



(Incorporated in the Cayman Islands with limited liability)

Stock code: 3918

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2006

Financial Highlights for 2006:

- Revenue increased by 32.9% to US\$85.4 million
- Gross profit increased by 28.1% to US\$50.9 million
- Net profit increased by 30.8% to US\$32.6 million
- Total assets increased by 65.1% to US\$248.0 million
- Earnings of US cents 2.12 per share
- Interim dividend of US cents 1.25 per share
- Proposed special dividend of US cents 0.48 per share

The Board of Directors (the “Board”) of NagaCorp Ltd. (the “Company” and together with its subsidiaries the “Group”) is pleased to announce the audited consolidated financial results of the Group for the year ended 31 December 2006. The successful completion of the Company’s initial public offering (“IPO”) in October 2006 marked a significant achievement in our corporate development. The Board will like to share the profits of the Group with our shareholders some of whom have invested in our Company at the IPO and continued to hold shares in the Company. In consideration of the Company’s favourable financial results and the above reason, the Board recommends the payment of a special dividend of US cents 0.48 per share for the year ended 31 December 2006. No final dividend is recommended for the year under review.

CONSOLIDATED INCOME STATEMENT

	Notes	Year ended 31 December	
		2006 US\$'000	2005 US\$'000
Revenue	2	85,412	64,282
Cost of sales		(34,515)	(24,554)
Gross profit		50,897	39,728
Other revenue		1,671	53
Administrative expenses		(6,879)	(5,702)
Amortisation of casino licence premium		(3,547)	(1,282)
Depreciation		(374)	(356)
Other operating expenses		(7,629)	(6,148)
Profit before taxation		34,139	26,293
Income tax	3	(1,521)	(1,352)
Profit attributable to equity shareholders of the Company		32,618	24,941
Dividends payable to equity shareholders of the Company attributable to the year:	5		
Interim dividend declared during the year		18,000	20,737
Special dividend proposed after the balance sheet date		10,000	—
		28,000	20,737
Earnings per share (US cents)	4	2.12	1.92

CONSOLIDATED BALANCE SHEET

	Notes	As at 31 December	
		2006 US\$'000	2005 US\$'000
Non-current assets			
Fixed assets			
- Property, plant and equipment		46,868	34,152
- Interest in leasehold land held for own use under operating lease		674	685
Intangible assets		101,671	105,218
		<u>149,213</u>	<u>140,055</u>
Current assets			
Consumables		17	17
Trade and other receivables	7	12,132	9,444
Deposit payments for the purchase of raw materials	8	8,312	—
Cash at bank and in hand		78,301	670
		<u>98,762</u>	<u>10,131</u>
Current liabilities			
Trade and other payables	9	9,973	124,022
Current tax liabilities		11	2,754
Obligations under finance leases		2	3
Provisions		2,096	2,096
		<u>12,082</u>	<u>128,875</u>
Net current assets/(liabilities)		<u>86,680</u>	<u>(118,744)</u>
Total assets less current liabilities		235,893	21,311
Non-current liabilities			
Obligations under finance leases		11	15
NET ASSETS		<u>235,882</u>	<u>21,296</u>
CAPITAL AND RESERVES	10		
Share capital		25,938	15,500
Reserves		209,944	5,796
TOTAL EQUITY		<u>235,882</u>	<u>21,296</u>

Notes:

1. Principal accounting policies

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board ("IASB"). The consolidated financial statements are presented in United States dollars, rounded to the nearest thousand, and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with the IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. The adoption of the new and revised IFRSs has no material impact on the financial statements of the Group for the years ended 31 December 2005 and 31 December 2006. There were no changes in the accounting policies of the Group for the year ended 31 December 2006.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2. Revenue

Revenue represents net house takings arising from casino operations and income from other operations as follows:

	2006	2005
	US\$'000	US\$'000
Casino operations	82,023	62,599
Income from operating lease for the provision and maintenance of gaming machine stations	3,097	1,535
Other operations	292	148
	<u>85,412</u>	<u>64,282</u>

Revenue from other operations comprises income from a food and beverage outlet.

3. Income tax

	2006	2005
	US\$'000	US\$'000
Current tax expense	<u>1,521</u>	<u>1,352</u>

Income tax represents obligation payments of US\$126,563 (2005: US\$112,500) per month payable to the Ministry of Economy and Finance of Cambodia payable by NRCL Gaming Branch and minimum profits tax of US\$1,966 (2005: US\$1,840) for the NRCL Hotel and Entertainment Branch.

The Group is not subject to Hong Kong profits tax and Cayman Islands income tax for the current and prior financial year.

4. Earnings per share

The calculation of basic earnings per share is based on the consolidated profit attributable to equity shareholders of the Company of US\$32,618,000 (2005: US\$24,941,000) and the weighted average number of 1,541,048,745 (2005: 1,297,667,589) ordinary shares in issue during the year.

The weighted average number of ordinary shares are as follows:

	2006	2005
At 1 January	1,297,667,589	1,270,000,080
Effect of shares issued to Tan Sri Dr Chen Lip Keong in settlement of US\$55 million due to a related party	126,942,800	—
Effect of capitalisation issue	—	57,667,509
Effect of initial public offering	116,438,356	—
	<u>1,541,048,745</u>	<u>1,297,667,589</u>
At 31 December	<u>1,541,048,745</u>	<u>1,297,667,589</u>

There were no potential dilutive ordinary shares in existence during the years ended 31 December 2005 and 2006.

5. Dividends

	2006 US\$'000	2005 US\$'000
Interim tax exempt dividend declared:		
2005: US cents 1.67 per ordinary share	—	20,737
2006: US cents 1.25 per ordinary share	18,000	—
Special dividend proposed after the balance sheet date of US cents 0.48 per ordinary share (2005: US\$Nil per ordinary share)	10,000	—
	<u>28,000</u>	<u>20,737</u>

The interim dividend of US\$18,000,000 relating to the year ended 31 December 2006 was declared on 31 May 2006.

The special dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date. No final dividend is recommended for the year under review.

6. Segment information

Segment information is presented in respect of the Group's business segment. Business segment information is chosen as the primary reporting format because this is more relevant to the Group in making operating and financial decisions.

Business segments

	Casino operations US\$'000	Corporate and hotel and entertainment operations US\$'000	Total US\$'000
<i>Revenue from external customers:</i>			
Year ended 31 December			
2005	64,134	148	64,282
2006	85,121	291	85,412
	<u> </u>	<u> </u>	<u> </u>
<i>Segment profit/(loss) from operations:</i>			
Year ended 31 December			
2005	28,453	(2,160)	26,293
2006	38,748	(4,609)	34,139
	<u> </u>	<u> </u>	<u> </u>
<i>Segment assets:</i>			
31 December 2005	114,299	35,887	150,186
31 December 2006	116,915	131,060	247,975
	<u> </u>	<u> </u>	<u> </u>
<i>Segment liabilities:</i>			
31 December 2005	(123,792)	(5,098)	(128,890)
31 December 2006	(8,507)	(3,586)	(12,093)
	<u> </u>	<u> </u>	<u> </u>
<i>Total net assets/(liabilities):</i>			
31 December 2005	(9,493)	30,789	21,296
31 December 2006	108,408	127,474	235,882
	<u> </u>	<u> </u>	<u> </u>

Revenue and profit from "the corporate and hotel and entertainment operations" comprise income from the operation of a food and beverage outlet and restaurant. In addition to assets employed for the operation of the food and beverage outlet and restaurant, the assets of "the corporate and hotel and entertainment operations" also include leasehold land and capital work-in-progress for the NagaWorld project in Phnom Penh.

Geographical segments

The Group's operations and activities are located entirely in Cambodia.

Discontinued operations

There are no discontinued operations during the current year and prior year and there are no net assets relating to discontinued operations as at 31 December 2005 and 2006.

7. Trade and other receivables

	2006 US\$'000	2005 US\$'000
Trade receivables	8,351	7,467
Other receivables, deposits and prepayments (note)	3,940	2,136
Less: Allowance for doubtful debts	(159)	(159)
	<u>12,132</u>	<u>9,444</u>

Note: Included in other receivables, deposits and prepayments at 31 December 2005 were costs of US\$1,730,000 incurred in relation to the IPO which in 2006 have been offset against the proceeds within the share premium account.

The Company grants credit facilities, on an unsecured basis, to select specialised tour group ("STG") operators who have a good financial background or with whom the Company have had extended dealings over the past few years. The granting of a credit line with a limit up to US\$500,000 must be approved by the credit committee, while a credit line exceeding US\$500,000 must be approved by our Board-appointed executive committee.

Trade receivables (net of allowance for doubtful debts) expected to be recovered within twelve months from the balance sheet date are debtors with the following ageing analysis:

	2006 US\$'000	2005 US\$'000
Current to 1 month	5,635	6,268
1 to 3 months overdue	1,156	72
More than 3 months overdue	1,401	968
	<u>8,192</u>	<u>7,308</u>

8. Deposit payments for the purchase of raw materials

	2006 US\$'000	2005 US\$'000
Deposit payments for the purchase of raw materials	<u>8,312</u>	<u>—</u>

The deposit payments for the purchase of raw materials relate to deposits made for the purchase of materials for the construction of NagaWorld.

The materials have not been received by the Company at the year end. It is anticipated that the materials will be used in the construction of NagaWorld within one year.

9. Trade and other payables

	2006 US\$'000	2005 US\$'000
Trade payables	1,397	2,248
Deferred income	—	2,465
Unredeemed casino chips	3,641	4,635
Deposits	60	1,060
Construction creditors	1,365	647
Amount due to Ariston Holdings Sdn. Bhd. (note (a))	—	105,000
Non-gaming obligation payments and other taxes (note (b))	804	1,509
Tax penalties and late payment interest	939	1,622
Other creditors and accruals	1,767	2,811
Dividends payable	—	2,025
	<u>9,973</u>	<u>124,022</u>

Notes:

- (a) The amount due to Ariston Holdings Sdn. Bhd., a company controlled by the ultimate controlling shareholder, of US\$105 million as at 31 December 2005 related to the acquisition of the extended exclusivity period of the gaming license. The amount due to Ariston Holdings Sdn. Bhd. is unsecured, interest-free and repayable on demand. The amount due to Ariston Holdings Sdn. Bhd. has been settled during 2006 which comprised a capital contribution of US\$55 million and the issue of 202,332,411 ordinary shares in the Company with a fair value of US\$50 million.
- (b) Other taxes relate to salary taxes, fringe benefit taxes and withholding taxes.

Included in trade and other payables are trade creditors with the following aging analysis as of balance sheet date:

	The Group	
	2006 US\$'000	2005 US\$'000
Due within 1 month or on demand	118	86
Due after 1 month but within 3 months	477	31
Due after 3 months but within 6 months	1	134
Due over 6 months	801	1,997
	<u>1,397</u>	<u>2,248</u>
Total	<u>1,397</u>	<u>2,248</u>

10. Capital and reserves

	Share capital US\$'000	Share premium US\$'000	Reserve on consolidation US\$'000	Capital contribution reserve US\$'000	Exchange reserve US\$'000	Retained profits US\$'000	Total US\$'000
At 1 January 2005	15,500	—	(12,812)	568	—	13,836	17,092
Profit for the year	—	—	—	—	—	24,941	24,941
Interim dividend declared	—	—	—	—	—	(20,737)	(20,737)
At 31 December 2005	<u>15,500</u>	<u>—</u>	<u>(12,812)</u>	<u>568</u>	<u>—</u>	<u>18,040</u>	<u>21,296</u>
At 1 January 2006	15,500	—	(12,812)	568	—	18,040	21,296
Issue of shares	9,717	135,198	—	—	—	—	144,915
Capital contribution	—	—	—	55,000	—	—	55,000
Capitalisation issue	721	(721)	—	—	—	—	—
Profit for the year	—	—	—	—	—	32,618	32,618
Interim dividend declared	—	—	—	—	—	(18,000)	(18,000)
Exchange adjustments	—	—	—	—	53	—	53
At 31 December 2006	<u>25,938</u>	<u>134,477</u>	<u>(12,812)</u>	<u>55,568</u>	<u>53</u>	<u>32,658</u>	<u>235,882</u>

Share Capital

(i) Authorised:

	2006 US\$'000	2005 US\$'000
8,000,000,000 ordinary shares of US\$0.0125 each	<u>100,000</u>	<u>100,000</u>

(ii) Issued and fully paid:

	2006		2005	
	Number of shares	US\$'000	Number of shares	US\$'000
At 1 January	1,240,000,080	15,500	1,240,000,080	15,500
Shares issued during the year	777,332,411	9,716	—	—
Capitalisation issue	57,667,509	721	—	—
At 31 December	<u>2,075,000,000</u>	<u>25,937</u>	<u>1,240,000,080</u>	<u>15,500</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(iii) Shares issued during the year

On 11 May 2006, the Company issued 202,332,411 ordinary shares of US\$0.0125 each to Tan Sri Dr Chen Lip Keong pursuant to an agreement with, amongst others, Ariston Sdn. Bhd. and Ariston Holdings Sdn. Bhd. The fair value of the 202,332,411 ordinary shares was US\$50 million of which US\$2,529,155 was the par value of the ordinary shares issued and US\$47,470,845 was the premium on the issue of the ordinary shares.

On 17 October 2006 and 2 November 2006, as part of the Company's initial public offering on the Main Board of The Stock Exchange of Hong Kong Limited, the Company issued 575 million ordinary shares for gross proceeds amounting to approximately US\$105,416,667 of which US\$7,187,500 was the par value of the ordinary shares issued, US\$98,229,167 was the premium on the issue of the ordinary shares and US\$10,501,799 was the issue costs.

(iv) *Capitalisation issue*

On 4 October 2006, an amount of US\$720,844 standing to be credit of the share premium account was applied in paying up in full 57,667,509 ordinary shares of US\$0.0125 each which were allotted and distributed as fully paid to existing shareholders in the proportion of one for every 0.04 shares then held.

(v) *Capital contribution*

On 16 August 2006, the remaining US\$55 million due to Ariston Holdings Sdn. Bhd. was settled by way of a capital contribution of US\$55 million by the ultimate controlling shareholder, Tan Sri Dr Chen Lip Keong.

MANAGEMENT DISCUSSION & ANALYSIS

Results

Our gaming business demonstrated strong and steady growth. The financial year under review was a profitable one for our shareholders.

Revenue increased by 32.9% to approximately US\$85.4 million in 2006 from approximately US\$64.3 million in 2005. Profit before taxation increased to approximately US\$34.1 million in 2006 from approximately US\$26.3 million in 2005. Profit attributable to the equity shareholders of our Company amounted to approximately US\$32.6 million in 2006, representing an increase of 30.8% compared to approximately US\$24.9 million in 2005.

Business review

The political stability and economic expansion of Cambodia continued for the financial year under review. These are favourable conditions for the hospitality industry and our business operations. The number of visitor arrivals to Cambodia increased to around 1.7 million visitors in 2006 from around 1.4 million visitors in 2005. (Source: Ministry of Tourism, Cambodia)

In 2006, casino operations continued to be the mainstay of our revenue and contributed approximately US\$85.1 million, representing over 99.7% of the total revenue. Revenue derived from casino operations was approximately US\$64.1 million in 2005. The increase in revenue from casino operations was attributable mainly to the higher revenue contributions from our STG floor tables and public floor tables in 2006.

Revenue

STG Floor Tables

Revenue from our STG floor tables increased by 49.0% to approximately US\$52.6 million in 2006 from approximately US\$35.3 million in 2005 on account of quality STG Players who visited our casino and deposited more check-in amounts in 2006. Revenue from our STG floor tables accounted for 61.6% of our total revenue in 2006.

There were around 13,115 STG Players who visited our casino in 2006. The check-in amounts deposited by our STG Players increased by 35.6% to approximately US\$300.7 million in 2006 from approximately US\$221.7 million in 2005. The average check-in amounts per STG Player was approximately US\$22,900 per STG Player in 2006, representing an increase of 44.9% compared to US\$15,800 in 2005. We aim to attract quality players to our casino who are more likely to deposit higher check-in amounts and achieve higher rollings.

Public Floor Tables

Our public floor tables generated revenue of approximately US\$29.4 million in 2006 compared to approximately US\$25.8 million in 2005. Revenue derived from public floor tables accounted for 34.4% of our total revenue. The increase of 14.0% in revenue from our public gaming tables was attributed mainly to the higher buy-in amounts made by players which amounted to approximately US\$119.0 million in 2006 compared to approximately US\$102.1 million in 2005.

Gaming Machine Stations

Since 1 July 2005, we have received fixed income payments pursuant to the arrangements with an independent party for the provision of its gaming machine stations in our casino. For the first four years ending 30 June 2009, we will receive fixed income payments in aggregate of US\$10 million. For the next six years thereafter, we are given the right to elect to receive either fixed monthly payments or income based on pre-determined rates. Under the arrangements, we are not required to pay rental costs for the gaming machine stations provided by the independent party.

We recorded revenue derived from the gaming machine stations of approximately US\$3.1 million in 2006 compared to approximately US\$1.5 million in 2005. Revenue derived from casino operations in 2005 included revenue of approximately US\$1.7 million from gaming machine stations under the previous arrangement that expired by the end of June 2005.

As at the end of 2006, there were a total of 211 gaming machine stations offered for patronage in our casino (2005: 211 gaming machine stations).

Gross Profit

In 2006, we recorded cost of sales of approximately US\$34.5 million, which represented an increase of 40.2% over US\$24.6 million in 2005. The increase in cost of sales was attributable mainly to the rise in rollings achieved by STG Players and commissions paid to STG Operators and local operators.

The gross profit margins were 59.6% and 61.8% in 2006 and in 2005 respectively. The slight decline in gross profit margin reflected the larger rate of increase in cost of sales, as explained above, than that of revenue.

Operating Expenses

Staff costs rose to approximately US\$7.5 million in 2006 from approximately US\$6.1 million in 2005 on account of an increase in number of our employees to 978 employees in 2006.

The amortisation expense increased to approximately US\$3.5 million from approximately US\$1.3 million in 2005 as a result of the amortisation on the premium of US\$105 million for the extension of the exclusivity period of the Casino Licence for the whole of the financial year in 2006 compared to five months in 2005.

Finance Cost

We did not incur any significant finance costs as there were no significant financing arrangements in 2006.

Net Profit

Net profit increased to approximately US\$32.6 million in 2006 from approximately US\$24.9 million in 2005, representing an increase of 30.8%. The net profit margin was stable at 38.2% in 2006 compared to 38.8% in 2005.

Earnings per share was approximately US cents 2.12 (HK cents 16.5 per share) in 2006 compared to US cents 1.92 (HK cents 15.0 per share) in 2005.

Financial review

Pledge of Assets

As at 31 December 2006 the Group had not pledged any assets for bank borrowings (2005: US\$ Nil).

Contingent Liabilities

As at 31 December 2006, the Group had contingent liabilities of approximately US\$2.1 million in relation to litigation which has been provided in full.

Exchange Rate Risk

The Group's income is earned principally in United States dollars. The Group's expenditure is paid principally in United States dollars and to a lesser extent in Cambodian Riels. The Group therefore does not have any significant exposure to foreign currency risk. The Group does not enter into currency hedging transactions since it considers that the cost of such instruments outweigh the potential cost of exchange rate fluctuation.

Issue of New Shares

In the IPO, we issued a total of 575 million shares at HK\$1.43 each and raised gross proceeds of over HK\$822 million for, among other things, development of NagaWorld and gaming activities. The public tranche of the IPO was approximately 118 times over-subscribed.

Liquidity, Financial Resources and Gearing

As at 31 December 2006, the Group had total cash and bank balances of approximately US\$78.3 million (2005: approximately US\$0.7 million). The increase in cash balance during the year was mainly due to the proceeds raised from the issue of shares under the IPO. We expect our working capital and investments will be financed mainly by cash generated by our operations and proceeds from the IPO and, if necessary, other forms of financing.

As at 31 December 2006, the Group had net current assets of approximately US\$86.7 million (2005: net current liabilities of approximately US\$118.7 million). The Group had net assets of approximately US\$235.9 million (2005: approximately US\$21.3 million). The increase in net assets and net current assets was to a large extent attributed to the settlement of the amount due to Ariston Holdings Sdn. Bhd. of US\$105 million by 31 December 2006 in relation to the acquisition of the extended exclusivity period of the Casino License, and the net proceeds raised from the IPO.

As at 31 December 2006, the Group had no significant outstanding borrowings.

Capital and Reserves

As at 31 December 2006, the capital and reserves attributable to equity shareholders of our Company was approximately US\$235.9 million (2005: approximately US\$21.3 million). The capital and reserves increased on the back of the issue of new shares in connection with the IPO, the settlement of the consideration for acquisition of the extended exclusivity period of the Casino License by way of issue of new shares and capital contribution and the profit retained for the financial year under review.

Staff

At 31 December 2006, the Group employed a work force of 978 (2005: 938) stationed in Cambodia, Malaysia and Hong Kong. The remuneration and staff costs for the financial year under review was approximately US\$7.5 million (2005: approximately US\$6.1 million).

Application of IPO Proceeds

The net proceeds from the Company's IPO were approximately US\$94.9 million, after deduction of related expenses. In line with the description in the prospectus dated 6 October 2006 ("Prospectus") and the announcement issued in connection with the IPO, the net proceeds were utilised as follows:

Descriptions	Approximate net IPO proceeds (US\$ million)	Proceeds utilized as at	Remaining net IPO proceeds (US\$ million)
		31 December 2006 (US\$ million)	
Development of NagaWorld	69.5	17.2	52.3
Development of gaming activities such as installation of gaming equipment and tables and other ancillary equipment for public gaming floor in the hotel lobby	21.4	0.9	20.5
General working capital	4	2.7	1.3
Total	<u>94.9</u>	<u>20.8</u>	<u>74.1</u>

By the end of 2006, the construction of 60 rooms in the hotel wing of NagaWorld was completed in accordance with the schedule envisaged in the Prospectus. The installation of leisure, entertainment and recreational facilities together with the completion of levels 7 and 8 of the South Tower of the entertainment wing of NagaWorld was behind the schedule. The delay was caused mainly by the changes in internal design and layout of NagaWorld.

Prospect

We aim to become a world class casino operator with standards comparable to those casinos operating in countries such as Australia and the United States and for NagaWorld to become a preferred tourist destination, alongside Cambodia's ancient temples of Angkor. We will continue to expand our markets in the People's Republic of China and the participating countries in the Association of Southeast Asian Nations, including Thailand and Vietnam.

Thanks to the continued political stability and economic development, Cambodia has witnessed the ever-increasing number of tourists who visit the country for leisure and business purposes. The economic, cultural and social developments seen in recent years are conducive to our business operations and plan to become the preferred tourist destination.

Internally, we are closely monitoring the construction of NagaWorld to ensure that it will be completed within budget as envisaged in the Prospectus and related announcements. It is expected that another 157 rooms will be completed by the first half of 2007. Subject to the progress of construction and implementation, it is expected that NagaWorld will be completed by the end of 2007.

We have increased slowly our table limit from US\$18,000 up to US\$50,000. Together with the opening of more tables, it is expected that revenue and the table win per day shall increase with limited adverse impact on the stability of our earnings.

Externally, we have entered into advanced discussions with the Ministry of Tourism and the Municipality of Phnom Penh to devise and implement a multi-faceted strategy for enhancing tourism in Phnom Penh. We will assist and participate, to the extent possible, in the strategy which, if materialised is expected to involve the creation of tourist attractions, the organisation of tourism related events and an increase in the number of flights to the capital.

We are also in talks with the Cambodian Government in respect of acting as a tourism representative of the Cambodian Government in major Asian cities and in tourism promotions in cities where our existing and potential customers are likely to be. The strategy, if carried out effectively is expected to raise the profile of Cambodia as a tourist destination as well as promoting NagaWorld.

CORPORATE GOVERNANCE PRACTICES

In the Directors' opinion, having considered amongst others, the findings of reviews and/or audits conducted by the independent professional parties (as explained below), the Company has applied the principles and complied with all the applicable code provisions as set out in the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") for the period after our listing on 19 October 2006 and up to the financial year ended 31 December 2006.

The Company has engaged an independent professional party to review and/or audit internal controls of the Group with a focus on anti-money laundering. The independent professional has performed review and/or audit of the internal controls of the Group and set out its findings in our annual report for the financial year ended 31 December 2006. The independent professional party was of the view that, in general, the internal controls of the Group complied with the relevant recommendations of the Financial Action Task Force.

The Company has also engaged another independent professional party to assess the investment risks in Cambodia and set out its findings in our annual report for the financial year ended 31 December 2006. The independent professional party was of the view that, in general, the investment risks in Cambodia were manageable.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules as the code of conduct in respect of transactions in securities of the Company by Directors. Having made specific enquiry, the Company confirms that the Directors have complied with the required standard set out in the Model Code for the financial year under review.

REVIEW OF ANNUAL RESULTS BY AUDIT COMMITTEE

The annual results for the year ended 31 December 2006 have been reviewed by the audit committee of the Company which was of the opinion that the preparation of such results complied with the applicable accounting standards and requirements and that adequate disclosure have been made.

DIVIDEND

Interim dividend of US cents 1.25 per share (or equivalent to HK cents 9.75 per share) was paid for the financial year under review. The Board has resolved to recommend the payment of a special dividend of US cents 0.48 per share (or equivalent to HK cents 3.74 per share) for the year ended 31 December 2006. No final dividend is recommended for the year under review.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will be closed from 9 May 2007 to 15 May 2007 both days inclusive during which period no transfer of shares will be registered. In order to qualify for the special dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company’s Share Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4 :30 p.m. on 8 May 2007.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the year ended 31 December 2006, there was no purchase, sale or redemption by the Company, or any of its subsidiaries, of the listed securities of the Company.

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This final results announcement is published on the website of Hong Kong Exchanges and Clearing Limited at www.hkex.com.hk and on the Company’s website at www.nagacorp.com. The Annual Report 2006 of the Company will also be published on the aforesaid websites in due course.

ANNUAL GENERAL MEETING

It is proposed that Annual General Meeting will be held on 15 May 2007. Notice of annual general meeting will be published and issued to our shareholders in due course.

OUR APPRECIATION

Finally, we would like to express our gratitude to our shareholders, suppliers and customers for their unfaltering support. We would also like to thank our dedicated staff for their contributions to the success of the Group.

On behalf of the Board of
NAGACORP LTD.
Timothy Patrick McNally
Chairman

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

Executive Directors

Tan Sri Dr Chen Lip Keong, David Martin Hodson, Tian Toh Seng, Lee Wing Fatt, Lew Shiong Loon, Monica Lam Yi Lin and John Pius Shuman Chong

Independent Non-executive Directors

Timothy Patrick McNally, Tun Dato' Seri Abdul Hamid Bin Haji Omar, Wong Choi Kay and Zhou Lian Ji

Hong Kong, 23 March 2007

* *For identification purpose only*

"Please also refer to the published version of this announcement in South China Morning Post."