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NAGACORP

金界控股有限公司

NAGACORP LTD.

金界控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3918)

**VOLUNTARY ANNOUNCEMENT
REOPENING OF BUSINESS**

The Board of NagaCorp Ltd. (the “**Company**” or “**NagaCorp**”, together with its subsidiaries (the “**Group**”)) is pleased to announce that the Cambodian Ministry of Health (the “**MOH**”) has executed a Memorandum of Understanding (“**MOU**”) dated 30 June 2020 with the Company to give consent to NagaWorld Limited, a wholly-owned subsidiary of the Company, to reopen only the VIP and Slot Gaming Machines businesses of the Group.

The MOU shall be effective within one week from the date of signing (i.e. 30 June 2020) after the establishment of certain measures required by the MOH. Hence the MOU is conditional and was entered into as a pilot project, which provides the Company with the privilege to reopen its business subject to health rules and requirements imposed by the MOH.

On 4 July 2020, a technical team of the MOH had conducted a physical site inspection of the casino premises of NagaWorld and concluded that the Company is in compliance with requirements of the health rules and also with the Standard Operating Procedure (SOP) as set by the MOH in the prevention of the spread of COVID-19. As a result, a Certificate of Clearance was issued in favor of the Company and consent was given to the Company to reopen the VIP and Slot Gaming Machines businesses on 8 July 2020, one week after execution of the MOU which will become unconditional with effect from 7 July 2020.

This is a voluntary announcement made by the Company to provide the shareholders and potential investors of the Company with a business update. The information contained in this announcement is based on a preliminary information currently available to the Company and the information contained in this announcement is subject to change.

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

CHOICE OF NAGAWORLD BY THE MOH TO CONDUCT THE PILOT PROJECT

NagaWorld is a world-class casino and the choice of NagaWorld by the MOH as the most representative member of the gaming industry in Cambodia is based on following reasons:

1. **The only casino in the city center:** For the sake of administrative convenience, the MOH has chosen NagaWorld as it is the only casino in the city center. The Company, through its wholly-owned subsidiary, is licensed to operate casinos in Cambodia for a period of 70 years, expiring in 2065. During this 70-year period, the Group has exclusive rights up to 2045 to operate casinos within a 200-kilometre radius of Phnom Penh (except the Cambodia-Vietnam border area, Bokor, Kirirom Mountains and Sihanoukville).
2. **The biggest private sector investment in the gaming industry and the biggest casino in the Kingdom of Cambodia:** Naga 1, Naga 2 and the proposed Naga 3 reinvestment project is the single biggest private sector investment in the gaming industry in Cambodia since the first general election held in 1993 after the Paris Peace Accord.
3. **Employment:** The Group is already one of the biggest employers in Cambodia. Naga 1 and Naga 2 are currently employing about 8,500 employees. The proposed Naga 3 is expected to be several times the size of Naga 1 and Naga 2 combined and is expected to have about 18,000 employees upon completion.
4. **Contribution to the economy:** The Group has raised the international economic profile, attracted foreign direct investment (FDI), enhanced tourism and contributed to the socio-economic development of Cambodia. In 2018, the Group contributed approximately 23% of local GDP tourism growth and approximately 1.3% of national GDP in Cambodia (*Source: Cambodian MOEF classification of rooms and F&B compare with the Group's 2018 Annual Report*).
5. **Promoting Investor Confidence:** NagaCorp is the first IPO gaming counter in Hong Kong and is the first company with operations in Cambodia ever listed outside Cambodia. It is symbolic of the economy of Cambodia. It is anticipated that the investment of Naga 1 and Naga 2 and the reinvestment of the proposed Naga 3 of about US\$3.5 billion shall further boost confidence of the economic climate of Cambodia.

CAUTIOUSNESS OF THE ROYAL GOVERNMENT OF CAMBODIA TO REOPEN ECONOMY IN THE COVID ERA

COVID-19 Incidence Relatively Well Managed in the World

China's response to the COVID-19 pneumonia has set an example for the world to cope with the contagion and offered experiences to the world in advancing public health governance. There is a growing positive momentum in epidemic control nationwide in China because of comprehensively through and rigorous measures that China has taken to control COVID-19. Chinese President has said on several occasions that China's effort to curb the contagion not only to protect the safety and health of the Chinese people but to contribute to global public health (*Source: China Daily, 10 March 2020*). Given the close geopolitical relationship between China and Cambodia, Chinese expertise and experience together with the WHO and other experts are here to support the effort of Cambodia in combating this public health problem.

The Chinese government has sent seven medical experts together with a team of medical officers to Cambodia. The Chinese embassy in Cambodia has said that the medical experts were the first team of its kind to be sent to an ASEAN country to aid the COVID-19 fight.

The reopening of the VIP and Slot Gaming Machines businesses is a test run under the current condition and development of COVID-19. The number of COVID-19 cases in Cambodia are relative well contained and has won praise and accolade in the world. Total number of confirmed COVID-19 cases is 141 as of 1 July 2020, of which 117 cases (83%) are imported. 131 cases are cured (93% recovery rate) and zero death (*Source: Ministry of Health, Cambodia*).

The reopening of NagaWorld is a cautious approach and hence the guidelines issued by the MOH must be implemented. The MOH has advised that NagaWorld reopening is a model and has issued steps to be implemented as follows:

1. the reopening of the economy and hence reopening of the casino business is a step-by-step approach and shall serve as a template for application for reopening of business by other casinos, if there is any request for permission to reopen.
2. upon success achieved by NagaWorld of contributing to combat the COVID-19 situation, it is expected that other members of the casino industry in Cambodia shall sign a similar MOU with the MOH, comply with the measures imposed by the MOH and shall have a full set of standard operating procedures (“SOP”) in the operation of the business amid the COVID-19 pandemic.

MOU SIGNED BETWEEN NAGACORP AND THE MOH

On 30 June 2020, the MOH signed the MOU with the Company, to give consent to NagaWorld to resume the VIP and Slot Gaming Machines businesses, with the mass market business to be resumed at a later date. The key terms of the MOU are as follows:

I. Purpose of the MOU

The purpose of the MOU was entered into for the purpose of allowing NagaWorld, a wholly-owned subsidiary of the Company, to reopen its VIP and Slot Gaming Machines businesses in Phnom Penh, during the COVID-19 pandemic in Cambodia. The rest of the casino business shall reopen at a later date.

II. Effectiveness of the MOU

The MOU was signed by the MOH and the Company which shall be effective within one week from the date of the MOU after the establishment of the measures required by the MOH.

III. Obligation of NagaCorp

In the course of reopening its business, NagaCorp shall comply with the following measures:

- quarantine measures in force in accordance with the Sub-Decree No. 129 dated 17 September 2015 and the letter No. 101 of the MOH dated 15 May 2020;
- establishment of safety equipment at the casino premises;
- establishment of five isolation rooms for prevention measure in case any occurrence of the health issue of the guests;
- informing the MOH in case of positive COVID-19 found on any guest;
- being collaborate with the working group with the aim to supervise the re-opening of its VIP and Slot Gaming Machines businesses; and
- compliance with all relevant terms and preventive measures set by the guidelines in the SOP submitted to the MOH in respect to the prevention of the spread of COVID-19.

In case of non-compliance by NagaCorp of the above-mentioned measures, the MOH is entitled to give warning with specific timeframe for NagaCorp to rectify the issue and in case of not rectifying, the MOH shall reserve its rights including temporary suspension of the activities of the casino until the remedies have been rectified.

IV. Working Group

The MOH shall establish a working group to advise and supervise the ongoing business of NagaCorp. The working group shall consist of the officials from the MOH, Ministry of Economy and Finance, General Department of National Police and Phnom Penh Municipality and any other ministries or institutions which the MOH deems as necessary.

The officials of the working group shall be jointly appointed by the MOH and NagaCorp.

RESUMPTION OF BUSINESS AND PRECAUTIONARY MEASURES

Date of opening

On 4 July 2020, a technical team of the MOH had conducted a physical site inspection of the casino premises of NagaWorld and concluded that the Company is in compliance with requirements of the health rules and also with the SOP as set by the MOH in the prevention of the spread of COVID-19. As a result, a Certificate of Clearance was issued in favor of the Company and consent was given to the Company to reopen the VIP and Slot Gaming Machines businesses on 8 July 2020, one week after execution of the MOU which will become unconditional with effect from 7 July 2020.

Standard Operating Procedures

NagaWorld has submitted a set of SOP in the prevention of COVID-19 to the MOH as an attachment to the MOU. Since 25 January 2020, NagaWorld has already implemented a set of its SOP on the prevention of COVID-19.

Precautionary measures upon opening

Upon opening on 8 July 2020, NagaWorld shall have a full set of precautionary and preventive measures on the casino floor shown as follows:

a) **Body Temperature screening:**

All employees and visitors of NagaWorld are required to have their body temperature checked before entering the property. Infrared body temperature screening cameras are installed at all main entrances of the property.

b) **Mandatory Mask wearing:**

All employees and visitors of NagaWorld are mandatory to wear masks.

c) **Disinfection for public areas:**

Tightly scheduled disinfection is carrying out for all public areas (front of house and back of house) within the property. Sanitizers are available at every corners of the property.

d) **Social distancing at F&B outlets:**

Tables of restaurants are placed at 1.5 meters distance in between and only allowed 50% sitting capacity per table. Stop offering buffets with ala-carte orders only.

e) **Social distancing at gaming areas:**

Players of NagaWorld are required to wear mask during their play limited to maximum of three sitting players per table (reduce to 43% of table sitting capacity) and standing play is not allowed. Reduce 50% slot capacity to ensure social distancing by switching off every other slot position.

f) Isolation Rooms:

The Company shall establish 5 isolation rooms for prevention measure in case of any occurrence of the health issues of the guests.

DISCLAIMER

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

Hong Kong, 5 July 2020

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

Executive Directors

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

Non-executive Director

Timothy Patrick McNally

Independent Non-executive Directors

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

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