

SILVER HERITAGE GROUP

2Q18 Trading Update

Strong revenue growth across the Group and
Tiger Palace Resort beginning to deliver

19 July 2018

2Q18 Group Highlights

- **2Q18 showed strong revenue growth across all properties with many new record numbers**
- 2Q18 Gross Gaming Revenue (GGR) of US\$11,392,000 a new Group record since listing on the ASX in 2016
- 2Q18 GGR up +39% over previous quarter, and up +62% over 2Q17
- June Month, highest monthly GGR of US\$4,200,000 since listing on the ASX in 2016
- 2Q18 Net Gaming Revenue (NGR) +36% over previous quarter, an up +56% over 2Q17
- Tiger Palace Total Revenue up +73% over previous quarter
- Tiger Palace approaching breakeven property level positive cashflow, in 4th full month following casino grand opening

Group	1Q18	2Q18	%
GGR US\$	\$8,173,000	\$11,392,000	+39%
NGR US\$	\$4,322,000	\$5,884,000	+36%

GGR	1Q18	2Q18	%
Tiger Palace	\$911,000	\$1,340,000	+47%
TMCKK	\$849,000	\$1,524,000	+80%
Phoenix	\$6,425,000	\$8,516,000	+33%

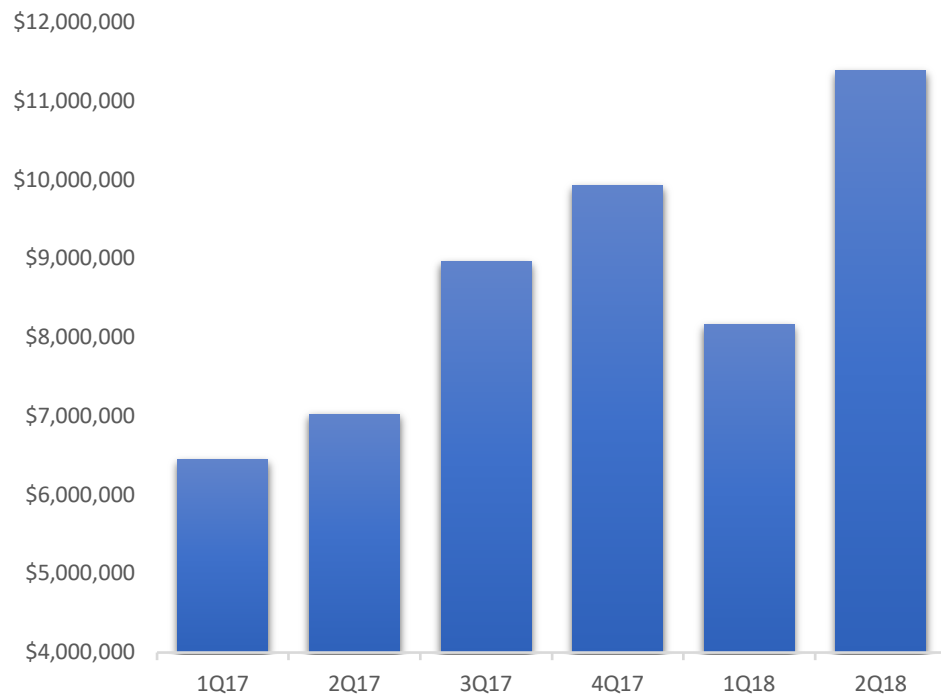
* All figures are estimates and unaudited.

** GGR for countries other than Nepal is not earned by the Group but is the key metric used by management to measure the performance of the various segments of its business. GGR is not included in the Company's financial statements.

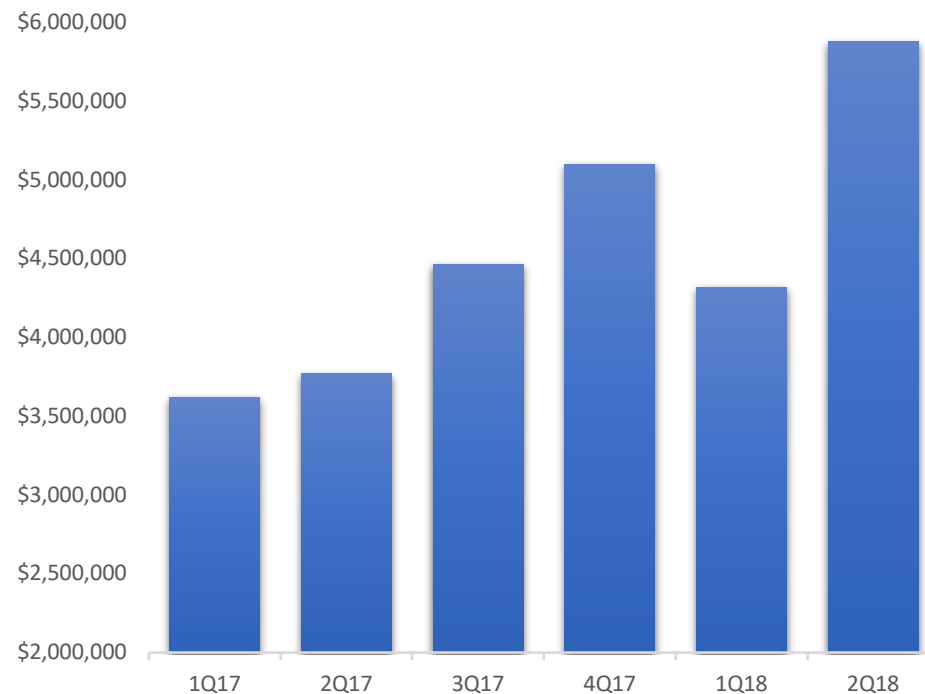
Quarterly Group Performance

Quarterly Gaming revenue trend showing positive impact of Tiger Palace growth

Group - Gross Gaming Revenue (GGR)



Group - Net Gaming Revenue (NGR)



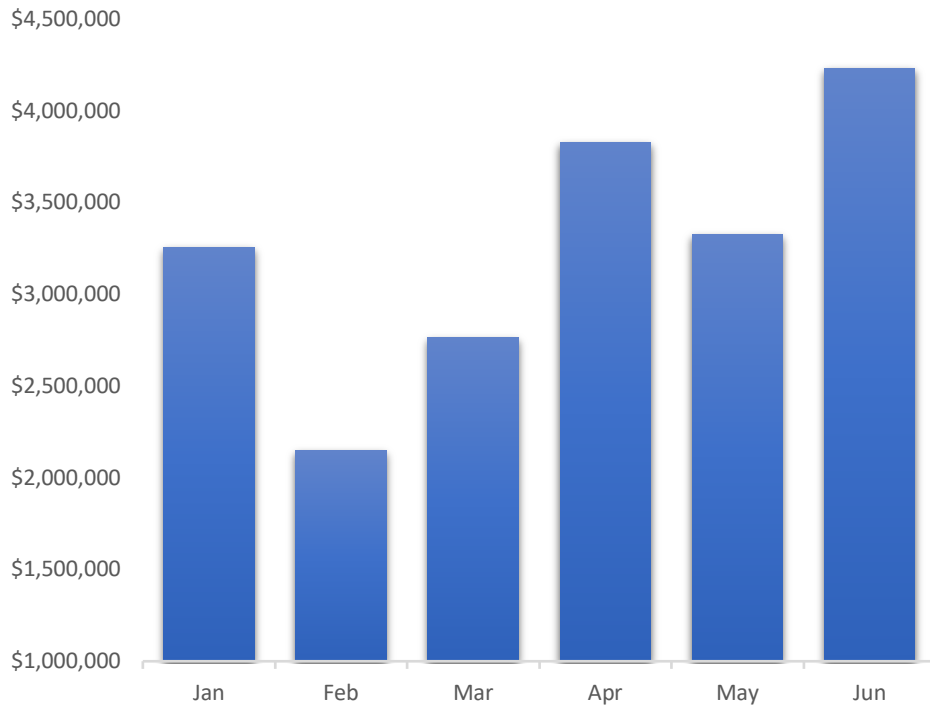
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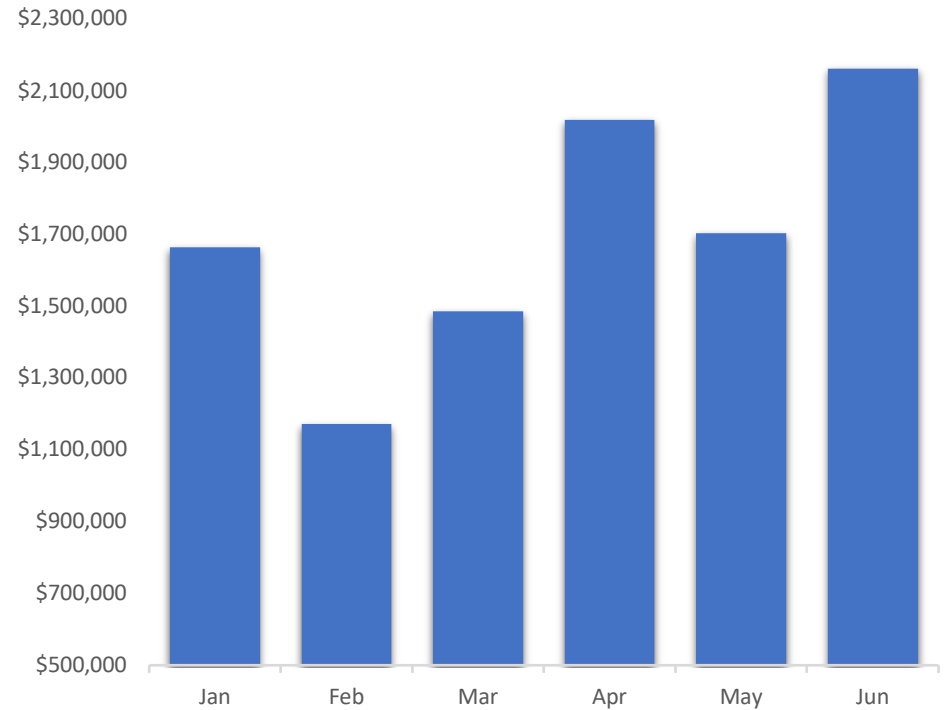
Monthly Group Performance

Monthly Gaming revenue trend showing positive impact of Tiger Palace growth

Group - Monthly GGR



Group - Monthly NGR



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Execution Scorecard

Since 31 March 2018

- Local Partner Settlement
- New Local Partner (Casino Management Company)
- Strengthened local management team
- Re-registered all expatriate workforce (WIP)
- Gaming and Non-Gaming results continue to ramp up significantly

Since Entitlement Offer August 2017

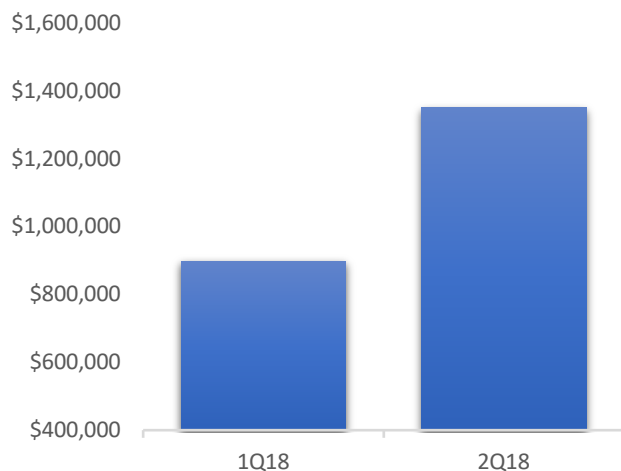
- Completed project construction
- Attained 5-Star Hotel Rating
- Attained Casino License
- Commenced Hotel Operations
- Commenced Casino Operations
- Casino Grand Opening in March 2018

Tiger Palace Update - Revenue

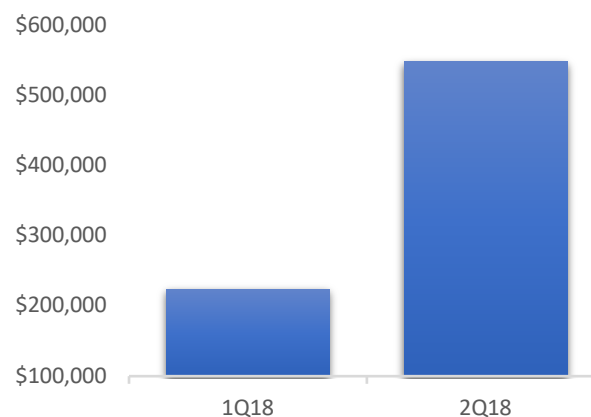
Significant traction for Tiger Palace in 2Q18 (June) Quarter

Tiger Palace	1Q18	2Q18	%
Gross Gaming Revenue US\$	\$899,000	\$1,352,000	50%
Non-Gaming Revenue US\$	\$224,000	\$548,000	145%
Total Revenue US\$	\$1,027,000	\$1,773,000	73%

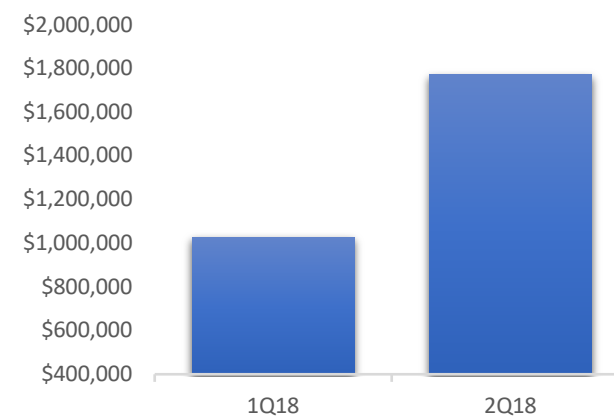
Tiger Palace - Quarterly GGR



Tiger Palace - Quarterly Non-Gaming Revenue



Tiger Palace - Quarterly Total Revenue



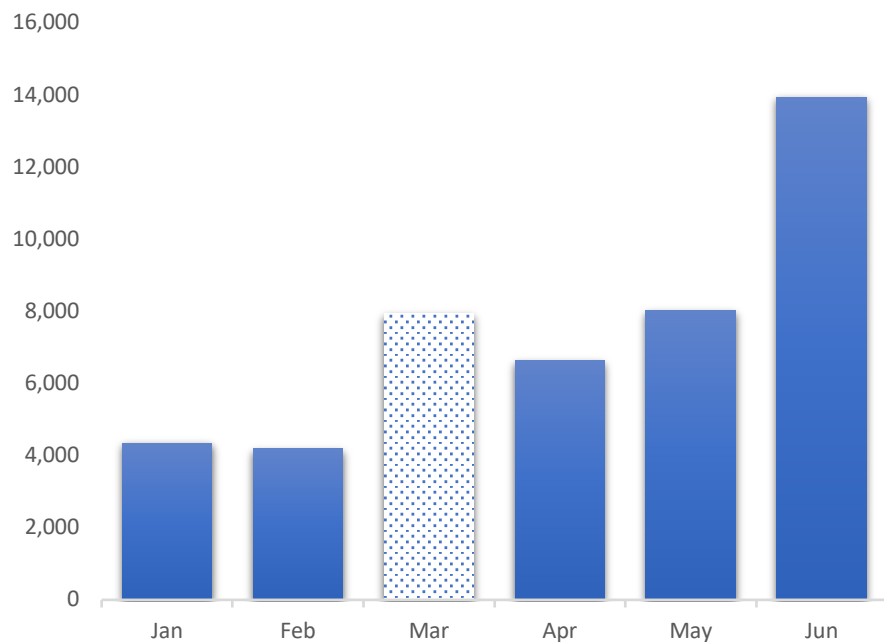
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Tiger Palace Update - Footfall

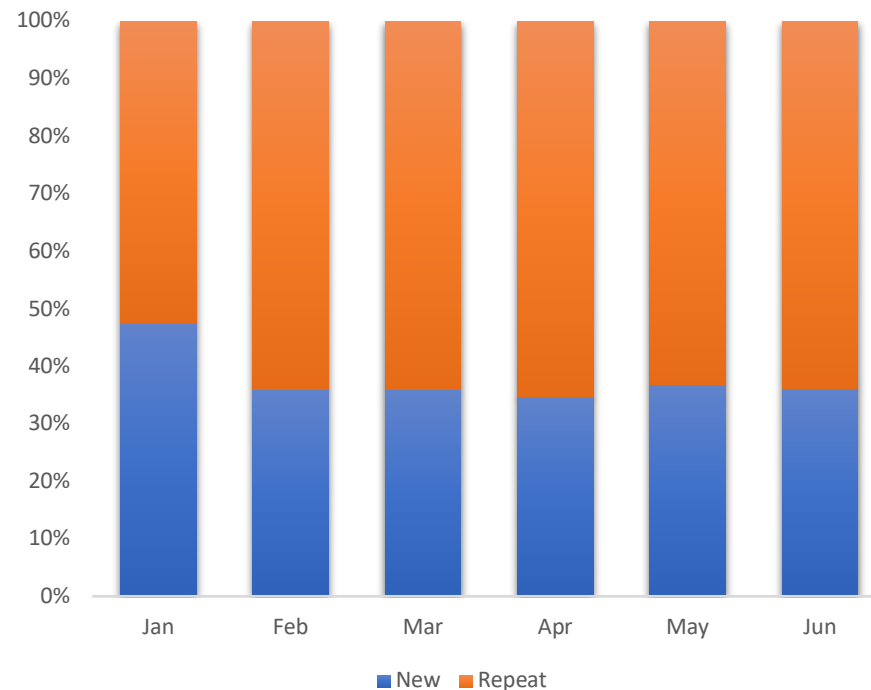
- Significant growth in Casino Patron Footfall
- June month new record footfall 13,947
- Total membership @ 30 June 2018 is 17,366

Tiger Palace - Casino Patron Footfall



¹ March footfall was high due to the Casino Grand Opening weekend

New Members vs Repeat Members



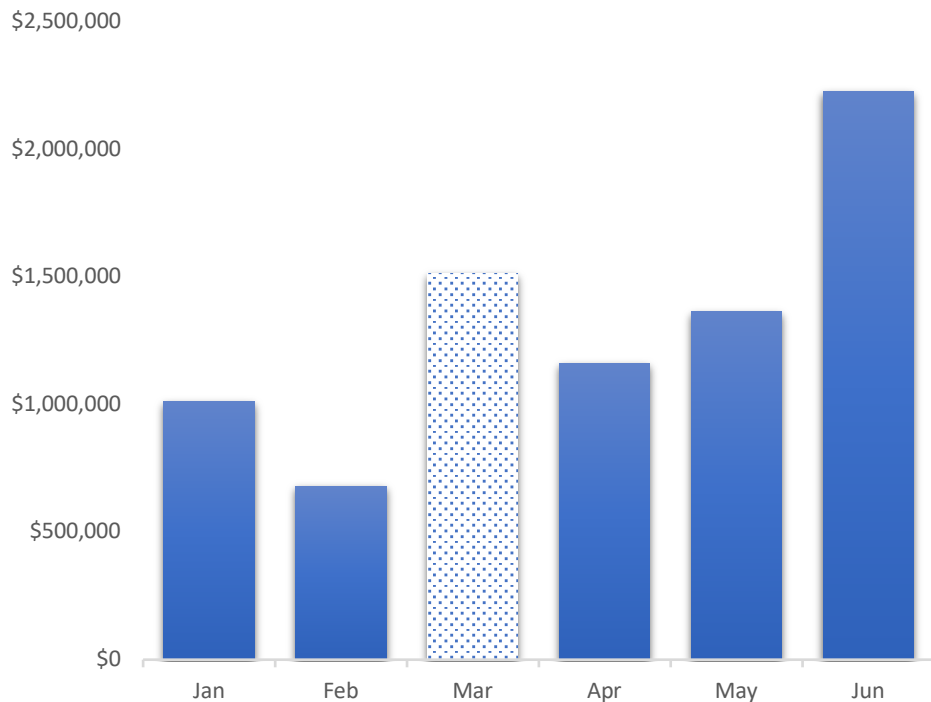
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Tiger Palace Update - Table Gaming Drop & Hold Percentage

- Significant and consistent growth in Table Gaming Drop (money used to purchase gaming chips)
- June month new record Drop of US\$2,226,000

Tiger Palace - Table Gaming Drop



¹ March drop was high due to the Casino Grand Opening weekend

Tiger Palace - Table Gaming Hold %



Note: Drop x Hold % = GGR

* All figures are estimates and unaudited.

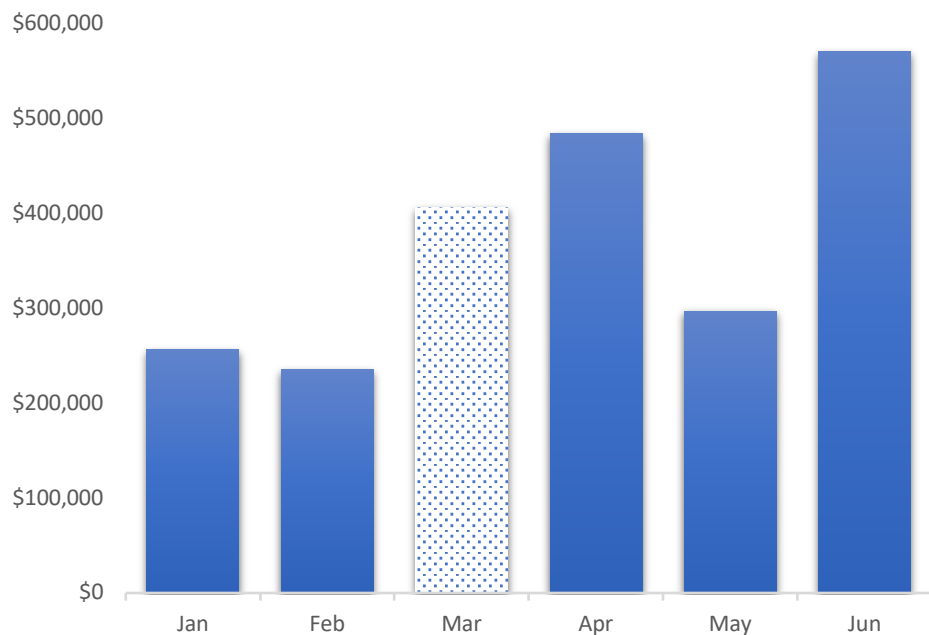
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Tiger Palace Update - Revenue Breakdown

- Significant growth in Gross Gaming Revenue
- June month new record GGR was US\$571,000
- May GGR affected by low hold

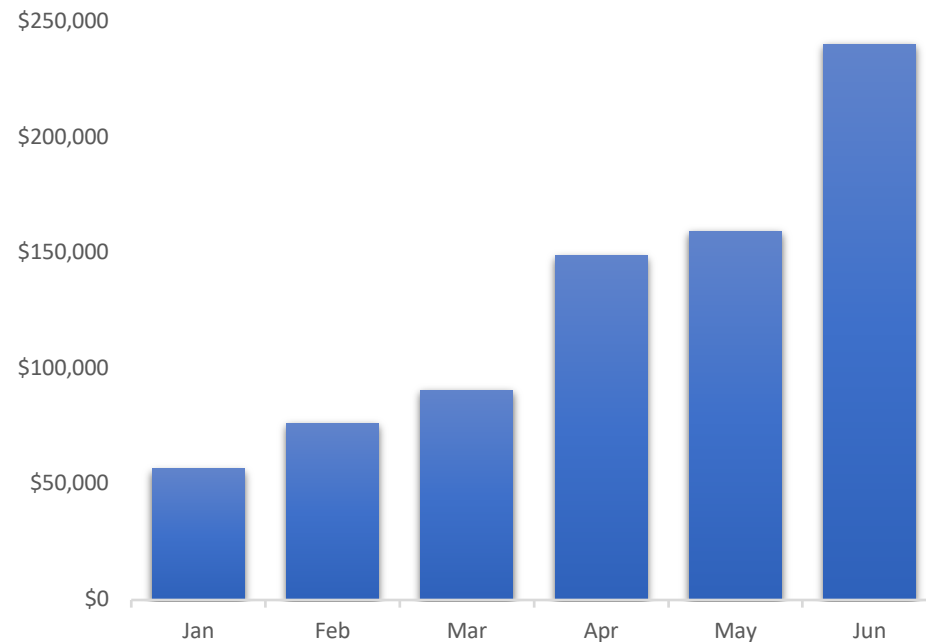
- Significant growth in Non Gaming Revenue
- June month record Non Gaming Revenue was US\$240,000

Tiger Palace - GGR



¹ March GGR was high due to the Casino Grand Opening weekend

Tiger Palace - Non-Gaming Revenue



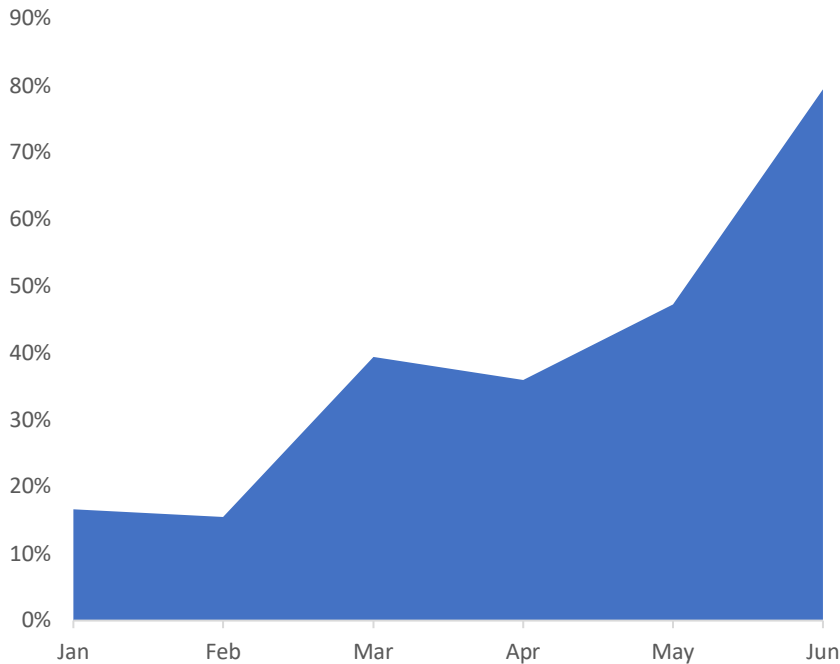
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Tiger Palace Update - Hotel Occupancy & Reviews

➤ June month new record occupancy >79%

Tiger Palace - Rooms Occupancy %



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Trip Advisor Presence

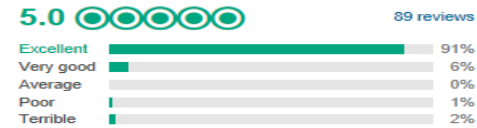
Reviews (89)

[Write a Review](#)

There are newer reviews for Tiger Palace Resort
[See the most recent reviews](#)

Traveler rating	Traveler type	Time of year	Language
<input checked="" type="checkbox"/> Excellent 79	<input type="checkbox"/> Families	<input type="checkbox"/> Mar-May	<input type="radio"/> All languages
<input type="checkbox"/> Very good 6	<input type="checkbox"/> Couples	<input type="checkbox"/> Jun-Aug	<input checked="" type="radio"/> English (79)
<input type="checkbox"/> Average 0	<input type="checkbox"/> Solo	<input type="checkbox"/> Sep-Nov	<input type="radio"/> German (1)
<input type="checkbox"/> Poor 1	<input type="checkbox"/> Business	<input type="checkbox"/> Dec-Feb	
<input type="checkbox"/> Terrible 2	<input type="checkbox"/> Friends		

Overview



- Free Internet
- Free Parking
- Breakfast included
- Air Conditioning
- Pool
- Non-Smoking Rooms
- Restaurant
- 5 Star Hotel
- [All hotel details](#)

TRAVELERS TALK ABOUT

- "very nice hotel" (4 reviews)
- "great experience" (3 reviews)
- "warm hospitality" (3 reviews)



priyanka k



Reviewed yesterday via mobile

Must visit hotel

Starting from the huge lobby which is shining and attractive to the front desk Deepa Kunwar was so helpful and friendly with good facilities in the resort restaurant cabana near the swimming pool is very nice thanku deepa

Thank priyanka k



Cloud P



Reviewed 2 days ago via mobile

Benchmark property in whole of Nepal !

The management and the investors have left no stones turned to make this pinnacle of a property at this sub-urban area of bhairahawa, be it the design/decor/facilities or the service/menu/trained staffs, they've got it all. Thank you Kiran and Nisha from Cabana Avenue for your warm and courteous hospitality. Also to Mr. Suraj who made sure everything was top notch. It is delightful to experience such a world class service in our own city. We will be back !!

[Show less](#)

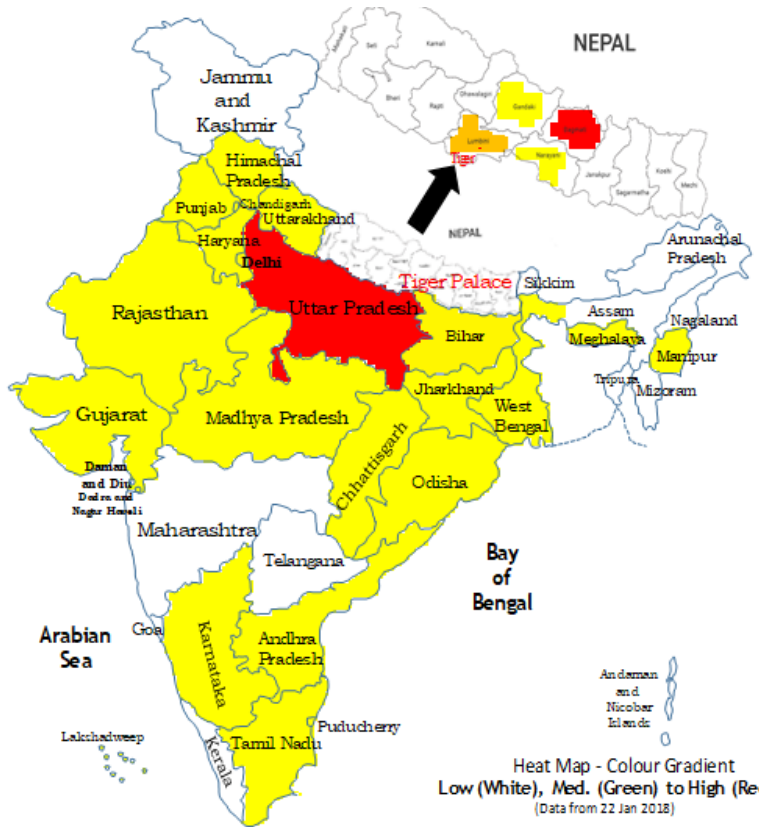
Stayed: June 2018, traveled with friends

[Ask Cloud P about Tiger Palace Resort](#)

Thank Cloud P

Tiger Palace Update - Road Access and Airlift Improvements

Road and Air Access to Tiger Palace



- For the year to 30 June 2018, 15,061 vehicle entries at Tiger Palace
- 8,642 from India, 6,418 from Nepal, and 1 from China
- Uttar Pradesh (in Red) is the top Indian state with 7,907 vehicles

Road and Air Access to Tiger Palace



Rendering of upgraded Gorakhpur Airport



Gorakhpur Airport, India

- 100km from Tiger
- 2x flights daily ex-Delhi
- Indian domestic flights

Rendering of Bhairahawa International Airport



Bhairahawa Airport, Nepal

- 12km from Tiger
- 9x flights daily ex-Kathmandu
- Nepal domestic flights
- Upgrade to full international status by mid-2019

Tiger Palace Update - Marketing and Promotions

EXPOSE
NEPAL DOT COM
presents

Mr. NEPAL
2018

BE THE NEXT
DESIRABLE MAN
in NEPAL

AUDITION
Form available at:

TIGER PALACE
RESORT

Contact no:
9857037039
9810035558

Head office:
Kupondol-10, Lalitpur
015180457
exposenepal2001@gmail.com
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GET REGISTERED BEFORE 2ND AUGUST 2018



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AT TIGER PALACE RESORT

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EVERY 1ST AND 3RD FRIDAY OF THE MONTH

DJ & DANCE | **STARTS 4:00 PM ONWARDS**
COME WITH YOUR SWIMWEAR

NPR 1,000
WITH A DRINK

THANK GOD IT'S FRIDAY!

For reservations and further information
please contact:
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ON THE BIG SCREEN
14TH JUNE 2018
AT 8:45 PM

RUSSIA **U/S** **SAUDI ARABIA**

For further information please contact:
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Official Motorbike: **SUZUKI INTRUDER**

Sponsored: **Deepshree**, **STAR HOSPITALS**, **KANTIPUR**, **Y&S**, **98.5 FM**, **SMS Partner**, **Creative Partner**, **MediaScape**

Media Partner: **Kashimandap Television**

Hospitality Partner: **TIGER PALACE RESORT**

Vietnam: Phoenix International Club

PHOENIX INTERNATIONAL CLUB, BAC NINH CITY, VIETNAM

- SVH manages the Phoenix International Club
- 155 hotel rooms, 5-Star Hotel
- Casino: 12 Tables Main Gaming Floor / 94 EGM's
- Casino: 3 additional direct VIP tables and potential expansion
- Commercial relationship with our strategic partner, the owner of Phoenix, is due to run until at least 31 March 2025

- Segment Profit before allocated expenses FY17: US\$6,783,000
- Cash Return of 59% FY2017 on an aggregate invested capital of US\$11.5m since opening

▪ Total Gross Gaming Revenue 1Q18:	US\$6,425,000
▪ Total Non-Gaming Revenue 1Q18:	n/a
▪ Total Property Costs 1Q18:	US\$1,726,000
▪ Total Segment Profit 1Q18:	US\$998,000

▪ Total Gross Gaming Revenue 2Q18:	US\$8,516,000
▪ Total Non-Gaming Revenue 2Q18:	n/a

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Phoenix Update - Revenue

Significant traction at Phoenix in the June Quarter

Phoenix	1Q18	2Q18	%
Gross Gaming Revenue US\$	\$6,425,000	\$8,516,000	33%
Non-Gaming Revenue US\$	n/a	n/a	n/a
Total Revenue US\$	\$2,724,000	\$3,204,000	18%

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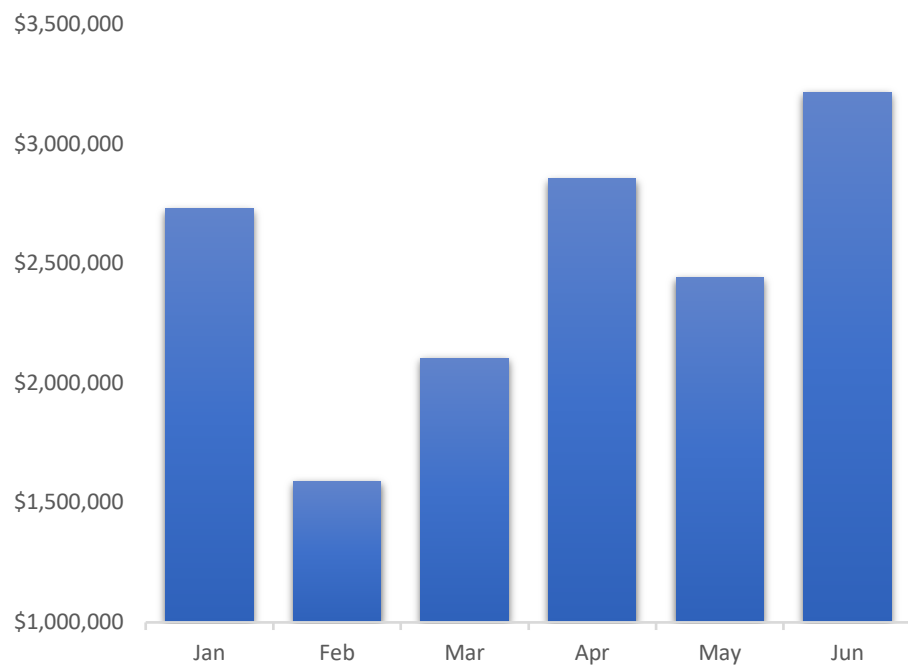
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Phoenix Update - Revenue

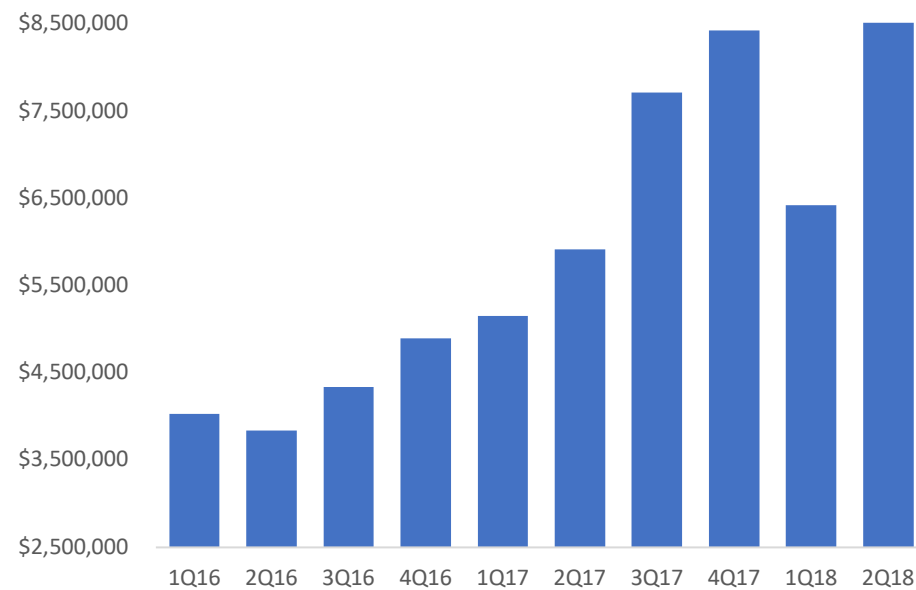
- June month second highest GGR US\$3,200,000 (December 2017 record US\$3.3m)

- 2Q18 GGR of US\$8,516,000 is all-time record
- GGR up +35% in 2Q18 over 1Q18 (1Q17 low hold rate)
- GGR up +31% in 2Q18 over 2Q17

Phoenix - Monthly GGR



Phoenix - Quarterly GGR



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Nepal: The Millionaire's Club & Casino Kathmandu (TMCCCK)

THE MILLIONAIRE'S CLUB AND CASINO, KATHMANDU, NEPAL

- Located in the Shangri-La Hotel, Kathmandu, Nepal
 - 100 Rooms, 5-Star Hotel
 - Casino: 15 Tables Main Gaming Floor / 38 EGM's
 - Casino: 3 additional VIP tables and potential expansion
 - The Group owns the casino license and manages the casino
 - The Group leases the areas until at least 2024 from the hotel
-
- Segment Profit before allocated expenses FY17: US\$206,000
 - Cash Return of 6% FY2017 on an aggregate invested capital of US\$3.2m
-
- | | |
|------------------------------------|---------------|
| ▪ Total Gross Gaming Revenue 1Q18: | US\$849,000 |
| ▪ Total Non-Gaming Revenue 1Q18: | US\$3,000 |
| ▪ Total Property Costs 1Q18: | US\$1,228,000 |
| ▪ Total Segment Loss 1Q18: | (US\$376,000) |
-
- | | |
|------------------------------------|---------------|
| ▪ Total Gross Gaming Revenue 2Q18: | US\$1,524,000 |
| ▪ Total Non-Gaming Revenue 2Q18: | US\$0 |
-



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TMCK Update - Revenue

Significant traction for TMCK in 2Q18

TMCK	1Q18	2Q18	%
Gross Gaming Revenue US\$	\$849,000	\$1,524,000	80%
Non-Gaming Revenue US\$	\$3,000	\$0	-
Total Revenue US\$	\$852,000	\$1,524,000	79%

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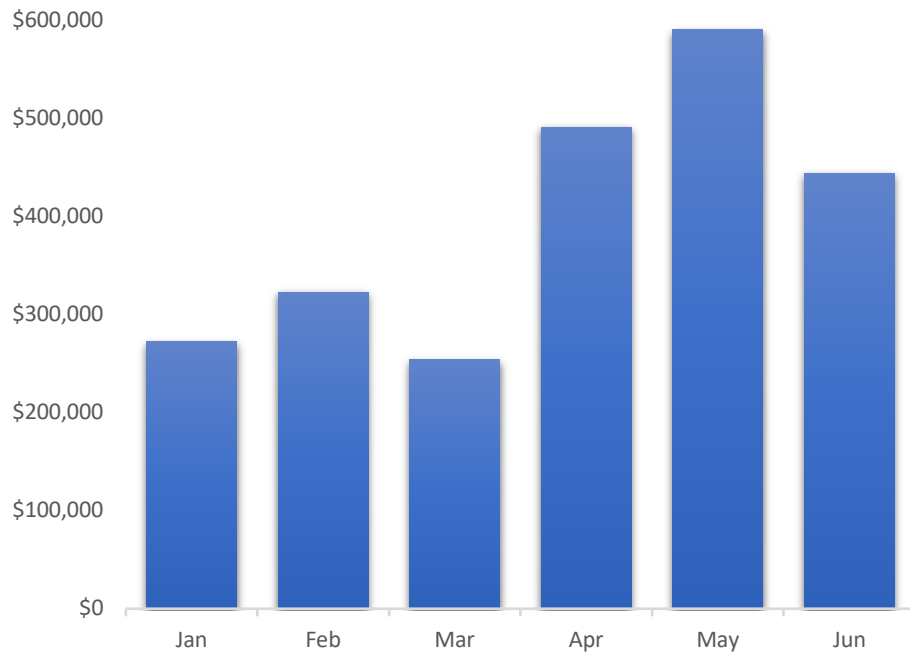
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TMCK Update - Revenue

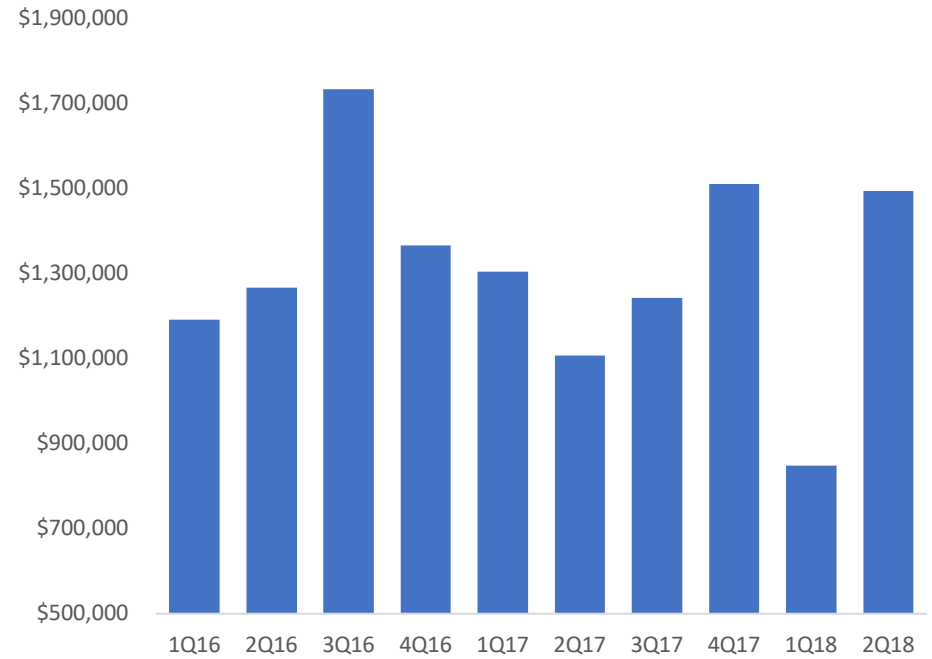
- Significant growth in Gross Gaming Revenue in 2Q18
- Solid growth during FY18

- GGR up +80% in 2Q18 over 1Q18
- GGR up +35% in 2Q18 over 2Q17

TMCK - Monthly GGR



TMCK - Quarterly GGR



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