-	-	-	-	-	1,943	(963)	980
<b>Balance at 30 June 2024 (unaudited)</b>	55,288	751,356	151	(12,812)	55,568	316,060	(4,159)	864,174	2,025,626

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2024 (unaudited)  
(Expressed in United States dollars)

	Six months ended 30 June	
	2024	2023
	\$'000 (Unaudited)	\$'000 (Unaudited)
<b>Cash generated from operations</b>	<b>171,193</b>	134,005
Tax paid	–	–
<b>Net cash generated from operating activities</b>	<b>171,193</b>	134,005
<b>Investing activities</b>		
Interest received	<b>5,894</b>	4,106
Increase in restricted bank balances	<b>(471,881)</b>	(17)
Decrease in promissory notes	–	945
Payment for purchase of property, plant and equipment and for construction cost of property	<b>(26,370)</b>	(25,596)
Proceeds from disposal of property, plant and equipment	<b>5,100</b>	6
<b>Net cash used in investing activities</b>	<b>(487,257)</b>	(20,556)
<b>Financing activities</b>		
Interest paid	<b>(18,768)</b>	(18,768)
Loan from a shareholder	<b>70,000</b>	–
Payment for lease liabilities	<b>(3,875)</b>	(8,603)
<b>Net cash generated from/(used in) financing activities</b>	<b>47,357</b>	(27,371)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(268,707)</b>	86,078
<b>Cash and cash equivalents at beginning of period</b>	<b>348,381</b>	156,004
<b>Cash and cash equivalents at end of period</b>	<b>79,674</b>	242,082



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (unaudited)  
(Expressed in United States dollars)

## 1. Corporate information

NagaCorp Ltd. (the “Company”, together with its subsidiaries, the “Group”) is a company incorporated in the Cayman Islands and has its principal place of business at NagaWorld, Samdech Techo, Hun Sen Park, Phnom Penh, Kingdom of Cambodia.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2024 (the “Period”) comprise the Company and its subsidiaries.

The unaudited condensed consolidated financial statements are expressed in United States dollars.

## 2. Basis of preparation

The unaudited condensed consolidated financial statements for the Period have been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board (the “IASB”) and the applicable disclosure requirement of Appendix D2 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 historical cost basis.

## 3. Principal accounting policies

The unaudited condensed consolidated financial statements contain 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 2023. The unaudited condensed consolidated financial statements do not include all of the information required for a full set of annual financial statements prepared in accordance with all applicable IFRS Accounting Standards adopted by the IASB, and should be read in conjunction with the audited consolidated financial statements for the financial year ended 31 December 2023 (the “2023 annual financial statements”).

Except as disclosed below, the unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies and the method of computation adopted by the Group in the 2023 annual financial statements.

Adoption of new or amended IFRS Accounting Standards effective on 1 January 2024:

Amendments to IAS 1	Classification of Liabilities as Current or Non-current
Amendments to IAS 1	Non-current liabilities with Covenants
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements
Amendments to IFRS 16	Lease Liabilities in a Sale and Leaseback

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (unaudited)  
(Expressed in United States dollars)

### 3. Principal accounting policies (continued)

None of the new or amended IFRS Accounting Standards have a material effect on the reported results or financial position of the Group for both current and prior reporting periods. The Group has not early applied any new or amended IFRS Accounting Standards that is not yet effective for the current accounting period.

### 4. Revenue

Revenue represents net house takings arising from casino operations and income from other operations and is recognised from contracts with customers.

	Six months ended 30 June	
	2024	2023
	\$'000 (Unaudited)	\$'000 (Unaudited)
Casino operations – gaming tables	222,057	187,414
Casino operations – electronic gaming machines ("EGM")	61,334	64,896
Hotel room income, sales of food and beverage and others	9,365	10,719
	<b>292,756</b>	263,029

### 5. Finance costs

	Six months ended 30 June	
	2024	2023
	\$'000 (Unaudited)	\$'000 (Unaudited)
Interest expenses and transaction costs relating to senior notes (note 16)	20,348	19,865
Interest on lease liabilities	2,738	3,048
Other interest expenses	286	262
	<b>23,372</b>	23,175
Less: Interest expenses capitalised into capital work in progress	(13,228)	(12,292)
	<b>10,144</b>	10,883

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (unaudited)  
(Expressed in United States dollars)

### 6. (Loss)/profit before taxation

(Loss)/profit before taxation is arrived at after charging:

	Six months ended 30 June	
	2024	2023
	\$'000 (Unaudited)	\$'000 (Unaudited)
Amortisation of casino licence premium <sup>#</sup>	1,358	1,358
Depreciation and amortisation <sup>#</sup>		
– Own assets	41,986	45,014
– Right-of-use assets	2,841	2,861
Impairment loss of trade receivables	5,510	1,200
Impairment loss of other receivables	3,658	—
Impairment of property, plant and equipment	48,852	—
Impairment of prepayments for construction	40,258	—
Staff costs <sup>#</sup>		
– Salaries, wages and other benefits	51,160	39,078
– Contributions to defined contribution retirement scheme	255	255

# included in other operating expenses in the unaudited condensed consolidated statements of income.

### 7. Gaming tax and income tax

#### (a) Gaming tax

The gaming tax of \$17,286,000 for the Period (six months ended 30 June 2023: \$15,147,000) was levied on gross gaming revenue in accordance with the Law on the Management of Commercial Gambling (the “Casino Law”) effective from 1 January 2021.

#### (b) Income tax in the profit or loss represents:

	Six months ended 30 June	
	2024	2023
	\$'000 (Unaudited)	\$'000 (Unaudited)
Current tax expenses		
– Current period	117	123

Income tax for the period represents income tax on NagaWorld Limited Hotel and Entertainment Branch, the Group’s branch registered in Cambodia.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (unaudited)  
(Expressed in United States dollars)

### 8. Dividends payable to owners of the Company attributable to the period

The Board does not recommend the payment of interim dividend for the Shareholders for the Period (six months ended 30 June 2023: Nil).

### 9. (Loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the consolidated loss attributable to owners of the Company of \$963,000 (six months ended 30 June 2023: profit of \$82,974,000) and the weighted average number of shares of 4,422,990,160 (six months ended 30 June 2023: 4,422,990,160) in issue during the Period.

There were no dilutive potential shares during the Period (six months ended 30 June 2023: Nil).

### 10. 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 senior executive management (the "SEM") for the purpose of resource allocation and performance assessment.

- Casino operations: this segment comprises all gaming activities at both Naga 1 and Naga 2 (the "Combined NagaWorld Complex"), Naga 3 and in Russia.
- Hotel and entertainment operations: this segment comprises the operations of leisure, hotel and entertainment activities.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (unaudited)  
(Expressed in United States dollars)

### 10. Segment information (continued)

#### Segment revenue and results

The SEM monitors the revenue and results attributable to each reportable segment as follows:

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.

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

	Casino operations	Hotel and entertainment operations	Total
	\$'000	\$'000	\$'000

#### Segment revenue:

##### Six months ended 30 June 2024 (Unaudited):

Timing of revenue recognition:

– At point in time	252,723	4,974	257,697
– Transferred over time	30,668	4,391	35,059

Revenue from external customers	283,391	9,365	292,756
Inter-segment revenue	(153)	2,461	2,308

Reportable segment revenue	282,238	11,826	295,064
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##### Six months ended 30 June 2023 (Unaudited):

Timing of revenue recognition:

– At point in time	217,705	5,683	223,388
– Transferred over time	34,605	5,036	39,641

Revenue from external customers	252,310	10,719	263,029
Inter-segment revenue	(161)	1,709	1,548

Reportable segment revenue	252,149	12,428	264,577
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#### Segment profit/(loss):

Six months ended 30 June (Unaudited)

<b>2024</b>	<b>72,912</b>	<b>(13,486)</b>	<b>59,426</b>
2023	155,211	(4,013)	151,198

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (unaudited)  
(Expressed in United States dollars)

### 10. Segment information (continued)

#### Segment revenue and results (continued)

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

	Six months ended 30 June	
	2024	2023
	\$'000 (Unaudited)	\$'000 (Unaudited)
<b>Revenue</b>		
Reportable segment revenue	295,064	264,577
Elimination of inter-segment revenue	(2,308)	(1,548)
<b>Consolidated revenue</b>	<b>292,756</b>	263,029
<b>Profit</b>		
Reportable segment profit	59,426	151,198
Other revenue	4,662	14
Depreciation and amortisation	(46,185)	(49,233)
Finance costs	(10,144)	(10,883)
Unallocated head office and corporate expenses	(8,605)	(7,999)
<b>Consolidated (loss)/profit before taxation</b>	<b>(846)</b>	83,097

### 11. Property, plant and equipment and prepayments for acquisition, construction and fitting out of property, plant and equipment

During the Period, the Group acquired property, plant and equipment totalling \$24,514,000 (six months ended 30 June 2023: \$17,698,000).

During the Period, the Group recognised a total impairment loss of \$89,110,000 (six months ended 30 June 2023: Nil) on property, plant and equipment and prepayments for construction in relation to the gaming and resort development project in Vladivostok, Russia (the "Vladivostok Project"). Such impairment was due to an increase in discount rate used for the purpose of determining the present value and the lower business volume expected to be generated from the Vladivostok Project.

### 12. 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 2045 with cost of \$123,002,000 and accumulated amortisation of \$64,597,000 (31 December 2023: \$63,239,000).

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (unaudited)  
(Expressed in United States dollars)

### 13. Promissory notes

On 6 September 2013, the Company entered into an investment agreement (the "Investment Agreement") with certain Russian governmental authorities pursuant to which the Company agreed to invest at least RUB11.6 billion (approximately \$350.0 million based on then current exchange rates), in the Vladivostok Project.

In December 2014, in accordance with the terms of the Investment Agreement including the requirement to obtain a bank guarantee, the Company's subsidiary remitted approximately \$8.9 million from its Hong Kong bank account to a Russian bank account of the Company's Russian subsidiary Primorsky Entertainment Resorts City LLC. This amount was deposited in the same Russian bank as fixed deposits against which promissory notes were subsequently issued. Primorsky Entertainment Resorts City LLC purchased these promissory notes in RUB to provide collateral for the issuance of a bank guarantee from the same bank required under the Investment Agreement. In February 2023, after the expiry of the old promissory notes, new promissory notes in total of RUB400,000,000 (approximately \$5,726,000 (31 December 2023: \$5,576,000)) bear an interest of 6.8% per annum and the maturity date of which is 895 days until 30 July 2025 were issued by another Russian bank for a new bank guarantee.

### 14. Trade and other receivables

	30 June 2024	31 December 2023
	\$'000 (Unaudited)	\$'000 (Audited)
Trade receivables	7,660	13,804
Prepayments	4,575	5,727
Deposits and other receivables	13,087	20,058
	<b>25,322</b>	39,589

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

	30 June 2024	31 December 2023
	\$'000 (Unaudited)	\$'000 (Audited)
Current to within 1 month	3,734	4,165
1 to 3 months	1,421	744
3 to 6 months	1,378	1,238
6 to 12 months	935	6,613
More than 1 year	192	1,044
	<b>7,660</b>	13,804

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (unaudited)  
(Expressed in United States dollars)

### 14. Trade and other receivables (continued)

The credit policy for gaming receivables is five to thirty days (31 December 2023: five to thirty days) from end of tour. The credit policy on non-gaming receivables is thirty days from end of month (31 December 2023: thirty days from end of month).

### 15. Trade and other payables

	30 June 2024	31 December 2023
	\$'000 (Unaudited)	\$'000 (Audited)
Trade payables ( <i>Note</i> )	26,295	14,337
Unredeemed casino chips	4,871	9,572
Deposits	14,232	17,131
Construction creditors	1,557	1,528
Interest payable	18,702	18,220
Accruals and other creditors	84,293	75,828
Gaming tax payables	54,287	48,401
	<b>204,237</b>	185,017
Less: current portion	<b>(195,310)</b>	(169,376)
Non-current portion	<b>8,927</b>	15,641

*Note:*

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

	30 June 2024	31 December 2023
	\$'000 (Unaudited)	\$'000 (Audited)
Due within 1 month or on demand	5,469	5,415
Due after 1 month but within 3 months	9,032	7,256
Due after 3 months but within 6 months	10,809	1,639
Due after 6 months but within 1 year	985	27
Total	<b>26,295</b>	14,337



## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (unaudited)  
(Expressed in United States dollars)

### 16. Senior notes

On 6 July 2020 and 15 June 2021, the Company issued senior notes of an aggregate principal amount of \$350 million and \$200 million, respectively, with maturity on 6 July 2024 (the “2024 Senior Notes”). The 2024 Senior Notes bear interest at a rate of 7.95% per annum, payable semi-annually in arrears on 6 January and 6 July of each year, commencing on 6 January 2021. The 2024 Senior Notes were listed on the Singapore Exchange Securities Trading Limited and could not be converted into shares of the Company.

Please refer to the announcements of the Company dated 22 June 2020, 24 June 2020, 6 July 2020, 7 June 2021 and 15 June 2021 for details about the 2024 Senior Notes.

The obligations under the 2024 Senior Notes were secured by guarantees given by certain subsidiaries of the Company. Following the cancellation of the repurchased 2024 Senior Notes with aggregate principal amount of \$77,845,000 during the year ended 31 December 2022, the 2024 Senior Notes of an aggregate principal amount of \$472,155,000 remained outstanding as at 31 December 2023 and 30 June 2024. Upon the maturity of the 2024 Senior Notes on 6 July 2024, the Company fully redeemed the outstanding principal and interests of the 2024 Senior Notes.

In connection with the issue of the 2024 Senior Notes, ChenLipKeong Capital Limited (“CLK Capital”) has subscribed for the 2024 Senior Notes with principal amount of \$45,000,000. CLK Capital is directly and wholly-owned by SAKAI PRIVATE TRUST COMPANY PTE. LTD. (“The Sakai Trustee”), in its capacity as the trustee of The Sakai Trust, a discretionary family trust set up by the late Tan Sri Dr. Chen Lip Keong (“Dr. Chen”) was settlor for the benefit of himself and his family. The interest expenses payable to the related company for the Period amounted to \$1,789,000 (six months ended 30 June 2023: \$1,789,000).

### 17. Shareholder’s loan

On 17 October 2023, the Company entered into a loan agreement (the “Loan Agreement”) with CLK Capital (which is directly and wholly-owned by The Sakai Trustee, in its capacity as the trustee of The Sakai Trust which is in turn a controlling shareholder of the Company), to provide a loan of up to \$80 million at an interest rate of 8% per annum to the Company for the purpose of refinancing and/or discharging part of the outstanding 2024 Senior Notes upon their maturity on 6 July 2024.

On 31 May 2024, the Company drew down \$70 million, which is repayable on or before the second anniversary of such advance pursuant to the Loan Agreement.

Please refer to the announcements of the Company dated 17 October 2023, 12 December 2023 and 2 June 2024 for details about the shareholder’s loan.

## NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2024 (unaudited)  
(Expressed in United States dollars)

### 18. Capital commitments

The Group had the following capital commitments as at the end of reporting period:

	30 June 2024	31 December 2023
	\$'000 (Unaudited)	\$'000 (Audited)
Hotel and casino complex, – contracted but not incurred	<b>3,136,601</b>	3,145,781

### 19. Related party transactions

In addition to the information disclosed in notes 16 and 17 to the condensed consolidated financial statements, transactions entered into between the Group and its related parties are as follows:

#### Balance with related companies

As at 30 June 2024, amounts due from related companies of \$244,000 (31 December 2023: \$244,000) are included in trade and other receivables as disclosed in note 14 to the condensed consolidated financial statements. The balance is unsecured, interest-free and repayable on demand. The maximum amount during the Period was \$244,000 (six months ended 30 June 2023: \$244,000).

As at 30 June 2024, amount due the late Dr. Chen of \$10,655,000 (31 December 2023: \$10,894,000) are included in trade and other payables as disclosed in note 15 to the condensed consolidated financial statements. The balance is unsecured, interest-free and repayable on demand.

### 20. Contingent Liabilities

Prior to the promulgation of the Casino Law, NAGAWORLD LIMITED paid monthly gaming and non-gaming obligation payments to the Ministry of Economy and Finance of Cambodia (“MOEF”). Additional obligation payments (if any), other than those paid during prior years, are subject to the future development in this matter and instruction from the MOEF. Other than the additional obligation payments, there were no other contingent liabilities as at 30 June 2024.