

SILVER HERITAGE GROUP

**Trading Update Year-to-Date
29 February 2020**



31 March 2020

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2a. Executive Summary (Operations and Balance Sheet)

Tiger Palace Resort, Bhairahawa

- Live Tables Drop increased by 52% to US\$5.5 million¹ compared to the same period in FY19¹
- Gaming Revenue increased by 46% to US\$998,000¹ compared to the same period in FY19¹
- Hotel Occupancy improved in each of January (to 77% from 61%) and February (83% from 60%)
- Non-Gaming Revenue increased by 36% to US\$420,000¹ compared to the same period in FY19¹
- Gross Margin (Property Level EBITDA) improved to a loss of US\$64,000¹ versus a loss of US\$388,000¹
- Last six months Gross Margin to 29 Feb 2020 was US\$700,000¹

The Millionaire's Club & Casino, Kathmandu

- Live Tables Drop increased by 28% to US\$5.9 million¹ compared to the same period in FY19¹
- Lower Hold Rate (11.6% vs 21.2%) has however, impacted revenues, which are down by 26% to US\$803,000¹ compared to the same period in FY19¹

Group Balance Sheet at 29 February 2020

- Cash on Hand: US\$3.2 million¹ (December 2019: US\$ 3.2 million¹), including US\$2.7 million in Nepal and US\$0.5 million outside Nepal. In light of the continuing default by Phoenix (see page 4) managing liquidity outside Nepal is the Group's key issue.
- Nepal Bank Debt: US\$13.9 million¹ (including accrued interest) (December 2019: US\$ 14.0 million¹)
- OCP Bonds Outstanding: US\$16.4 million¹ (at Redemption Value) (December 2019: US\$ 15.0 million¹)

1: All results and other reported numbers for FY2019 and FY2020 are unaudited

2b. Executive Summary (Post 29 February 2020)

Coronavirus / Covid-19 in Nepal

- The 2019-20 coronavirus pandemic is an ongoing pandemic of coronavirus disease 2019 (COVID-19), caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The outbreak was recognised as a pandemic by the World Health Organization (WHO) on 11 March 2020.
- As of 30 March 2020 Nepal has reported 5 cases (1 fully recovered).
- In response to government directives the casinos at TMCK and Tiger Palace closed on 19 March 2020 with the earliest expected re-opening being 30 April 2020.
- The hotel at Tiger Palace Resort and the entire property closed on 24 March 2020 with the earliest expected re-opening being 30 April 2020.
- Majority of staff have been placed on leave pending developments of the pandemic in Nepal. Essential staff are either working from home or where possible on site.
- The Central Bank of Nepal has mandated that local banks give 3 months of relief on debt repayments.
- The Company continues to work closely with the local Nepal banks and the Group's Bondholders, OCP, both of whom have expressed their support during this period.

Phoenix International Club, Vietnam

- Phoenix currently owes the Company the remaining US\$1.47m of the US\$5.25m settlement.
- We have engaged local law firm OPIC & Associates to assist on the final recovery.

2c. Executive Summary (Post 29 February 2020) cont'd

Recapitalization & Restructuring

- The company continues to engage Union Gaming to work with prospective investors in order to address the capital structure issues of the Group.
- We have been making some progress on this. However, given the environment and travel restrictions the timeframe around this has been extended

FY2020: SVH Group - Year-to-Date Results Summary

SVH Group Operating Results (US\$'000)	YTD Feb 20 ¹	YTD Feb 19 ¹	Change
Sales Revenue			
Tiger Palace, Bhairahawa	1,418	992	+42.9%
The Millionaire's Club & Casino, Kathmandu	803	1,090	-26.3%
Other Corporate Revenue	-	7	-
Sales Revenue from Continuing Operations	2,221	2,089	+6.3%
Direct Operating Expenses	(2,223)	(2,162)	+2.8%
Gross Margin	(2)	(73)	
Corporate Expenses	(392)	(478)	-18.0%
Share of Losses from Joint Venture	-	(24)	-
Adjusted EBITDA² for the Year-to-Date	(394)	(575)	+31.5%

1 All results and other reported numbers for FY2019 and FY2020 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.

FY2020: Tiger Palace - Year-to-Date Results Summary

Tiger Palace Operating Results (US\$'000)	YTD Feb 20 ¹	YTD Feb 19 ¹	Change
Gaming Revenue	998	682	+46.3%
Non-Gaming Revenue	420	310	+35.5%
Total Sales Revenue	1,418	992	+42.9%
Direct Operating Expenses	(1,482)	(1,380)	+7.4%
Gross Margin	(64)	(388)	+83.5%
Depreciation and Amortisation	(422)	(507)	-16.8%
Bank Loan Interest	(282)	(239)	+18.0%
Corporate Income Taxes	-	-	-
Net Loss for the Year to Date	(768)	(1,134)	+32.3%

1 All results and other reported numbers for FY2019 and FY2020 are unaudited

FY2020: Tiger Palace - Year-to-Date Sales Revenue Analysis

Tiger Palace Sales Revenue Analysis (US\$'000)	YTD Feb 20 ¹	YTD Feb 19 ¹	Change
Table Games	933	601	+65.2%
Electronic Gaming Machines	65	81	-19.8%
Total Gaming Revenue	998	682	+46.3%
Non-Gaming Revenue	420	310	+35.5%
Total Sales Revenue (US\$'000)	1,418	992	+42.9%
Total Casino Footfall (No.)	25,000	18,000	+38.9%
Table Games Drop (US\$'000)	5,528	3,632	+52.2%
Table Games Hold Percentage (%)	16.9%	16.5%	
Hotel Occupancy Rate (%)	80%	61%	

¹ All results and other reported numbers for FY2019 and FY2020 are unaudited

FY2020: The Millionaire's Club & Casino - Year-to-Date Results Summary

TMCK Operating Results (US\$'000) ⁷	YTD Feb 20 ¹	YTD Feb 19 ¹	Change
Gaming Revenue	800	1,087	-26.4%
Non-Gaming Revenue	3	3	-
Total Sales Revenue	803	1,090	-26.3%
Direct Operating Expenses	(741)	(782)	-5.2%
Gross Margin	62	308	-79.9%
Depreciation and Amortisation	(33)	(42)	-21.4%
Corporate Income Taxes	-	-	-
Net Profit for the Year-to-Date	29	266	-89.1%

¹ All results and other reported numbers for FY2019 and FY2020 are unaudited

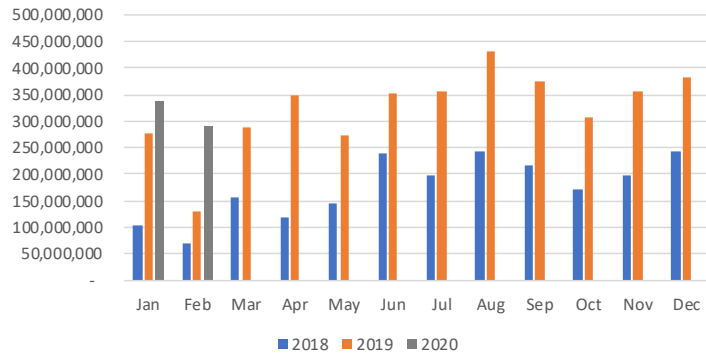
FY2020: The Millionaire's Club & Casino - Year-to-Date Sales Revenue Analysis

TMCK Sales Revenue Analysis (US\$'000)	YTD Feb 20 ¹	YTD Feb 19 ¹	Change
Table Games	686	982	-30.1%
Electronic Gaming Machines	114	105	+8.6%
Total Gaming Revenue	800	1,087	-26.4%
Non-Gaming Revenue	3	3	
Total Sales Revenue (US\$'000)	803	1,090	-26.3%
Total Casino Footfall (No.)	13,000	15,000	-13.3%
Table Games Drop (US\$'000)	5,917	4,638	+27.6%
Table Games Hold Percentage (%)	11.6%	21.2%	

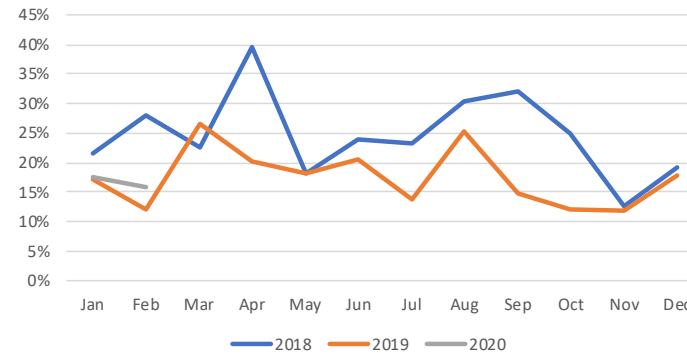
¹ All results and other reported numbers for FY2019 and FY2020 are unaudited

Tiger Palace Resort - Casino Graphs

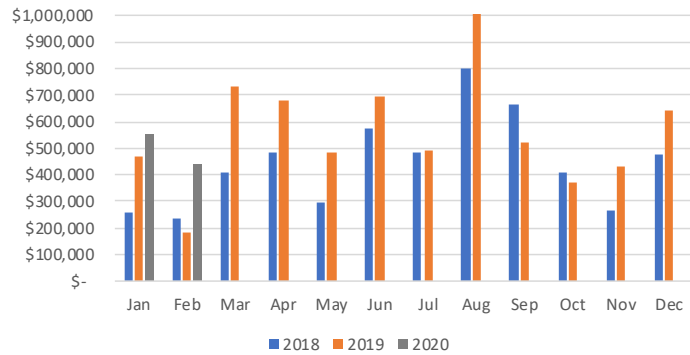
Tiger Palace Drop (NPR)



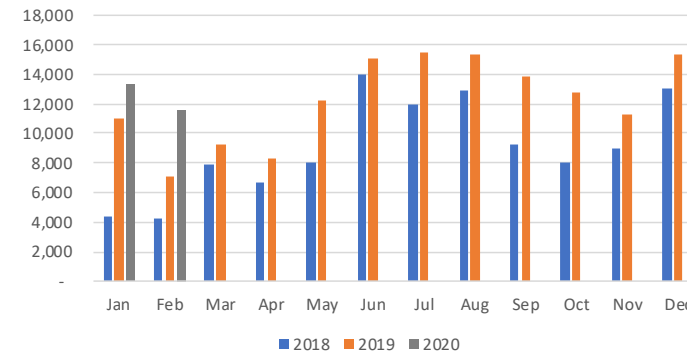
Tiger Palace - Hold %



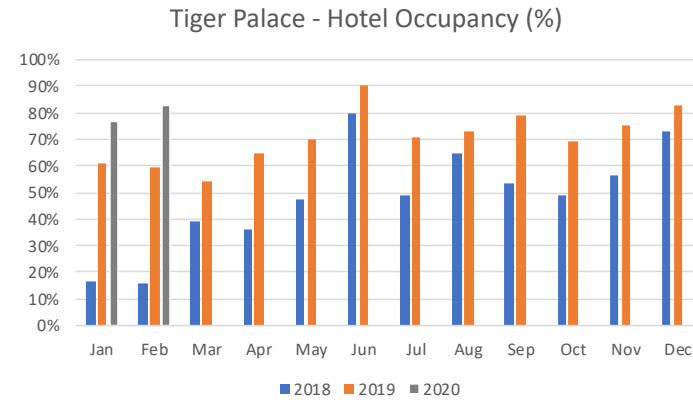
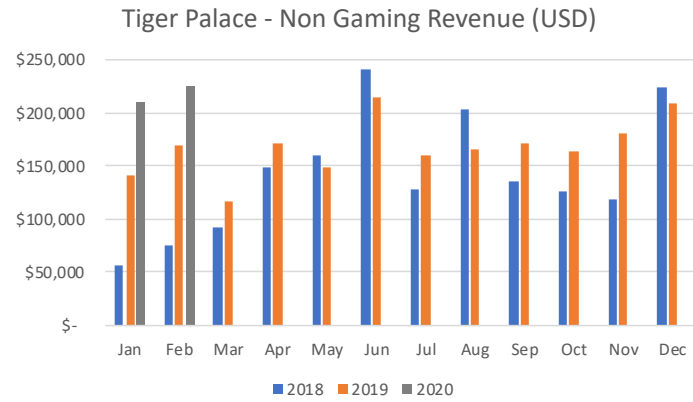
Tiger Palace Gross Gaming Revenue (USD)



Tiger Palace - Casino Patron Footfall

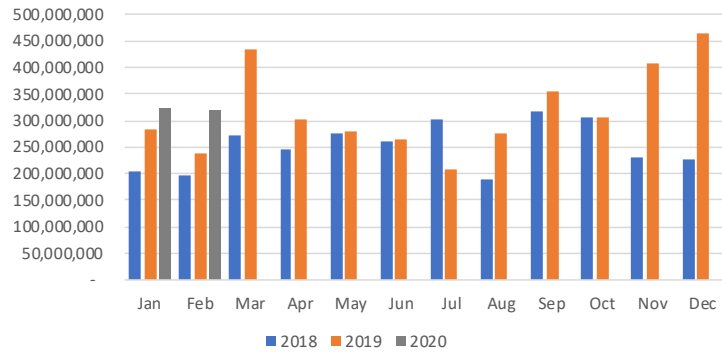


Tiger Palace Resort - Non-Gaming Graphs

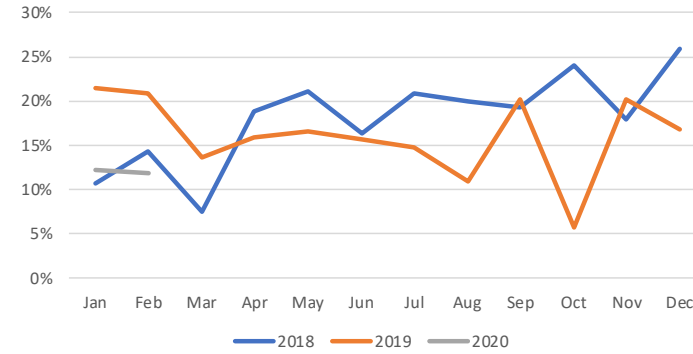


TMCCCK - Casino Graphs

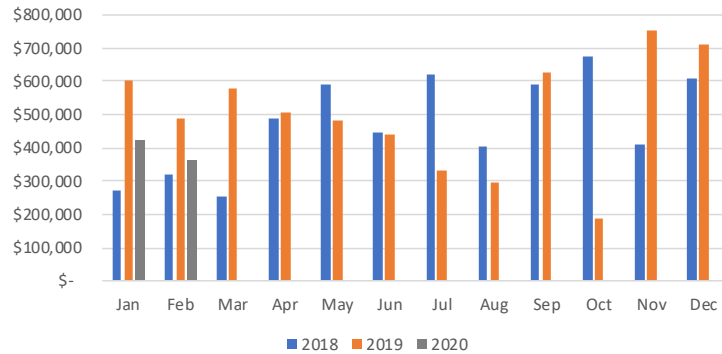
TMCCCK Drop (NPR)



TMCCCK - Hold %



TMCCCK - Gross Gaming Revenue (USD)



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