NAGACORP

NagaCorp Ltd. 金界控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(於開曼群島註冊成立的有限公司)

Stock Code: 3918
股份代號：3918

09 INTERIM REPORT
中期報告

*for identification purpose only
*僅供識別

Cambodia is one of the world's fastest developing nations with rapid infrastructure development and a growing affluence. The Royal Government of Cambodia has identified tourism as one of the top priorities in Cambodia's economic development.

NagaCorp Ltd., the first gaming counter to be listed through an Initial Public Offering on the Main Board of The Stock Exchange of Hong Kong Limited in October 2006, owns and operates NagaWorld, the only licensed casino in Phnom Penh.

CONTENT

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors:

Tan Sri Dr Chen Lip Keong *(Chief Executive Officer)*
Monica Lam Yi Lin

Non-executive Directors:

Timothy Patrick McNally *(Chairman)*
Chen Yiy Fon

Independent Non-executive Directors:

Leow Ming Fong
Tan Sri Datuk Seri Panglima Abdul Kadir Bin Haji Sheikh Fadzir
Lim Mun Kee

AUDIT COMMITTEE

Leow Ming Fong *(Chairman)*
Lim Mun Kee
Tan Sri Datuk Seri Panglima Abdul Kadir Bin Haji Sheikh Fadzir

REMUNERATION COMMITTEE

Tan Sri Dr Chen Lip Keong *(Chairman)*
Tan Sri Datuk Seri Panglima Abdul Kadir Bin Haji Sheikh Fadzir
Leow Ming Fong
Lim Mun Kee
Chen Yiy Fon

NOMINATION COMMITTEE

Tan Sri Dr Chen Lip Keong *(Chairman)*
Tan Sri Datuk Seri Panglima Abdul Kadir Bin Haji Sheikh Fadzir
Leow Ming Fong
Lim Mun Kee
Chen Yiy Fon

AML OVERSIGHT COMMITTEE

Timothy Patrick McNally *(Chairman)*
Tan Sri Dr Chen Lip Keong
Leow Ming Fong
Chen Yiy Fon

COMPANY SECRETARY

Thomson Lai Yau Hong, ACS ACIS

AUTHORISED REPRESENTATIVES

Monica Lam Yi Lin, ACS ACIS
Thomson Lai Yau Hong, ACS ACIS

FINANCIAL & OPERATIONAL HIGHLIGHTS

for the six months ended 30 June 2009

FINANCIAL HIGHLIGHTS

- Revenue decreased by 41.7% to approximate United States dollars ("US$") 63.6 million
  (For illustration purposes, revenue decreased by 34.1% should revenue of approximately US$12.6 million from the non-recurrent management fee be excluded for six months ended 30 June 2008)
- Gross profit decreased by 23.0% to US$34.9 million
- Net profit decreased by 54.9% to approximate US$11.5 million
  (For illustration purposes, net profit decreased by 10.9% should net profit of approximately US$12.6 million from the non-recurrent management fee be excluded for the six months ended 30 June 2008)
- Earnings per share were United States cent ("US cents") 0.56 per share
- Interim dividend was US cents 0.33 per share

OPERATIONAL HIGHLIGHTS

Public floor tables

Revenue increased by 121.7% to US$10.2 million

Buy-in amounts increased by 34.1% to US$75.1 million

Win rate (based on buy-in amounts) was 13.6%

Public floor tables contributed approximately 16.0% of total revenue

Junket VIP floor tables

Revenue decreased by 66.8% to US$34.1 million

Check-in amounts decreased by 66.2% to US$178.1 million

Rollings decreased by 62.5% to US$1.5 billion

Win rate (based on rollings) was 2.3%

Junket VIP floor tables contributed approximately 53.6% of total revenue

Gaming machine station

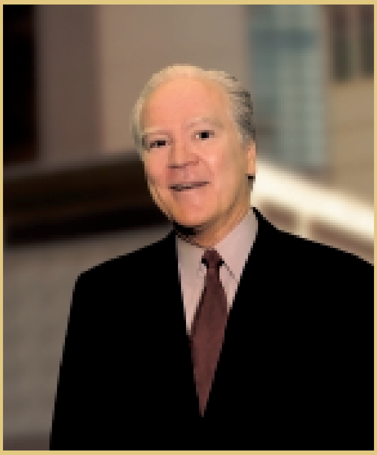
Revenue increased by 1,026.7% to US$16.9 million

525 gaming machine stations or slot machines (30 June 2008: 211 slot machines)

CHAIRMAN & CEO's STATEMENT

Cambodia is one of the world's fastest developing nations with rapid infrastructure development and a growing affluence. The Royal Government of Cambodia has identified tourism as one of the top priorities in Cambodia's economic development. NagaCorp Ltd., the first gaming counter to be listed through an Initial Public Offering on the Main Board of The Stock Exchange of Hong Kong Limited in October 2006, owns and operates NagaWorld, the only licensed casino in Phnom Penh.

CHAIRMAN & CEO'S STATEMENT



Timothy Patrick McNally Chairman

TO OUR SHAREHOLDERS:

On behalf of the board of directors (the "Board"), we are pleased to announce that NagaCorp Ltd. (the "Company") recorded profit attributable to the equity shareholders of the Company or net profit of US$11.5 million for the six months ended 30 June 2009, representing a decrease of approximate 54.9% compared to US$25.5 million for the same period in 2008. Earnings per share were approximate US cents 0.56 (or equivalent to Hong Kong cents ("HK cents") 4.37 per share) compared to US cents 1.23 (or equivalent to HK cents 9.59 per share) for the same period in 2008.

For illustration purposes, should revenue and net profit of approximately US$12.6 million derived from the non-recurrent management fee from Poibos be excluded from the financial results of the Group for the six months ended 30 June 2008, the decrease in revenue would have moderated to 34.1% and net profit to 10.9% for the six months ended 30 June 2009 in comparison to the same period in 2008.

INTERIM DIVIDEND

The Board has resolved to declare an interim dividend of US cents 0.33 per share (or equivalent to HK cents 2.57 per share) for the six months ended 30 June 2009. The dividend payable represents approximately 60% of the net profit generated for the period. This is consistent with our dividend policy to distribute not less than 50% of the net profit for each year.

Public floor tables

- Public floor revenue increased by 121.7% to US$10.2 million
- Public floor tables contributed approximately 16.0% of total revenue
- Buy-in amounts increased by 34.1% to US$75.1 million
- Win rate (based on buy-in amounts) was 13.6%

Junket VIP floor tables

- Revenue decreased by approximate 66.8% to US$34.1 million
- Junket VIP floor tables contributed approximately 53.6% of total revenue
- Check-in amounts decreased by approximate 66.2% to US$178.1 million
- Rollings decreased by 62.5% to US$1.5 billion
- 7,274 Junket VIP players
- Average check-in amount per Junket VIP player was US$24,500
- Win rate (based on rollings) was 2.3%

CHAIRMAN & CEO'S STATEMENT

Tan Sri Dr Chen Lip Keong CEO

PROSPECTS

Our corporate vision is to become a world class corporation "with excellence in our products, people and profitability" for the benefits of the host nation and all our shareholders.

NagaCorp remains profitable in the First Half of 2009 despite a very challenging & tumultuous global economy. It continues to benefit from the improving political stability of the host nation.

In term of financial performance, our public floor continues to contribute and recorded a notable increase in revenue for the period under review. Today, NagaWorld is a landmark entertainment attraction patronised by not only local qualified Cambodians and neighboring Vietnamese but also overseas nationalities of all kinds and is a popular local social, events & tourist destination. We continue to register increasing numbers of walk–ins. As a result of political stability in Cambodia and unfavorable conditions in the West, Cambodians reversed flow to home country also helped. We expect our public floor to prospect further as a developing Cambodia continues to draw foreign direct investments ("FDIs") , investors and others. It is noted that for the first six months in 2009, international visitor arrivals to Cambodia remain almost unchanged compared to same period in 2008 despite the uncertain global economy.

As a landmark quality building, our hotel and entertainment operations attract both locals and overseas patrons and recorded growth as these quality amenities and operations gain in popularity and acceptance by everyone. We currently have 11 F&B outlets and around 508 hotel rooms catering for both gaming and non-gaming patrons. Also, we have the largest and most comprehensive MICE facility in Cambodia and is a busy and popular venue for holding meetings and events by both public and the private sectors.

Standard & Poor's affirms (on 9 Oct 2008) a stable outlook for Cambodia, praises country economic strategies, pragmatic market friendly directions, fiscal policy as credit strength, and maintains a real GDP growth as today's financial storms spread. NagaCorp's conservative gaming policy pays in today's uncertainty, namely, no gearing, low table limit, cater for regional mid size players and provision of top competitive services. We have strategised our priority on the following:

Higher earnings - Pushing for more regional gaming market share especially from Vietnam, provision of innovative Junket VIP programs and producing more non-gaming revenue

Earnings stability - Lessening daily earnings fluctuations by maintaining popular and reasonable table limits

Cost control and improving margins – Smaller yet competitive commissions to operators

Improving on cash position - Gaming on cash terms only

For the period under review, electronic gaming machines or slot machines brought in substantial revenue for the Group on the back of better government regulation. The closure of many outlets and parlours that offered slot machines has reduced supply of venues offering such gaming activity in Phnom Penh. This has benefitted NagaWorld as it is the only licensed casino in and round Phnom Penh and allowed to operate gaming activities including the offering of slot machines. We are working towards the offering of a total of 1,000 slot machines for patronage in NagaWorld.

Enhancing our gaming revenue through more innovative Junket VIP programs running on regional captive markets especially Vietnam has always been an aim of our international marketing team. It is noteworthy that Cambodia has on 27 July 2009 launched its national airline, Cambodia Angkor Air ("CAA"). CAA is linking not only domestic destinations but also Vietnamese cities. NagaWorld and Ministry of Tourism, Cambodia ("MOT") have launched an initiative capitalising on NagaWorld as a popular Vietnamese tourist destination to create a superhighway in the sky linking Ho Chi Ming city, Vietnam and Phnom Penh, Cambodia. This private public sector cooperation is also seen as an important step of achieving governmental efforts of making its national airline a reality and a success, especially as the national carrier has suffered failures in the past.

For the period under review, we are successful in reducing our costs by 55% by adoption of a few measures i.e. reducing and yet providing competitive commissions to our operators, and less subsidies of air tickets, hotel rooms and F&Bs.

We also have stopped the policy of granting credit facility to our customers, thus stopping the exposure to gaming patrons and reducing our debtors' position. We have negligible bad debts position for the period under review. Gaming is now strictly on a cash terms basis.

Despite the above measures, our attitude, actions and VIP services have been much welcomed by genuine serious minded regional gaming community and we register no drop in revenue in the succeeding months after adoption of such prudent and careful measures by the Company.

With the prudent and appropriate policies in place, NagaWorld can distinguish itself as the Indo-China hotel casino complex and continue to offer international, competitive and quality service and product to its customers and visitors coming from the surrounding and growing economies. The success of the gaming and leisure industries will, in turn, benefit the host nation and generate returns for the Company, it shareholders and investors.

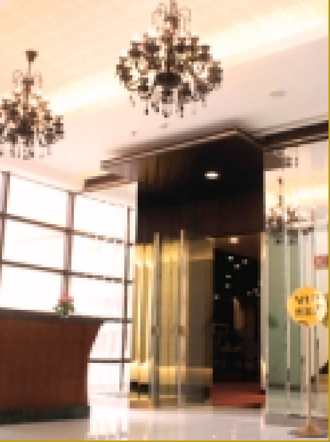
OUR APPRECIATION

The Board would like to express their appreciation to our employees for their good work and dedication and to our shareholders, customers and suppliers for their continued support.

Timothy Patrick McNally
Chairman

Tan Sri Dr Chen Lip Keong
Chief Executive Officer

Hong Kong
5 September 2009



MANAGEMENT DISCUSSION & ANALYSIS

Cambodia is one of the world's fastest developing nations with rapid infrastructure development and a growing affluence. The Royal Government of Cambodia has identified tourism as one of the top priorities in Cambodia's economic development. NagaCorp Ltd., the first gaming counter to be listed through an Initial Public Offering on the Main Board of The Stock Exchange of Hong Kong Limited in October 2006, owns and operates NagaWorld, the only licensed casino in Phnom Penh.

We own, manage and operate the only integrated hotel casino complex in Phnom Penh, the capital city of Cambodia. We hold a casino licence (the "Casino Licence") granted to us by the Royal Government of Cambodia (the "Cambodian Government") with the right to operate casino activities in Cambodia for 70 years commencing from 2 January 1995 and for around 41 years on an exclusive basis within a 200-km radius of Phnom Penh, Cambodia (except the Cambodia-Vietnam border area, Bokor, Kirirom Mountains and Sihanoukville).

The following discussion should be read in conjunction with the condensed consolidated financial statements and notes thereto for the six months ended 30 June 2009 included in this report. The condensed consolidated financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with International Accounting Standard ("IAS") 34 "Interim Financial Reporting" promulgated by the International Accounting Standards Board ("IASB").

The Company completed an initial public offering of its shares (the "IPO") and became a public company listed on the Main Board of the Stock Exchange since 19 October 2006.

RESULTS

Revenue decreased by 41.7% to approximately US$63.6 million for the six months ended 30 June 2009 from approximately US$109.1 million for the same period in 2008. Gross profit decreased by 23.0% to approximately US$34.9 million for the six months ended 30 June 2009 from US$45.3 million for the same period in 2008. Earnings before interest, tax, depreciation and amortisation were approximately US$17.0 million for the six months ended 30 June 2009 and US$29.8 million for the same period in 2008. Profits before taxation decreased to approximately US$12.6 million for the six months ended 30 June 2009 from approximately US$26.4 million for the same period in 2008. Profit attributable to the equity shareholders of the Company or net profit amounted to approximately US$11.5 million for the six months ended 30 June 2009, representing a decrease of 54.9% compared to approximately US$25.5 million for the same period in 2008.

It is noted that the Company had recorded a management fee of US$12.6 million from Poibos Co Ltd. ("Poibos") under Junket VIP floor table for the six months ended 30 June 2008 in accordance with the terms of the management agreement dated 13 December 2007. In view of Poibos' breaches of the terms stipulated in the management agreement, the Company terminated the arrangement with Poibos in 2008. Please refer to our previous announcements and annual report 2008 issued by the Company for further details in this regard. As such, the management fee recorded for the six months ended 30 June 2008 was non-recurrent in nature.

For illustration purposes, should revenue and net profit of approximately US$12.6 million derived from the non-recurrent management fee from Poibos be excluded from the financial results of the Group for the six months ended 30 June 2008, the decrease in revenue would have moderated to 34.1% and net profit to 10.9% for the six months ended 30 June 2009 in comparison to the same period in 2008.

INTERIM DIVIDEND

The Board has resolved to declare payment of an interim dividend of US cents 0.33 per share (or equivalent to HK cents 2.57 per share) for the six months ended 30 June 2009 to shareholders before the end of December 2009. The Company will make further announcement in respect of the payment of interim dividend in accordance with the requirements under the Listing Rules.

BUSINESS REVIEW

The global financial tsunami has had a far reaching impact on companies from different sectors and industries, including some gaming and hospitality companies.

However, here in Cambodia, the IMF mid term 2009 country report has summarised its observation on the country as one of cautious optimism. We quote *"....Under the current baseline, growth is projected to rise gradually to 7-7½ percent a year....", "....current account deficit would narrow to 5-6 percent of GDP with further export diversification....", "....Underpinning stabilisation efforts would be modest fiscal consolidation over the medium term....".*

NagaWorld is today a local social, event, business and tourist destination, well patronised and frequented by local and overseas customers from both public and private sectors.

Its gaming sector has seen a dramatic improvement of 1,027% increase in the slot business and the increase on slot stations as a result of better gaming regulatory and supervisory environment. We have re-classified our segmental public and junket commissions structure and only junket floor customers and business are entitled to commissions. By such method we noticed an increase of 121.7% revenue on the public floor, although there is less check-in by overseas customers due to the economic meltdown, despite almost same number of overseas visitors which also showed travelers to NagaWorld were not badly affected.

A completed NagaWorld has also seen an increase of 1,050% of non-gaming revenue from the operations of hotel and other entertainments facilities.

The management of the Group (the "Management") has focused on, among other things, cost control during the period under review and achieved a costs cutting efficiency of 55%.

If the one off management fee of about US$12.6 million (earned from a management contract signed in 2008) was to be taken out, the net profit of the Company shrank only 10% despite a difficult operating environment.

The number of international visitor arrivals to Cambodia has remained almost the same with around 1,086,518 for the six months ended 30 June 2009 from around 1,098,000 for the same period in 2008.

Casino operations and gaming machine stations

Casino operations and gaming machine stations comprise public floor tables, Junket VIP floor tables and gaming machine stations. For the six months ended 30 June 2009, casino operations continued to be the major revenue contributor for the Group and brought in revenue of approximately US$61.3 million, representing 96.4% of the total revenue. Revenue derived from casino operations and gaming machine stations was approximately US$109.0 million for the same period in 2008.

Public Floor Tables

Revenue from public floor tables increased notably by 121.7% to approximately US$10.2 million for the six months ended 30 June 2009 from approximately US$4.6 million for same period in 2008. Revenue derived from public floor tables accounted for 16.0% of our total revenue for the six months ended 30 June 2009 compared to 4.2% for the same period in 2008. Revenue from public floor have been reclassified and those revenue earning commissions have been grouped under Junket floor tables for six months ended 30 June 2009 and, for comparison purposes, for the same period in 2008. This amendment better reflects the nature of the public floor business where there are no operators and no commissions are paid compared with the junket floor business where operators are paid commissions on rollings.

The buy-in amounts made by players increased by 34.1% to approximately US$75.1 million for the six months ended 30 June 2009 from approximately US$56.0 million for the same period in 2008.

The gross profit margin for public floor tables was 92.4% for the six months ended 30 June 2009 and 97.9% for the same period in 2008. The decrease in gross profit margin reflected the increase in revenue, buy-in amounts and related costs of our programmes. Expenses included, among others, food and beverages and transportation paid to operators and players increased in tandem with the increase in revenue and the level of gaming activities conducted at the public floor tables.

The win rates for public floor tables, being the ratio of revenue to buy-in amounts, were 13.6% for the six months ended 30 June 2009 compared to 8.2% for the same period in 2008. There were on average 65 public gaming tables for the six months ended 30 June 2009.

Junket VIP Floor Tables

The global financial tsunami had affected the Junket VIP business performance for the six months ended 30 June 2009. The Group tightened its credit policy and for the period under review and granted limited credit lines to Junket operators under strict guidelines and supervision. Commissions are reduced. Subsidies to rooms, food and beverage and air tickets are carefully monitored and either reduced or withdrawn. Please refer to the paragraph headed "Trade receivables and credit policy" in the latter part of this report for details.

Revenue from our Junket VIP floor tables decreased by 66.8% to approximately US$34.1 million for the six months ended 30 June 2009 from approximately US$102.8 million for the same period in 2008. As explained before, there is reclassification of the junket floor and public floor commissions structure and those revenue earning commissions have been grouped under junket floor tables for the six months ended 30 June 2009 and, for comparison purposes, for the same period in 2008. This amendment reflects better the nature of the junket business and junket floors where there are operators and paid commissions on rollings and whereas on the public floor there are no operators and no commissions are paid. The decrease of revenue on the junket floor for the six months ended 30 June 2009 can partly be explained by this reclassification and for those local players who are earning commissions and who are the public floor before, are now playing on the junket floors and these players are affected to some extent by the economic downturn. Although there is not much change of the overseas visitors number, the average check-in brought in by each overseas player has also reduced and hence the lesser revenue recorded on the junket business.

For the six months ended 30 June 2008, the non-recurrent management fee of US$12.6 million from Poibos was recorded. Should the non-recurrent management fee from Poibos be excluded, the decrease in revenue from Junket VIP floor tables would have moderated to 62.2% for the six months ended 30 June 2009 compared to same period in 2008.

Revenue from our Junket VIP floor tables accounted for 53.6 % of our total revenue for the six months ended 30 June 2009 compared to 94.2% for same period in 2008.

The level of gaming activity conducted in Junket VIP floor tables, as measured by rollings, decreased by 62.5% to approximately US$1.5 billion for the six months ended 30 June 2009 from approximately US$4.0 billion for the same period in 2008.

The Junket VIP players deposited less check-in amounts for the period under review. The check-in amounts deposited by our Junket VIP players decreased by 66.2% to approximately US$178.1 million for the six months ended 30 June 2009 from approximately US$527.1 million for the same period in 2008.

There were around 7,274 Junket VIP players who visited our casino for the six months ended 30 June 2009 compared to 7,960 Junket VIP players for same period in 2008. The average check-in amount per Junket VIP player was approximately US$24,500 for the period under review and approximately US$66,200 for the same period in 2008.

The gross profit margins for Junket VIP floor tables were 20.2% and 38.2% for the six months ended 30 June in 2009 and 2008 respectively.

The win rates for Junket VIP floor tables, being the ratio of revenue to rollings, were 2.3% for the six months ended 30 June 2009, which maintained at same level as compared to the same period in 2008 (had the non-recurrent management fee of US$12.6 million received from Poibos been excluded).

Gaming Machine Stations

Improving regulatory and supervisory environment of gaming machine stations or slot machines in Cambodia and the closure of slot machines outlets and sports betting stations have since witnessed a notable growth in number of slot machines and business in NagaWorld.

During the period under review, the total number of slot stations is 525, compared with 200 slot machines on 2006. As of the date hereof the number of slot stations has increased to 749 and by the end of the year, as a result of interest from many other machines operators we expect the total number of slot stations to increase to about 1,000.

For the six months ended 30 June 2009, we derived revenue of US$16.9 million from the gaming machine stations, representing an increase of 1,026.7% from revenue of US$1.5 million for the same period in 2008. The total number of machines in operation during this period is 525.

Hotel and entertainment operations

Hotel and entertainment operations represents the non-gaming revenue in NagaWorld.

For the six months ended 30 June 2009, we derived revenue of US$2.3 million from hotel and entertainment operations, representing an increase of 1,050.0% from revenue of US$0.2 million for the same period in 2008. The revenue was derived from the provision of hotel and entertainment services to both gaming and non-gaming patrons.

Gross Profit

For the six months ended 30 June 2009, cost of sales decreased by 55.0% to approximately US$28.7 million from approximately US$63.8 million for the same period in 2008. The decrease in cost of sales was contributed by reduced commissions, tightened and better control on subsidies for room, food and beverage and air tickets. Gross profit decreased by 23.0% to US$34.9 million from US$45.3 million for the same period in 2008 and gross profit margins increased to 54.9% for the six months ended 30 June 2009 from 41.5% for the same period in 2008.

Administrative and other operating expenses

Administrative expenses decreased by 3.5% to approximately US$8.3 million for the six months ended 30 June 2009 from approximately US$8.6 million for the same period in 2008. The Management continued efforts to rein in cost and expenditure. For the six months ended 30 June 2009, fuel expense was approximately US$2.1 million and that was similar to that for the same period in 2008. For the six months ended 30 June 2009, the Group made contributions of approximately US$0.9 million to charitable organisations and bodies for the betterment of Cambodia and its people, which is similar to the amount donated for the same period in 2008. The insurance against country risks in Cambodia purchased by the Company was discontinued for the period under review.

Other operating expenses increased by 32.1% to approximately US$14.0 million for the six months ended 30 June 2009 from approximately US$10.6 million for the same period in 2008. The expansion of our gaming and hotel operations and other entertainment facilities require additional manpower. As a result, we recruited new staff to manage our gaming and hotel operations and other entertainment facilities. For the six months ended 30 June 2009, the average number of our employees increased by 31.5% to around 3,188 employees from around 2,424 employees for the same period in 2008.

Finance costs

We did not incur finance costs as there were no significant financing arrangements for the six months ended 30 June 2009.

Net Profit

Profit attributable to equity shareholders of the Company or net profit decreased by 54.9% to approximately US$11.5 million for the six months ended 30 June 2009 from approximately US$25.5 million for the same period in 2008. The net profit margins were 18.1% and 23.4% for the six months ended 30 June 2009 and 2008 respectively.

Earnings per share were approximately US cents 0.56 (HK cents 4.37 per share) and US cents 1.23 (HK cents 9.59 per share) for the six months ended 30 June 2009 and 2008 respectively.

For illustration purposes, should net profit of approximately US$12.6 million derived from the non-recurrent management fee from Poibos be excluded from the financial results of the Group for the six months ended 30 June 2008, the decrease in net profit would have moderated to 10.9% for the six months ended 30 June 2009 in comparison to the same period in 2008.

FINANCIAL REVIEW

Pledge of Assets

As at 30 June 2009 the Group had not pledged any assets for bank borrowings (31 December 2008: Nil).

Contingent Liabilities

As at 30 June 2009, the Group had no contingent liabilities. In relation to the litigation of a Junket VIP group as disclosed in the annual report 2008, the Group has provided adequate allowance of US$2.1 million for the case.

Exchange rate risk

The Group's income is principally earned in United States dollars while expenditure is principally paid in United States dollars and to a lesser extent in Cambodian Riels. The Group does not have a significant exposure to foreign currency risk and therefore is not required to enter into currency hedging transactions.

Issue of New Shares

On 18 June 2009, the Company issued 13,642,875 ordinary shares under the scrip dividend scheme for 60% of the payment of 2008 final dividend. The market value for calculating the number of scrip shares allotted to the shareholders pursuant to the scrip dividend scheme was HK$0.94 per share (or HK cents 94.00 per share), which was the average of the closing prices per share of the Company on the Stock Exchange for the 5 consecutive trading days up to and including 18 May 2009. The 13,642,875 ordinary shares issued under the scrip dividend scheme represents approximately 0.66% of the 2,068,436,000 ordinary shares in issue immediately prior to the share issue.

Liquidity, Financial Resources and Gearing

As at 30 June 2009, the Group had total cash and cash equivalents of approximately US$7.0 million (31 December 2008: approximately US$9.6 million). Approximately 98.4% of the cash and cash equivalents were held in US dollars and deposited with banks and financial institutions. Funding for construction and operations is by cash generated from operations and IPO proceeds.

As at 30 June 2009, the Group had net current assets of approximately US$51.9 million (31 December 2008: approximately US$52.4 million).

As at 30 June 2009, the Group had no outstanding borrowings (31 December 2008: US$ Nil).

Capital and Reserves

As at 30 June 2009, the capital and reserves attributable to equity shareholders of the Company was approximately US$280.7 million (31 December 2008: approximately US$270.2 million).

Staff

For six months ended 30 June 2009, the Group employed, on average, a work force of 3,188 (For six months ended 30 June 2008: 2,424) stationed mostly in Cambodia, Malaysia and Hong Kong. Remuneration and staff costs for the six months ended 30 June 2009 was approximately US$9.6 million (for the six months ended 30 June 2008: approximately US$7.4 million).

Trade receivables and credit policy

NagaWorld is committed to deliver excellence in services and products to its gaming customers and the relationship with its Junket operators is crucial towards satisfying this objective. The Company has maintained a win-win cordial commercial relationship with many of these Junket operators for a very long period of time spanning through many ups and downs of economic cycles in the past. Mutual support is essential such that Junket VIP business will continue to make contribution throughout this very challenging time. However we are closely monitoring and reviewing the performance of our operators. Only bona fide, hardworking, honest and result oriented operators who abide by our strict credit policy and guidelines are retained.

We have closely monitored the changes in trade receivables. For the six months ended 30 June 2009, the trade receivables net of provision made was approximately US$58.1 million as at 30 June 2009, and approximately US$57.8 million as at 31 December 2008. Of the net trade receivables as at 30 June 2009, approximately 8.1% was within 1 month, 20.1% within 1-3 months, 29.1% within 3-6 months, 33.7% within 6-12 months and 9.0% over 12 months.

In respect of granting credit facility and other complimentaries (like rooms, food and beverages and air tickets) to operators, the Management has in place stringent guidelines and supervision and depending on the performance and other criteria as set by the Company from time to time, many unqualified operators are not granted any credit facility or extended the due subsidies at all and by doing so, it is of the view that this revised credit policy shall be beneficial to the control and management of trade receivables in future.

Development of NagaWorld

Nagaworld today is a local social, event, business and tourist destination, well-patronised and frequented by locals and overseas customers from both public and private sectors. Our hotel and casino complex are of international standard with a built-up area of approximately 110,768 square metres. As of 30 June 2009, NagaWorld offers 181 gaming tables, 525 gaming machine stations, 508 hotel rooms, 11 food and beverage outlets, a karaoke, a spa and the largest MICE (Meetings, Incentives, Conventions & Exhibitions) facilities in Cambodia.

We have refreshed and renewed the look of ground floor at the entertainment wing of NagaWorld and added a ground-floor club lounge at the hotel wing. With the completion of a multi-storey carpark block before end of 2009, it will house, among other things, a rooftop swimming pool & a health club.

NagaWorld is already a landmark building in Phnom Penh and any upgrade shall turn NagaWorld into a more attractive destination both within Cambodia and the Greater Indo-China region.

DISCLOSURE OF INTERESTS

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

The Directors who held office at 30 June 2009 had the following interests in the shares 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules:

Interests in issued shares

Name of director	Capacity	Number of ordinary shares held	% of total issued ordinary shares
Tan Sri Dr Chen Lip Keong	Interest in controlled corporation - Cambodia Development Corporation Limited ("CDC") *(Note 1)*	162,260,443(L)	7.79(L)
Tan Sri Dr Chen Lip Keong	Beneficiary of a trust in Fourth Star Finance Corp. *(Note 2)*	870,864,580(L)	41.83(L)
Tan Sri Dr Chen Lip Keong	Beneficial owner	262,745,304(L) *(Note 3)*	12.62(L)

The Letter "L" denotes the entity's long position in the shares

Notes:

(1) Details of interest in the Company held by CDC are set out in the section headed "Substantial Shareholder's and Other Person's Interests and Short Positions in Shares and Underlying Shares" below.

(2) Details of interest in the Company held by Fourth Star Finance Corp. are set out in the section headed "Substantial Shareholder's and Other Person's Interests and Short Positions in Shares and Underlying Shares" below.

(3) Of the 262,745,304 shares of the Company in total in which Tan Sri Dr Chen Lip Keong has an interest, Evolution Master Fund Ltd. SPC, Segregated Portfolio M has security interest over 154,333,659 shares.

Save as disclosed above, as at 30 June 2009, none of the directors of the Company had any interests or short positions in the shares of the Company, any of its subsidiaries as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code.

SHARE OPTION SCHEME

The Company has a share option scheme which was adopted upon the listing of the Company's shares on the Main Board of the Stock Exchange on 19 October 2006 (the "Share Option Scheme") whereby the directors are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up option to subscribe for shares of the Company. The purpose of the scheme is to attract and retain the best personnel and to provide additional incentives to employees and directors to promote the success of the Group.

The Company did not grant any share options during the year and there are no outstanding share options at the year end.

Apart from the foregoing, at no time during the year 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.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as the Directors or the chief executives of the Company are aware of, as at 30 June 2009, the Shareholders, other than the Directors or the chief executives of the Company, who had an interest or short positions in the shares or the underlying shares of the Company 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, were as follows:

Substantial shareholders	Capacity	Number of ordinary shares held	% of total issued ordinary shares of the Company
Cambodian Development Corporation *(Note 1)*	Beneficiary	162,260,443(L)	7.79(L)
Fourth Star Finance Corp *(Note 1 and 2)*	Trustee	870,864,580(L)	41.83(L)
Evolution Capital Management, LLC *(Note 3)*	Investment manager	237,647,767(L)	11.41(L)
Evolution Master Fund, Ltd. SPC, Segregated Portfolio M *(Note 3)*	Beneficial owner	83,314,108(L)	4.00(L)
	Security interest	154,333,659(L)	7.41(L)
	Other interest	11,000,000(L)	0.53(L)
Evo Capital Management Asia Limited	Investment manager	248,647,767(L)	11.94(L)
Structure Investments, Ltd.	Other interest	248,647,767(L)	11.94(L)
Citigroup Inc.	Interests of controlled corporations	114,333,659(L)	5.49(L)
Fortis Intertrust Agency & Escrow Pte. Ltd.	Security interest	719,505,474(L)	34.56(L)
CarVal GVF GP L.P. *(Note 4)*	Interests of controlled corporations	308,359,490(L)	14.81(L)
Bank of America Corporation *(Note 5)*	Interests of controlled corporations	190,614,050(L)	9.15(L)

Notes:

(1) The beneficial owner of Cambodian Development Corporation and Fourth Star Finance Corp is Tan Sri Dr Chen Lip Keong.

(2) Fourth Star Finance Corp. is the trustee of a trust to which Tan Sri Dr Chen Lip Keong is a beneficiary.

(3) Evolution Capital Management, LLC is the investment manager of Evolution Master Fund, Ltd. SPC, Segregated Portfolio M.

(4) CarVal GVF GP L.P., through its wholly-owned and non-wholly owned subsidiaries, is interested in 308,359,490 shares of the Company.

(5) Bank of America Corporation, through its wholly-owned and non-wholly owned subsidiaries, is interested in 190,614,050 shares.

(6) The letter "L" denotes the entity's long position in the shares.

Save as disclosed above and so far as the Directors and the chief executives of the Company are aware of, as at 30 June 2009, no other party (other than the Directors or the chief executives of the Company) had an interest or short positions in the shares or the underlying shares of the Company 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.

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

CORPORATE GOVERNANCE PRACTICES

In the Directors' opinion, 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 Listing Rules for the six months ended 30 June 2009.

DIRECTORS' SECURITIES TRANSACTIONS

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 enquiry, the Company confirms that the Directors have complied with the required standard set out in the Model Code for the financial period under review.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

For the six months ended 30 June 2009, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's shares.

AUDIT COMMITTEE

The Audit Committee is responsible for overseeing, among other things, the objectivity and credibility of financial reporting and internal control. The Audit Committee consists of the independent non-executive directors namely, Mr. Leow Ming Fong (Chairman), Mr. Lim Mun Kee and Tan Sri Datuk Seri Panglima Abdul Kadir Bin Haji Sheikh Fadzir.

For the six months ended 30 June 2009, the Audit Committee has convened three meetings and has reviewed the financial reports and statements as well as the internal control reports of the Company.

The Audit Committee has reviewed the condensed consolidated financial statements for the six months ended 30 June 2009 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 requirement and that adequate disclosure have been made.

The Company has engaged BDO Limited, who have reviewed the condensed consolidated financial statements for the six months ended 30 June 2009 in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

NOMINATION COMMITTEE

The Nomination Committee is responsible for reviewing the structure, size and composition of the Board and make recommendations to the Board in the above areas.

The Nomination Committee consists of Tan Sri Dr Chen Lip Keong (Chairman), Tan Sri Datuk Seri Panglima Abdul Kadir Bin Haji Sheikh Fadzir, Mr. Lim Mun Kee, Mr. Leow Ming Fong and Mr. Chen Yiy Fon.

For the six months ended 30 June 2009, the Nomination Committee has convened one meeting and considered, among other things, the composition of the Board and related matters.

REMUNERATION COMMITTEE

The Remuneration Committee is responsible for making recommendation to the Board on the Company's policy and structure for remuneration of the Directors and senior management of the Company.

The Remuneration Committee consists of Tan Sri Dr Chen Lip Keong (Chairman), Tan Sri Datuk Seri Panglima Abdul Kadir Bin Haji Sheikh Fadzir, Mr. Lim Mun Kee, Mr. Leow Ming Fong and Mr. Chen Yiy Fon.

For the six months ended 30 June 2009, the Remuneration Committee has convened one meeting and considered, among other things, the remuneration of Directors and members of senior management of the Company.

INTERNAL CONTROLS

The AML Oversight Committee is responsible for formulating policies and strategies on anti-money laundering ("AML") development and act as oversight committee on AML matters.

AML Oversight Committee consists of Timothy Patrick McNally (Chairman), Tan Sri Dr Chen Lip Keong, Mr. Leow Ming Fong and Mr. Chen Yiy Fon.

For the six months ended 30 June 2009, the AML Oversight Committee has convened one meeting and considered, among other things, reports and documents in relation to internal controls of the Group.

The Company has engaged an independent professional party to review and audit internal controls of the Group with a focus on AML for the six months ended 30 June 2009. The independent professional party will issue its findings in a report and details of which will be enclosed in our annual report for the financial year ending 31 December 2009.

The Company has engaged an independent professional party to assess the investment risks in Cambodia for the financial year ended 31 December 2008 and set out the findings of the assessment in this interim report. Please refer to "Independent Review of Investment Risks in Cambodia" on pages 23 to 24 for details.

INDEPENDENT REVIEW OF INVESTMENT RISKS IN CAMBODIA

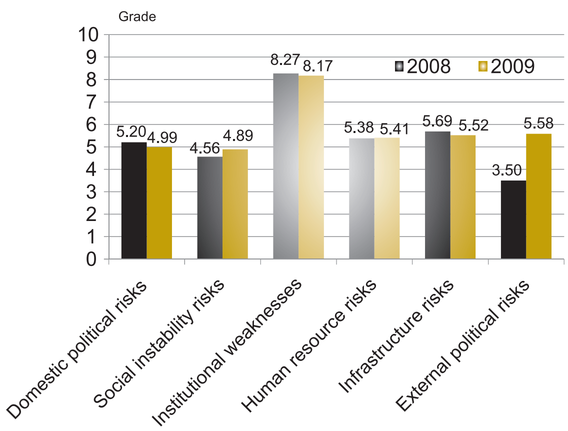
Political and Economic Risk Consultancy, Ltd. ("PERC")
20/F, Central Tower
28 Queen's Road
Central
Hong Kong

TO THE BOARD OF NAGACORP LTD.

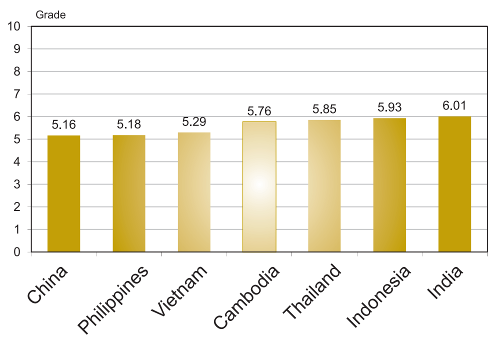
We have assessed and reviewed the political, social, investment and macro-economic risks in Cambodia particularly as they relate to NagaCorp's casino, hotel and entertainment business operations. In arriving at our findings below, we have taken into account, amongst others, domestic political risks, social instability risks, institutional weaknesses, human resource risks, infrastructure risks and external political risks.

Based on the assessments and reviews carried out in December 2008 and January 2009, we summarised our findings below:

Perceptions of Cambodia's Business Environment Risks



How Perception of Cambodian Risks Compare



Grades range from zero to 10, with 0 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

Each of these variables is itself made up of a number of sub-variables relating to specific aspects of the category being assessed. The weighted sum of the grades for sub-variables equal to the score of a broader variable while the weighted sum of the grades of the broader variable defines the overall investment risks in Cambodia. We have treated each variable as having equal importance and weights.

The maximum possible risk rating is 10 while the minimum is 0, being the most favorable grade possible. The overall risk rating for Cambodia is 5.76, which is in our view moderate.

THE POSITIVE DEVELOPMENTS

- It will be easier to recognize the important role NagaCorp is playing in promoting growth for the economy. The global recession and the negative fallout from the border dispute with Thailand will hurt overall tourism numbers, but NagaCorp's own growth will still be steady due to continuing growth in tourism inflows from Mainland China and other sources that are relatively immune to disruptions caused by the Thai border dispute. Moreover, because NagaCorp's gaming facilities are precisely what are drawing these visitors to the country, NagaCorp's value as an agent for development will be easier to recognize.

- The slowdown in manufacturing and new foreign direct investment inflows in 2009 will make it easier for NagaCorp to hire quality staff at the very time when it is expanding rapidly and needs such staff. As one of the biggest single sources of new employment in Cambodia, NagaCorp will also be seen in an even more favorable light by the Cambodian Government and local population.

- International donors, including China, are remaining very committed to Cambodia. This will ensure the Cambodian Government does not face a fiscal crisis and help it with both the financing and expertise needed to improve physical infrastructure and governance capabilities.

- Cambodia's relations with both China and Vietnam are good and stable. Beijing's restrictive stance on Mainland Chinese visiting Macao has benefitted Cambodia and NagaCorp., since there are no such restrictions on Mainlanders visiting Phnom Penh, nor are any likely to be imposed. Beijing places a high priority on cultivating good relations with Cambodia. There has also been a liberalization in travel between Vietnam and Cambodia. Vietnamese can now travel to Cambodia without visas.

THE CHALLENGES

- Corruption and weak national institutions will remain a major challenge. The quality of different government ministries and departments is very uneven.

- Unemployment in Phnom Penh could increase in 2009 due to layoffs in the garment manufacturing and construction industries. Petty crime could rise in this kind of environment.

- The regional economic slowdown, particularly in Vietnam, China and Korea, will adversely affect the flow of visitors from these countries. The global liquidity squeeze could also hurt the ability of junket operators and gamblers to obtain credit that has helped to fuel the growth of the industry.

- NagaCorp enjoys a monopoly in Phnom Penh, but competition is still increasing in the form of machine gaming halls that exist in the capital and new casinos that are being built in places like Sihanoukville that are outside NagaCorp's monopoly area. Unlike the casinos that exist along the border with Thailand and do not really cater to the same foreign groups of gamblers that NagaCorp's Phnom Penh facility services, the new casinos in Sihanoukville could cater to Russians, Koreans and other foreign groups that NagaCorp would also like to attract. This competition will not be a threat for several more years. It will take at least that long to build the facilities and the physical infrastructure to support them. They also lack the direct air links to key foreign markets that Phnom Penh has. However, they are a sign that increased competition within Cambodia is coming.

- Cambodia will also get more competition for gaming from other countries in Asia that are trying to develop industries of their own. They include Vietnam, Singapore, Taiwan and the Philippines. This will not be much of an issue in 2009 since facilities are still being built in the countries, but as they come on stream in following years, the greater number of gambling operators and possible destinations will affect the competitive environment.

Robert Broadfoot
Managing Director
PERC
Hong Kong, 26 February 2009

Robert Broadfoot researched and wrote the report on the review on 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 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. Over 1,200 corporations and financial institutions worldwide currently use PERC's services to assess key trends and critical issues shaping the region, to identify growth opportunities, and to develop effective strategies for capitalizing on these opportunities.

PERC helps companies understand how politics and other subjective variables are shaping the business environment. Such variables may be difficult to quantify, but nevertheless can 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 organization'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.

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

Report on Review of Interim Financial Information
To the Board of Directors of NagaCorp Ltd.
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 26 to 47 which comprise the condensed consolidated balance sheet of NagaCorp Ltd. and its subsidiaries as of 30 June 2009 and the related condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of this interim financial information in accordance with International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review. This report is made solely to you, as a body, in accordance with agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with International Financial Reporting Standards.

BDO Limited
Certified Public Accountants
Tony Yuk Tung Chan
Practising Certificate Number P04654

Hong Kong, 5 September 2009

CONDENSED CONSOLIDATED INCOME STATEMENT

for the six months ended 30 June 2009 (unaudited)
(Expressed in United States dollars)

	Note	Six months ended 30 June	
		2009	2008
		$'000	$'000
		(Unaudited)	(Unaudited)
Revenue	4	**63,605**	109,128
Cost of sales		**(28,749)**	(63,841)
Gross profit		**34,856**	45,287
Other income		**36**	361
Administrative expenses		**(8,261)**	(8,577)
Other operating expenses		**(14,016)**	(10,629)
Profit before taxation	5	**12,615**	26,442
Income tax	6	**(1,086)**	(964)
Profit attributable to equity shareholders of the Company		**11,529**	25,478
Dividends payable to equity shareholders of the Company attributable to the period:	7		
Interim dividend declared after balance sheet date		**6,917**	15,341
Earnings per share (US cents)	8	**0.56**	1.23

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the six months ended 30 June 2009 (unaudited)
(Expressed in United States dollars)

	Six months ended 30 June	
	2009	2008
	$'000	$'000
	(Unaudited)	(Unaudited)
Profit for the period	**11,529**	25,478
Other comprehensive income for the period (after tax and reclassification adjustment) :		
Exchange adjustments	**(18)**	22
Total comprehensive income attributable to equity shareholders of the Company for the period	**11,511**	25,500

CONDENSED CONSOLIDATED BALANCE SHEET

at 30 June 2009 (unaudited)
(Expressed in United States dollars)

	Note	30 June 2009 $'000 (Unaudited)	31 December 2008 $'000 (Audited)
Non-current assets			
Property, plant and equipment	10	**135,340**	122,560
Interest in leasehold land held for own use under operating lease		**651**	655
Intangible assets	11	**92,804**	94,577
		228,795	217,792
Current assets			
Consumables	12	**335**	186
Trade and other receivables	13	**67,974**	65,795
Deposit payments for purchase of raw materials	14	**1,232**	1,239
Cash and cash equivalents		**7,005**	9,627
		76,546	76,847
Current liabilities			
Trade and other payables	15	**21,527**	22,334
Dividend payable		**1,034**	—
Obligations under finance leases		**2**	2
Provisions	16	**2,096**	2,096
		24,659	24,432
Net current assets		**51,887**	52,415
Total assets less current liabilities		**280,682**	270,207
Non-current liabilities			
Obligations under finance leases		**5**	7
NET ASSETS		**280,677**	270,200
CAPITAL AND RESERVES			
Share capital	17	**26,026**	25,855
Reserves		**254,651**	244,345
TOTAL EQUITY		**280,677**	270,200

Approved and authorised for issue by the board of directors on 5 September 2009.

Timothy Patrick McNally
Chairman

Tan Sri Dr Chen Lip Keong
Chief Executive Officer

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2009 (unaudited)
(Expressed in United States dollars)

	Note	Share capital $'000	Share premium $'000	Merger reserve $'000	Capital contribution reserve $'000	Exchange reserve $'000	Retained profits $'000	Total $'000
Balance at 1 January 2008 (audited)		25,938	134,892	(12,812)	55,568	124	58,858	262,568
Changes in equity for the six months ended 30 June 2008:								
Repurchase and cancellation of shares		(24)	(364)	—	—	—	—	(388)
Dividend paid		—	—	—	—	—	(16,000)	(16,000)
Total comprehensive income for the period		—	—	—	—	22	25,478	25,500
Balance at 30 June 2008 and 1 July 2008 (unaudited)		25,914	134,528	(12,812)	55,568	146	68,336	271,680
Changes in equity for the six months ended 31 December 2008								
Repurchase and cancellation of shares		(59)	(514)	—	—	—	—	(573)
Dividend paid		—	—	—	—	—	(15,341)	(15,341)
Total comprehensive income for the period		—	—	—	—	(98)	14,532	14,434
Balance at 31 December 2008 (audited)		25,855	134,014	(12,812)	55,568	48	67,527	270,200
Balance at 1 January 2009 (audited)		**25,855**	**134,014**	**(12,812)**	**55,568**	**48**	**67,527**	**270,200**
Changes in equity for the six months ended 30 June 2009:								
Issue and allotment of scrip dividend under scrip dividend scheme	17(ii)(a)	**171**	**1,484**	**—**	**—**	**—**	**—**	**1,655**
Final dividend declared		**—**	**—**	**—**	**—**	**—**	**(2,689)**	**(2,689)**
Total comprehensive income for the period		**—**	**—**	**—**	**—**	**(18)**	**11,529**	**11,511**
Balance at 30 June 2009 (unaudited)		**26,026**	**135,498**	**(12,812)**	**55,568**	**30**	**76,367**	**280,677**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

for the six months ended 30 June 2009 (unaudited)
(Expressed in United States dollars)

	Six months ended 30 June	
	2009	2008
	$'000	$'000
	(Unaudited)	(Unaudited)
Cash generated from operations	**13,887**	12,825
Tax paid	**(1,086)**	(964)
Net cash generated from operating activities	**12,801**	11,861
Net cash used in investing activities	**(15,421)**	(20,994)
Net cash used in financing activities	**(2)**	(388)
Net decrease in cash and cash equivalents	**(2,622)**	(9,521)
Cash and cash equivalents at beginning of period	**9,627**	56,229
Cash and cash equivalents at end of period	**7,005**	46,708

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

for the six months ended 30 June 2009
(Expressed in United States dollars)

1. CORPORATE INFORMATION

The Company is a company incorporated in the Cayman Islands and has its principal place of business at NagaWorld, South of Samdech Decho Hun Sen Park, Phnom Penh, Kingdom of Cambodia.

The condensed consolidated financial statements for the six months ended 30 June 2009 comprise the Company and its subsidiaries.

The condensed consolidated financial statements are expressed in United States dollars and rounded to the nearest thousand.

2. BASIS OF PREPARATION

The condensed consolidated financial statements for the six months ended 30 June 2009 have been prepared in accordance with IAS 34 "*Interim Financial Reporting*" and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

3. PRINCIPAL ACCOUNTING POLICIES

The 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 financial position and performance of the Group after the Group's audited consolidated financial statements for the year ended 31 December 2008 (the "2008 annual financial statements"). The 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 International Financial Reporting Standards ("IFRS") adopted by the International Accounting Standards Board (the "IASB"), and should be read in conjunction with the 2008 annual financial statements.

The condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted by the Group in the 2008 annual financial statements, except for the adoption of certain new or revised standards and interpretations issued by the IASB which are effective for the current accounting period of the Group as follows:

(Expressed in United States dollars)

3. PRINCIPAL ACCOUNTING POLICIES (continued)

IAS 1 (Revised 2007)	Presentation of Financial Statements
IAS 23 (Revised)	Borrowing Costs
IAS 32 and IAS 1 Amendments	Puttable Financial Instruments and Obligations Arising on Liquidation
IFRSs (Amendments)	Improvements to IFRSs issued in May 2008, except for the amendments to IFRS 5 that are effective for annual periods beginning on or after 1 July 2009; Improvements to IFRSs issued in April 2009 in relation to amendment to paragraph 80 of IAS 39
IFRS 1 and IAS 27 Amendments	Cost of a Subsidiary in the Separate Financial Statements of a Parent on First-time Adoption of IFRSs
IFRS 2 Amendment	Share-based Payments – Vesting Conditions and Cancellations
IFRS 7 Amendment	Financial Instruments: Disclosures – Improving disclosures about financial instruments
IFRS 8	Operating Segments
IFRIC – Interpretation 13	Customer Loyalty Programmes
IFRIC – Interpretation 15	Agreements for the Construction of Real Estate
IFRIC – Interpretation 16	Hedge of a Net Investment in a Foreign Operation
Amendment to IFRIC – Interpretation 9 and IAS 39	Embedded derivatives

The Interpretation IFRIC 13 has had no material impact on the Group's condensed consolidated financial statements as the interpretation was consistent with policies already adopted by the Group. The impact of the remainder of these developments on the interim financial report is not significant except for the following:

- IFRS 8 requires segment disclosure to be based on the way that the Group's chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measure reported to the Group's chief operating decision maker for the purpose of assessing segment performance and making decision about operating matters. The impact from such adoption is not significant due to the non-complex nature of business of the Group (see note 9). As this is the first period in which the Group has presented segment information in accordance with IFRS 8, additional explanation has been included in the interim financial report which explains the basis of preparation of the information. Corresponding amounts have also been provided on a basis consistent with the revised segment information.

- As a result of adoption of IAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expenses are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expenses or net assets for any period presented.

3. PRINCIPAL ACCOUNTING POLICIES (continued)

The IASB has also issued the following amendments, new or revised standards and interpretations which are not yet effective for the accounting period beginning on or after 1 January 2009 and which have not been early adopted in these condensed consolidated financial statements.

		Effective for accounting period beginning on or after
Amendments to IFRS 1	First-time adoption of International Financial Reporting Standards – Additional Exemptions for First-time Adopters	1 January 2010
IAS 27 (Revised)	Consolidated and Separate Financial Statements	1 July 2009
IAS 39 Amendment	Eligible Hedge Items	1 July 2009
IFRS 3 (Revised)	Business Combinations	1 July 2009
IFRSs (Amendments)	Improvements to IFRSs issued in April 2009;	#
	Improvements to IFRS 5 as part of Improvements to IFRSs issued in May 2008	1 July 2009
IFRS 1 (Revised)	First time adoption of International Financial Reporting Standards	1 July 2009
IFRS 2 (Amendments)	Share-based Payment – Group Cash-settled Share-based Payment Transactions	1 January 2010
IFRIC – Interpretation 17	Distribution of Non-cash Assets to Owners	1 July 2009
IFRIC – Interpretation 18	Transfers of Assets from Customers	*

Effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate.

* Effective for transfer of assets from customers received on or after 1 July 2009.

The directors of the Company are in the process of making an assessment of the expected impact of these amendments, new or revised standards and interpretations in the period of initial application. So far it was considered that their adoption is unlikely to have a significant impact on the Group's results of operations and financial position.

4. REVENUE

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

	Six months ended 30 June	
	2009	2008
	$'000	$'000
	(Unaudited)	(Unaudited)
Casino operations	**44,346**	107,439
Income from gaming machine stations	**16,923**	1,535
Sale of foods & beverages and others	**2,336**	154
	63,605	109,128

5. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after (crediting)/charging:

	Six months ended 30 June	
	2009	2008
	$'000	$'000
	(Unaudited)	(Unaudited)
Interest income	**—**	(272)
Auditor's remuneration	**141**	105
Amortisation of casino licence premium	**1,773**	1,773
Depreciation and amortisation	**2,607**	1,607
Exchange gain, net	**(13)**	(102)
Fuel expenses	**2,069**	2,138
Operating lease charges for:		
– office and car park rental	**144**	121
– land lease rental	**94**	94
– hire of equipment	**780**	210
Other taxes *(Note (a))*	**(101)**	(23)
Staff costs *(Note (b))*		
– Salaries, wages and other benefits	**9,646**	7,348
– Contributions to defined contribution retirement scheme	**3**	3

Notes:

(a) Other taxes relate to salary taxes, fringe benefit taxes and withholding taxes.

(b) Included in staff costs are the following:

	Six months ended 30 June	
	2009	2008
	$'000	$'000
	(Unaudited)	(Unaudited)
Directors' remuneration		
– Basic salaries and allowances	**352**	398
– Contributions to defined contribution retirement scheme	**3**	3
Senior management's remuneration		
– Basic salaries, allowances and benefits-in-kind	**1,007**	755

6. INCOME TAX

Income tax in the income statement represents:

	Six months ended 30 June	
	2009	2008
	$'000	$'000
	(Unaudited)	(Unaudited)
Current tax expense		
– Kingdom of Cambodia	**1,086**	964

Taxation represents obligation payment of (1) $180,203 (six month ended 30 June 2008: $160,180) per month payable to The Ministry of Economy and Finance of Cambodia (the "Ministry") by NagaWorld Limited Gaming Branch, a branch registered under the name of NagaWorld Limited ("NWL"), a subsidiary of the Company incorporated in Hong Kong, and minimum profits tax of $5,223 (six months ended 30 June 2008: $2,762) payable to the Ministry by NagaWorld Limited Hotel & Entertainment Branch, another registered branch of NWL. There are no Malaysian or Hong Kong income taxes payable by the Group.

7. DIVIDENDS PAYABLE TO EQUITY SHAREHOLDERS OF THE COMPANY ATTRIBUTABLE TO THE PERIOD

	Six months ended 30 June	
	2009	2008
	$'000	$'000
	(Unaudited)	(Unaudited)
Interim dividend declared after the balance sheet date		
2009: US cents 0.33 per ordinary shares	**6,917**	—
2008: US cents 0.74 per ordinary shares	**—**	15,341
	6,917	15,341

(Expressed in United States dollars)

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the consolidated profit attributable to equity shareholders of the Company of $11,529,000 (six months ended 30 June 2008: $25,478,000) and the weighted average number of 2,069,415,875 (2008: 2,074,075,580) ordinary shares in issue during the six months ended 30 June 2009.

There were no dilutive potential ordinary shares in existence during the six months ended 30 June 2009 (six months ended 30 June 2008: Nil).

The weighted average number of ordinary shares is as follows:

	Six months ended 30 June	
	2009	2008
	(Unaudited)	(Unaudited)
At beginning of the period	**2,068,436,000**	2,075,000,000
Effect of repurchase and cancellation of shares	**—**	(924,420)
Issuance and allotment of scrip dividend shares *(Note 17(a))*	**979,875**	—
At end of the period	**2,069,415,875**	2,074,075,580

9. SEGMENT REPORTING

The Group manages its businesses by division, which are organised by a mixture of business lines (casino, hotel & entertainment). On first time adoption of IFRS 8, 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 most senior executive management for the purpose of resource allocation and performance assessment.

- Casino operations: this segment is given the importance of gaming activities.
- Hotel and entertainment operations: this segment comprises the operations of leisure, hotel and entertainment activities.

9. SEGMENT REPORTING (continued)

Segment results, assets and liabilities

The Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible and current assets. Segment liabilities include trade creditors, other creditors, provision for unredeemed chips and other liabilities.

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.

	Casino operations $'000	**Hotel and entertainment operations** $'000	**Total** $'000
Segment revenue:			
Six months ended 30 June 2009 (Unaudited):			
Revenue from external customers	**61,269**	**2,336**	**63,605**
Inter-segment revenue	**—**	**1,827**	**1,827**
Reportable segment revenue	**61,269**	**4,163**	**65,432**
Six months ended 30 June 2008 (Unaudited):			
Revenue from external customers	108,974	154	109,128
Inter-segment revenue	—	997	997
Reportable segment revenue	108,974	1,151	110,125
Segment profit/(loss) (EBITDA):			
30 June 2009 (Unaudited)	**18,696**	**(295)**	**18,401**
30 June 2008 (Unaudited)	33,160	(745)	32,415
Segment assets:			
30 June 2009 (Unaudited)	**308,257**	**130,518**	**438,775**
31 December 2008 (Audited)	288,839	118,423	407,262

9. SEGMENT REPORTING (continued)

Segment results, assets and liabilities (continued)

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

	Six months ended 30 June	
	2009	2008
	$'000	$'000
	(Unaudited)	(Unaudited)
Revenue		
Reportable segment revenue	**65,432**	110,125
Elimination of inter-segment revenue	**(1,827)**	(997)
Consolidated revenue	**63,605**	109,128
Profit		
Reportable segment profit	**18,401**	32,415
Other income	**—**	113
Depreciation and amortisation	**(4,380)**	(3,380)
Unallocated head office and corporate expenses	**(1,406)**	(2,706)
Consolidated profit before taxation	**12,615**	26,442

10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2009, the Group acquired property, plant and equipment totalling $15,385,000, which included $12,155,000 in respect of capital work-in-progress in relation to the construction of NagaWorld. The additions have been included in the assets of the segment of hotel and entertainment operations as disclosed in note 9.

11. INTANGIBLE ASSETS

	30 June 2009 $'000 (Unaudited)	31 December 2008 $'000 (Audited)
Casino licence premium and extended exclusivity premium		
Cost		
At beginning and at end of period/year	**108,000**	108,000
Accumulated amortisation		
At beginning of period/year	**13,423**	9,876
Charge for the period/year	**1,773**	3,547
At end of period/year	**15,196**	13,423
Net book value		
At end of period/year	**92,804**	94,577

12. CONSUMABLES

Consumables comprise food and beverage, diesel and sundry store items.

13. TRADE AND OTHER RECEIVABLES

	30 June 2009 $'000 (Unaudited)	31 December 2008 $'000 (Audited)
Trade receivables	**60,481**	60,195
Other receivables, deposits and prepayments	**9,855**	7,962
	70,336	68,157
Less: Allowance for impairment loss included in trade receivables	**(2,362)**	(2,362)
	67,974	65,795

13. TRADE AND OTHER RECEIVABLES (continued)

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

	30 June 2009 $'000 (Unaudited)	31 December 2008 $'000 (Audited)
Current to within 1 month	**4,693**	19,393
1 to 3 months	**11,721**	16,655
3 to 6 months	**16,929**	15,381
6 to 12 months	**19,583**	4,050
More than 12 months	**5,193**	2,354
	58,119	57,833

The average credit period on gaming revenue is 7 days from the end of tour.

Trade receivables relate to a number of Junket VIP operators and local operators who have a good track record with the Group or were active during the period. The Group's credit policy is set out in note 22(c).

14. DEPOSIT PAYMENTS FOR PURCHASE OF RAW MATERIALS

As at the balance sheet date, deposit payments for the purchase of construction raw materials relate to deposits made for purchases of raw materials necessary for the construction of NagaWorld. It is anticipated that the materials will be used within twelve months.

15. TRADE AND OTHER PAYABLES

	30 June 2009 $'000 (Unaudited)	31 December 2008 $'000 (Audited)
Trade payables *(Note(a))*	**819**	344
Unredeemed casino chips	**6,024**	7,016
Unredeemed chips – Poibos	**940**	940
Construction creditors	**6,472**	4,944
Tax penalties and late payment interest	**124**	109
Non-gaming obligation payments and other taxes *(Note(b))*	**394**	319
Deposits	**12**	3,008
Other creditors and accruals	**6,742**	5,654
	21,527	22,334

Notes:

(a) Included in trade and other payables are trade creditors with the following ageing analysis as at the balance sheet date:

	30 June 2009 $'000 (Unaudited)	31 December 2008 $'000 (Audited)
Due within 1 month or on demand	**480**	7
Due after 1 month but within 3 months	**—**	19
Due after 3 months but within 6 months	**—**	318
Due after 6 months but within 12 months	**339**	—
	819	344

(b) Other taxes relate to salary taxes, fringe benefit taxes and withholding taxes.

16. PROVISIONS

The provisions for litigation relate to the winnings of a Junket VIP Group, who had allegedly resorted to cheating. Refer to note 20 for further details.

17. SHARE CAPITAL

(i) Authorised

	30 June 2009 $'000 (Unaudited)	31 December 2008 $'000 (Audited)
8,000,000,000 ordinary shares of $0.0125 each	**100,000**	100,000

(ii) Issued and fully paid

	30 June 2009		31 December 2008	
	No of shares	$'000	No of shares	$'000
	(Unaudited)		(Audited)	
At beginning of period/year	**2,068,436,000**	**25,855**	2,075,000,000	25,938
Share issue during the period *(Note(a))*	**13,642,875**	**171**	—	—
Repurchase and cancellation of shares during the year	—	—	(6,564,000)	(83)
At end of period/year	**2,082,078,875**	**26,026**	2,068,436,000	25,855

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.

Note:

(a) Share issue during the period

On 18 June 2009, the Company issued 13,642,875 ordinary shares under the scrip dividend scheme for 60% of the payment of the 2008 final dividend. The market value for calculating the number of Scrip Shares allotted to the shareholders pursuant to the scrip dividend scheme was HK$0.94 per share (or HK cents 94.00 per share), which was the average of the closing prices per share of the Company on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") for the 5 consecutive trading days up to and including 18 May 2009.

18. LEASE COMMITMENTS

At the balance sheet date, the Group's total future minimum lease payments under non-cancellable operating leases are payable as follows:

	30 June 2009 In respect of: (Unaudited)				31 December 2008 In respect of: (Audited)			
	Land lease $'000	Office, staff quarters and car park rental $'000	Equipment rental $'000	Total $'000	Land lease $'000	Office, staff quarters and car park rental $'000	Equipment rental $'000	Total $'000
Within 1 year	**187**	**813**	**1,536**	**2,536**	187	1,201	1,536	2,924
1 to 5 years	**748**	**167**	**4,902**	**5,817**	748	470	5,670	6,888
After 5 years	**21,145**	**—**	**—**	**21,145**	21,239	—	—	21,239
	22,080	**980**	**6,438**	**29,498**	22,174	1,671	7,206	31,051

Note: Hotel and casino complex, Phnom Penh

The Group has entered into lease arrangements in respect of land in Phnom Penh, Cambodia which forms the site for the NagaWorld hotel and entertainment complex with integrated casino facilities currently under construction. The lease agreement is valid for a period of seventy years and does not include any provision for renewal upon expiry or contingent rentals. Provisions for periodic adjustments to reflect market rentals are included in the lease agreement and in the commitments shown above.

19. CAPITAL COMMITMENTS

The Group had the following capital commitments as at each balance sheet date:

	30 June 2009 $'000 (Unaudited)	31 December 2008 $'000 (Audited)
Hotel and casino complex, Phnom Penh		
– contracted but not provided for	**4,910**	610
– authorised but not contracted for	**—**	2,453
	4,910	3,063

The capital commitments relating to the hotel and casino complex are expected to be incurred over one year in accordance with a phased construction plan.

20. LITIGATION

Junket VIP group cheating case

A Junket VIP Group comprising 20 members won approximately $2 million during the period from 23 April 2003 to 25 April 2003. Based on the information provided and review of internal security records, the Group believes the Junket VIP Group may have resorted to cheating in gambling. Therefore, NWL, one of the Company's subsidiaries incorporated in Hong Kong, withheld the money and lodged a report to the Cambodia local court.

NWL has lodged a report to the Cambodia Ministry of Interior's Police Headquarters and an order was issued by the police in Cambodia to NWL to withhold payment of monies to the Junket VIP Group until their investigations were completed. On 11 June 2003, a charge warrant was issued by the Prosecutor of the Phnom Penh Municipal Court against certain Junket VIP Group members. On 12 June 2003, the Phnom Penh Municipal Court issued an order temporarily restraining the Company from making the $2 million payment to the Junket VIP Group until completion of the Phnom Penh Municipal Court's investigations.

In July 2003, the Junket VIP Group members obtained a discharge warrant from the Phnom Penh Municipal Court discharging them from the criminal charges, and obtained a further warrant from the Phnom Penh Municipal Court cancelling their earlier order that restrained NWL from making payment to the Junket VIP Group. NWL has filed an appeal in the Cambodia Appeal Court against both warrants.

NWL has also commenced a civil action in the Phnom Penh Municipal Court against the Junket VIP Group members in respect of the disputed amount. On 29 August 2003, the Court of Appeal issued a warrant temporarily suspending the requirements of NWL from paying the $2 million to the Junket VIP Group members, pending the judgement of the Cambodia Appeal Court. NWL has since, on 4 August 2003, received a further demand for the outstanding sum and has been threatened with possible legal action and publicity of the incident.

At this juncture, NWL has no obligation to pay the withheld money and compensate the Junket VIP Group for legal costs. However, a provision has been made for the Junket VIP Group's winnings as set out in note 16.

21. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company has a share option scheme which was adopted upon listing of the Company's shares on the Main Board of The Stock Exchange of Hong Kong Limited on 19 October 2006 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any entity in the Group, to take up options at nil consideration to subscribe for shares of the Company.

The Company did not grant any share options during the six months ended 30 June 2009 (six months ended 30 June 2008: Nil) and there are no outstanding share options at 30 June 2009 (31 December 2008: Nil).

22. RISK MANAGEMENT

(a) Financial risk management objectives and policies

Exposures to political and economic risks, credit, interest rate and currency risk arise in the normal course of the Group's business. The Group has risk management policies and guidelines which set out its overall business strategies, its tolerance of risk and its general risk management philosophy and has established processes to monitor and control the hedging of transactions in a timely and accurate manner. Such policies are regularly reviewed by the board of directors of the Company, and regular reviews will be undertaken to ensure that the Group's policies and guidelines are adhered to.

(b) Political and economic risks

The Group's activities are carried out in the Kingdom of Cambodia, a country which, until recently, has had a history of political instability. While the political climate has been more stable in recent years, its political and legal frameworks are still evolving and the economic and legal environments may change significantly in the event of a change of government. Although the Government has been pursuing reform policies in recent years, no assurance can be given that the Government will continue to pursue such policies or that such policies may not be significantly altered. There is also no guarantee that the Government's pursuit of reforms will be consistent or effective. Changes in laws on taxation and investment and in policies affecting the industry in which the Group operates could have a significant adverse effect on its operating results and financial condition. For the purpose of the IPO, the Company purchased a political insurance hedging country risks in Cambodia. The Company considered, among others, the continued political stability and economic development in Cambodia and decided the political insurance was no longer necessary. As such, the political insurance was discontinued.

The Company has engaged an independent party to review and assess the political and investment risks in Cambodia on an annual basis. The findings of the independent party are disclosed in the annual and interim financial reports of the Company.

(c) Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. The Group grants credit facilities, on an unsecured basis, to selected Junket VIP operators and local operators who have a good financial background or with whom the Group has had extensive dealings over the past few years. Credit evaluations are performed on all customers requesting credit facilities.

At 30 June 2009, the Group has a certain concentration of credit risk at 67% (31 December 2008: 71%) of the total trade receivables that was due from the five largest operators.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet. The Group does not provide any guarantees which would expose the Group to credit risk.

22. RISK MANAGEMENT (continued)

(d) Interest rate risk

In respect of income from monetary assets, the effective interest and term are as follows:

	30 June 2009		31 December 2008	
	Effective interest rate % **(Unaudited)**	**One year or less $'000** **(Unaudited)**	Effective interest rate % (Audited)	One year or less $'000 (Audited)
Bank deposits				
On demand, at variable rates	**0.125 to 0.75**	**4,347**	0.4 to 4.0	5,535
7 days or less, at fixed rates	**0.01**	**11**	0.01 to 2.5	1,399
		4,358		6,934

The Group places deposits with established financial institutions on a short term basis and is only exposed to interest rate fluctuations of the United States dollars in various jurisdictions.

(e) Foreign currency risk

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

23. RELATED PARTY TRANSACTIONS

Significant transactions entered into between the Group and its related companies are as follows:

Expenses

	Six months ended 30 June	
	2009 $'000 (Unaudited)	2008 $'000 (Unaudited)
Travel expenses *(note)*	**27**	25
Office rental	**—**	5
	27	30

Note: The Group has engaged a related company, the controlling shareholder of which is Tan Sri Dr. Chen Lip Keong, the ultimate controlling shareholder of the Company, for the provision of travel and tour services and hotel accommodation.

As at 30 June 2009, an amount due from related party of $197,000 (31 December 2008: $324,000) in respect of office rental is included in trade and other receivables as disclosed in note 13 to the unaudited condensed consolidated financial statements. The balance is unsecured, interest-free and repayable on demand. The maximum amount during the period is $197,000 (31 December 2008: $324,000).

24. ULTIMATE CONTROLLING SHAREHOLDER

At 30 June 2009, Tan Sri Dr Chen Lip Keong is beneficially interested in 1,295,870,327 ordinary shares out of the 2,082,078,875 issued ordinary shares of the Company.

25. COMPARATIVE FIGURES

As a result of the application of IAS 1 (revised 2007), Presentation of Financial Statements, and IFRS 8, Operating Segments, certain comparative figures have been adjusted to conform to current period's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in note 3.

INVESTOR RELATIONS

We acknowledge the importance of maintaining a communication with our shareholders and investors through channels like Annual Report and Accounts, Interim Report and Accounts, press release and announcements. Our Interim Report contains details of financial and other relevant information about the Company's activities. We welcome enquiries about the Company's activities and will handle them on a timely fashion.

LISTINGS

The Company's shares have been listed on Main Board of the Stock Exchange of Hong Kong Limited since 19 October 2006.

INTERIM REPORT 2009

This Interim Report 2009, in both English and Chinese, is available in printed form and on the Company's website - www.nagacorp.com

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