

SILVER HERITAGE GROUP

December 2019 Annual Results Summary

31 March 2020

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Table of Contents

1	Executive Summary	pages 3 - 4
2	Group Results Summary	pages 5 - 6
3	Tiger Palace Results Summary	pages 7 - 8
4	TMCKK Results Summary	pages 9 - 10
5	Tiger Palace Detailed Graphs	page 11 - 16

2. Executive Summary

- Phoenix, Vietnam was closed in March 2019, leaving Nepal as the Company's only Continuing Operations

SVH Group Continuing Operations

- Sales Revenue from Nepal increased by 16.2% year-on-year to US\$14.97 million¹
- Direct Operating Expenses in Nepal were reduced by 6.6% to US\$13.51 million¹
- Gross Margin in Nepal improved by US\$3.05 million to US\$1.46 million¹
- Corporate Expenses were reduced by 38.8% to US\$2.40 million¹
- Adjusted EBITDA² for the Group improved by US\$4.42 million to a loss of US\$1.02 million¹

Tiger Palace, Bhairahawa

- Sales Revenue increased by 25.7% year-on-year to US\$8.97 million¹
- Direct Operating Expenses were reduced by 4.9% to US\$9.36 million¹
- Gross Margin (Property Level EBITDA) improved by US\$2.31 million to a loss of US\$391,000¹
- Casino Footfall numbers increased by 34.5% to 148,000¹
- Table Games Drop increased 76.6% to US\$34.61 million¹, but Hold Rate was only 17.9% (FY18: 24.4%)
- Hotel Occupancy averaged 71% during the year compared to 48% in FY2018

1: All results and other reported numbers for FY2019 are unaudited 2: Adjusted EBITDA – see definition on page 5

2. Executive Summary (Continued)

The Millionaire's Club and Casino, Kathmandu

- Sales Revenue increased by 5.6% year-on-year to US\$5.99 million¹
- Direct Operating Expenses were reduced by 10.3% to US\$4.15 million¹
- Gross Margin (Property Level EBITDA) improved by 76.0% to US\$1.84 million¹
- Casino Footfall Numbers increased by 5.6% to 94,000¹
- Table Games Drop increased 22.0% to US\$34.00 million¹, but Hold Rate was only 16.0% (FY18: 18.1%)

Other Key Highlights

- Financial Statements are presented on a realisation basis rather than a going concern basis resulting in net non-cash impairment provisions of US\$22.8 million¹
- Cash at Year-end of US\$3.16 million¹
- Corporate Bonds at Year-End of US\$14.97 million¹. Bondholders have provided an additional US\$1.0 million of lending in January 2020 and re-set all repayment dates and financial covenants
- Nepal Bank Debt at Year-End of US\$13.71 million¹

1: All results and other reported numbers for FY2019 are unaudited 2: Adjusted EBITDA – see definition on page 5

FY2019: SVH Group - Annual Results Summary

SVH Group Operating Results (US\$'000)	2019 ¹	2018	Change
Sales Revenue			
Tiger Palace, Bhairahawa	8,969	7,134	+25.7%
The Millionaire's Club & Casino, Kathmandu	5,992	5,674	+5.6%
Other Corporate Revenue	8	65	-87.7%
Sales Revenue from Continuing Operations	14,969	12,873	+16.2%
Direct Operating Expenses	(13,511)	(14,466)	-6.6%
Gross Margin	1,458	(1,593)	
Corporate Expenses	(2,399)	(3,923)	-38.8%
Interest Income	9	21	-57.1%
Share of (Loss)/Profit from Joint Venture	(89)	51	
Adjusted EBITDA²	(1,021)	(5,444)	+81.2%

1 Results for FY2019 are unaudited.

2 Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortisation, adjusted for profits and losses from discontinued operations, impairment of assets, one-off exceptional items and share-based compensation expenses.

FY2019: SVH Group - Annual Results Summary (Continued)

SVH Group Operating Results (US\$'000)	2019 ¹	2018	Change
Adjusted EBITDA²	(1,021)	(5,444)	+81.2%
Depreciation and Amortisation	(3,694)	(3,931)	-6.0%
(Loss)/Profit from Discontinued operations	(2,617)	2,917	
Impairment & Provisions, Net of Write-Backs	(22,834)	1,225	
Restructuring Expenses	(15)	(536)	-97.2%
Share-based Payments	(31)	(44)	-29.5%
Finance Costs	(4,954)	(5,468)	-9.4%
Corporate Income Taxes	-	(64)	-
Loss after Income Tax Expense	(35,166)	(11,345)	+210.0%

1 Results for FY2019 are unaudited.

2 Adjusted EBITDA is defined as earnings before interest, tax, depreciation and amortisation, adjusted for profits and losses from discontinued operations, impairment of assets, one-off exceptional items and share-based compensation expenses.

FY2019: Tiger Palace - Annual Results Summary

Tiger Palace Operating Results (US\$'000)	2019 ¹	2018	Change
Gaming Revenue	6,711	5,340	+25.7%
Non-Gaming Revenue	2,258	1,794	+25.9%
Total Sales Revenue	8,969	7,134	+25.7%
Direct Operating Expenses	(9,360)	(9,848)	-4.9%
Gross Margin	(391)	(2,714)	+85.5%
Depreciation and Amortisation	(2,848)	(3,640)	-21.8%
Impairment & Provisions, net of Write-Backs	(22,787)	-	-
Bank Loan Interest	(1,613)	(1,469)	+9.8%
Corporate Income Taxes	-	-	-
Net Loss for the Year	(27,639)	(7,823)	+253.9%

¹ Results for FY2019 are unaudited.

FY2019: Tiger Palace - Annual Sales Revenue Analysis

Tiger Palace Sales Revenue Analysis (US\$'000)	2019 ¹	2018	Change
Table Games	6,193	4,775	+29.7%
Electronic Gaming Machines	518	565	-8.3%
Total Gaming Revenue	6,711	5,340	+25.7%
Non-Gaming Revenue	2,258	1,794	+25.9%
Total Sales Revenue (US\$'000)	8,969	7,134	+25.7%
Total Casino Footfall (No.)	148,000	110,000	+34.5%
Table Games Drop (US\$'000)	34,610	19,600	+76.6%
Table Games Hold Percentage (%)	17.9%	24.4%	
Hotel Occupancy Rate (%)	71%	48%	

¹ Results for FY2019 are unaudited.

FY2019: The Millionaire's Club & Casino - Annual Results Summary

TMCK Operating Results (US\$'000)	2019 ¹	2018	Change
Gaming Revenue	5,989	5,671	+5.6%
Non-Gaming Revenue	3	3	
Total Sales Revenue	5,992	5,674	+5.6%
Direct Operating Expenses	(4,151)	(4,628)	-10.3%
Gross Margin	1,841	1,046	+76.0%
Depreciation and Amortisation	(634)	(260)	+143.8%
Impairment & Provisions, Net of Write-Backs	611	-	-
Right-of-Use Interest	(220)	-	-
Corporate Income Taxes	-	(46)	-
Net Profit for the Year	1,598	740	+115.9%

¹ Results for FY2019 are unaudited.

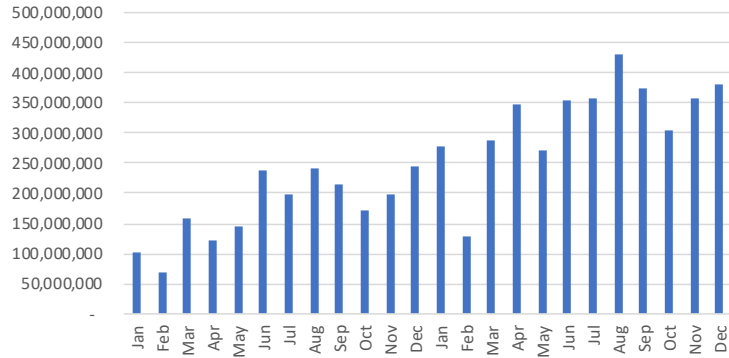
FY2019: The Millionaire's Club & Casino - Annual Sales Revenue Analysis

TMCK Sales Revenue Analysis (US\$'000)	2019 ¹	2018	Change
Table Games	5,453	5,032	+8.3%
Electronic Gaming Machines	536	639	-16.1%
Total Gaming Revenue	5,989	5,671	+5.6%
Non-Gaming Revenue	3	3	
Total Sales Revenue (US\$'000)	5,992	5,674	+5.6%
Total Casino Footfall (No.)	94,000	89,000	+5.6%
Table Games Drop (US\$'000)	34,002	27,866	+22.0%
Table Games Hold Percentage (%)	16.0%	18.1%	

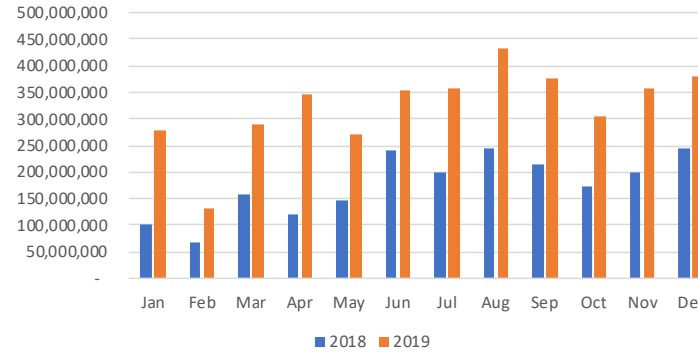
¹ Results for FY2019 are unaudited.

Tiger Palace Resort: Casino Drop

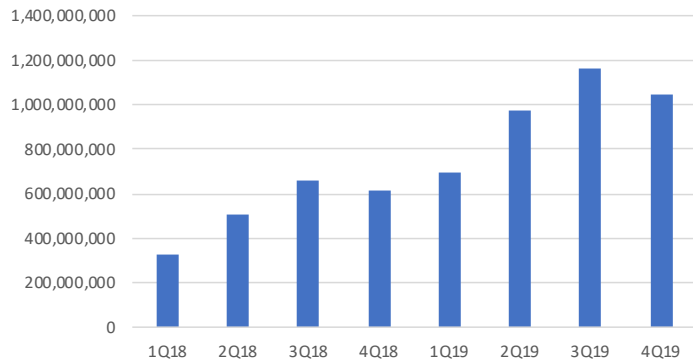
Tiger Palace - Drop (NPR)



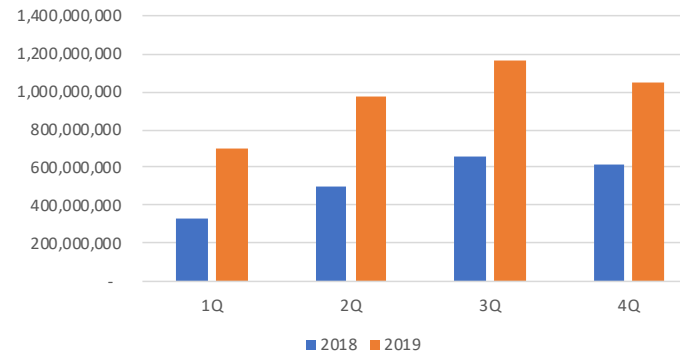
Tiger Palace Drop (NPR)



Tiger Palace - Tables Drop by QTR (NPR)

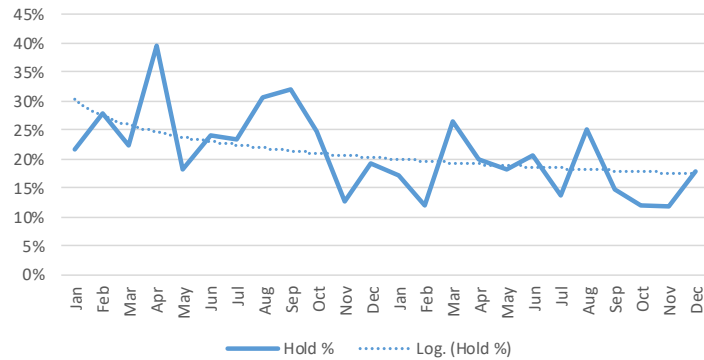


Tiger Palace - Drop per QTR (NPR)

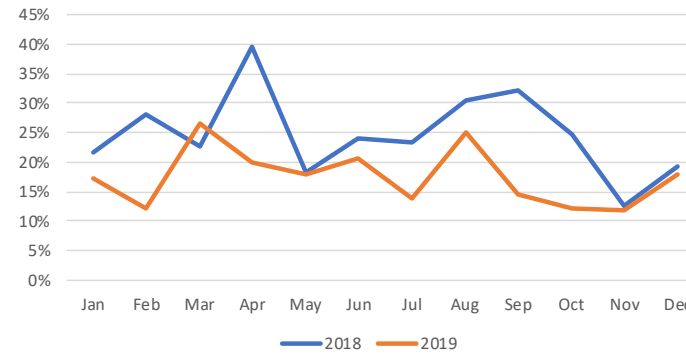


Tiger Palace Resort: Tables Hold Percentage

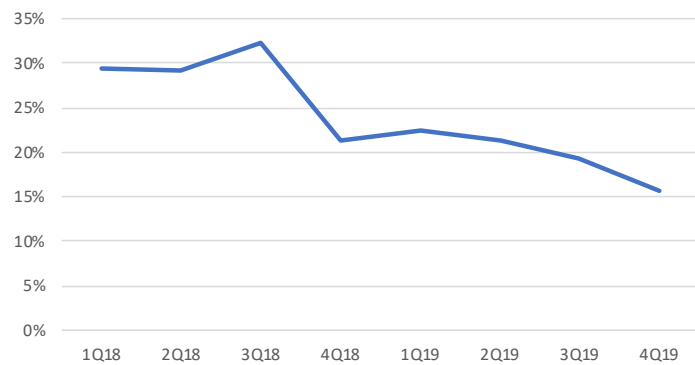
Tiger Palace - Tables Hold %



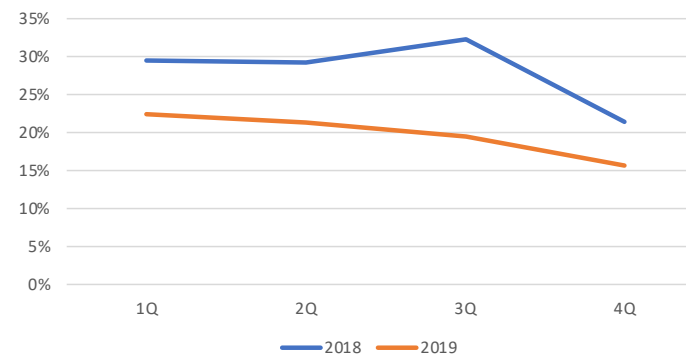
Tiger Palace - Hold %



Tiger Palace - Hold % per QTR

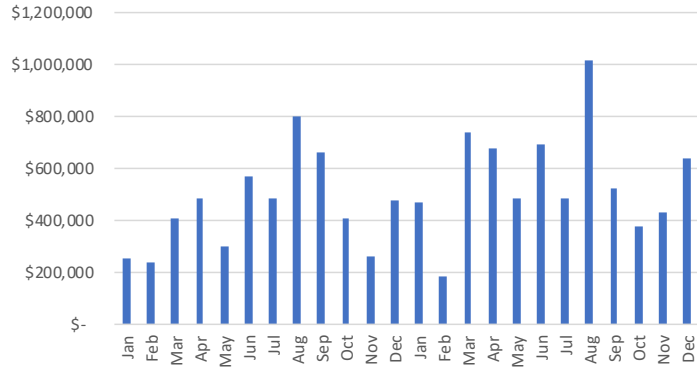


Tiger Palace - Hold % per QTR

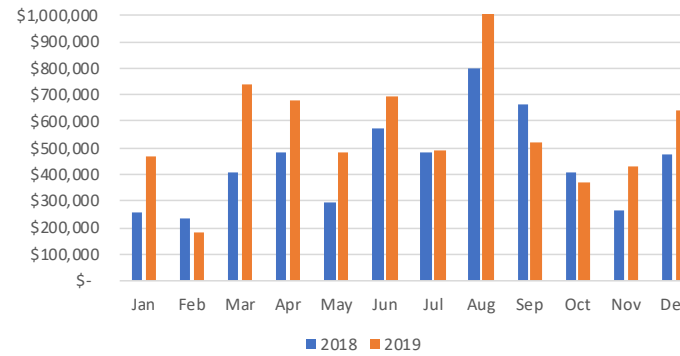


Tiger Palace Resort: Casino Gross Gaming Revenue

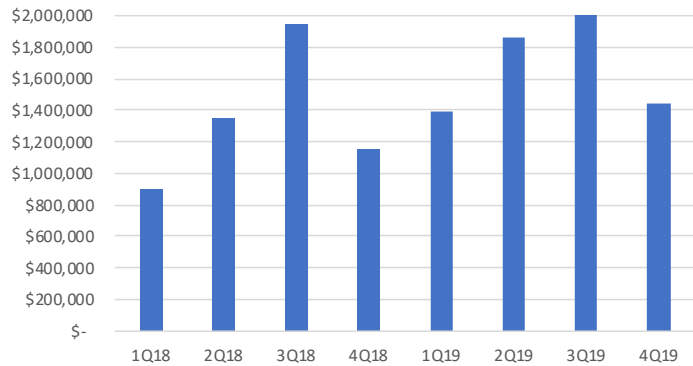
Tiger Palace - Gross Gaming Revenue (USD)



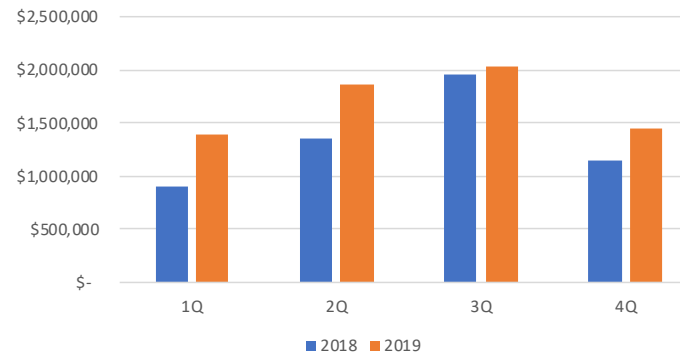
Tiger Palace GGR (USD)



Tiger Palace - GGR by QTR

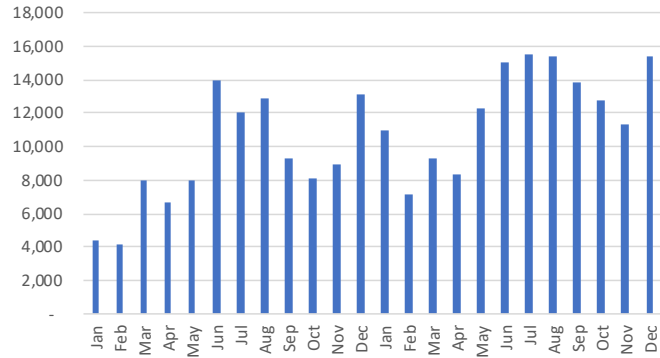


Tiger Palace - GGR per QTR (USD)

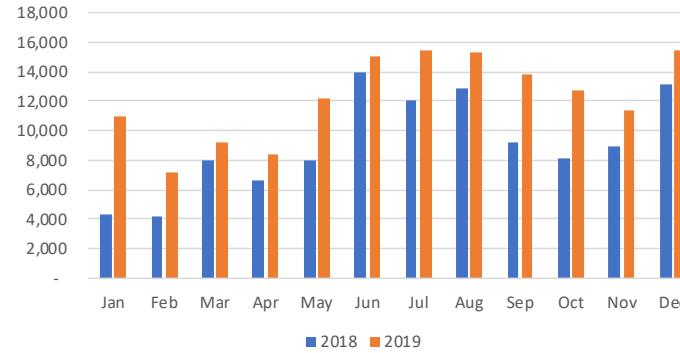


Tiger Palace Resort: Casino Patron Footfall

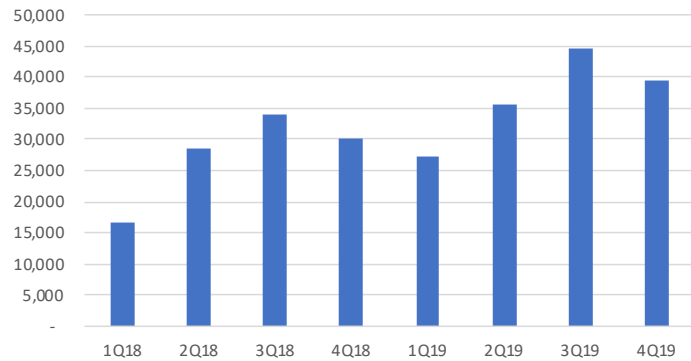
Tiger - Casino Patron Footfall



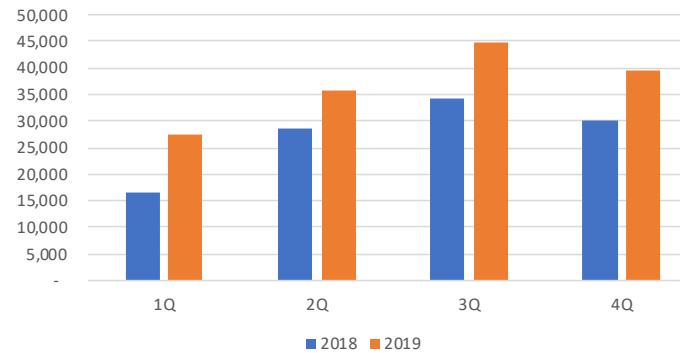
Tiger Palace - Casino Patron Footfall



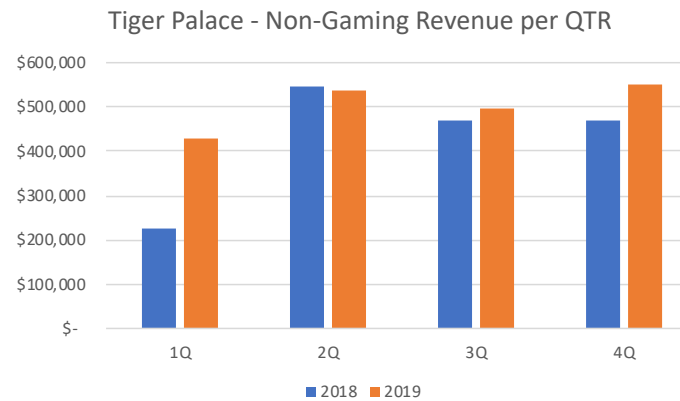
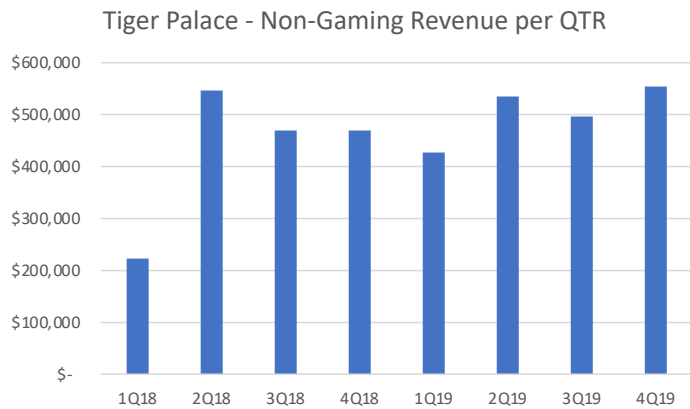
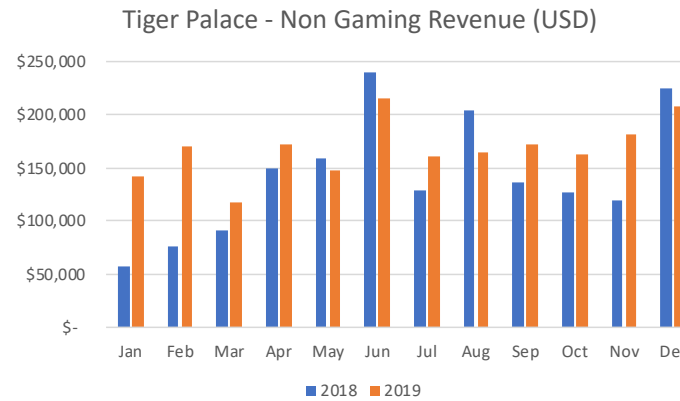
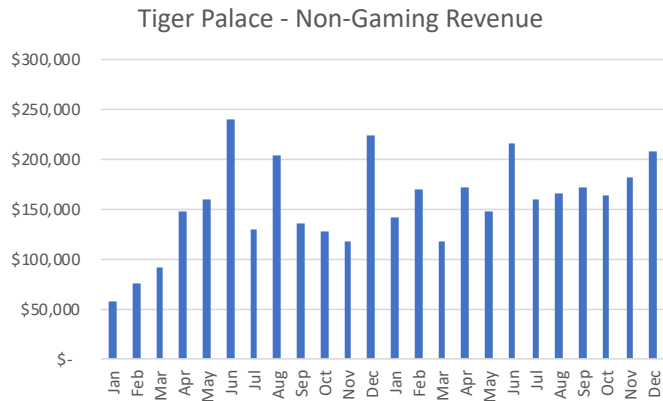
Tiger Palace - Casino Footfall per QTR



Tiger Palace - Casino Footfall per QTR

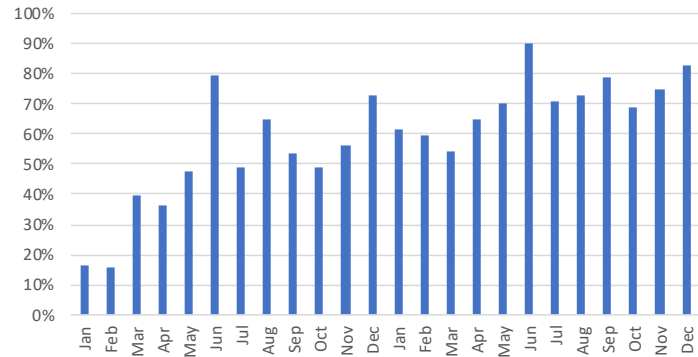


Tiger Palace Resort: Non-Gaming Revenue

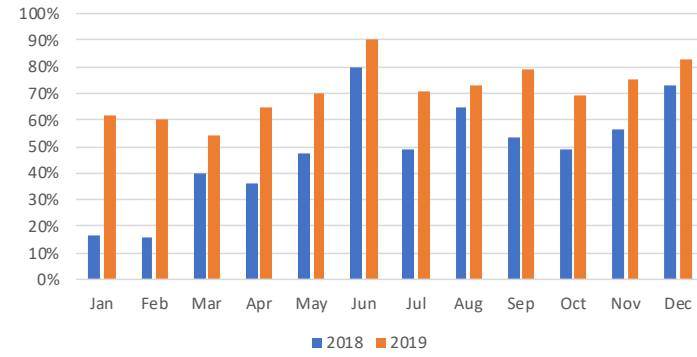


Tiger Palace Resort: Hotel Occupancy

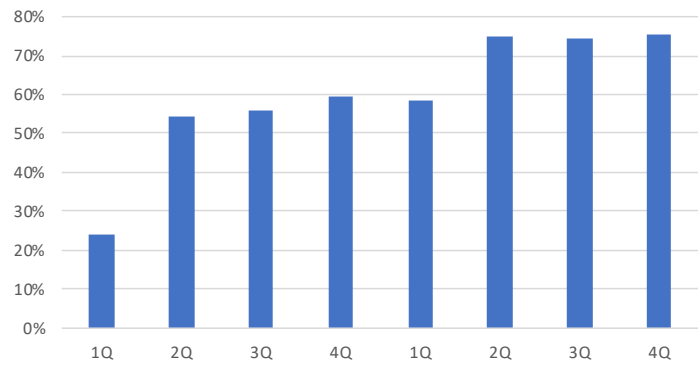
Tiger Palace - Hotel Occupancy (%)



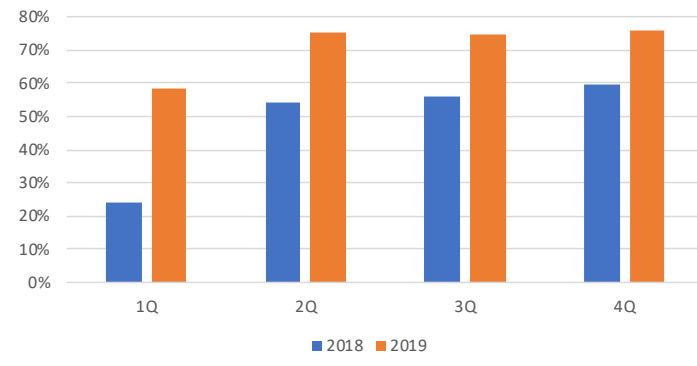
Tiger Palace - Hotel Occupancy (%)



Tiger Palace - Hotel Occupancy by QTR



Tiger Palace - Hotel Occupancy by QTR



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