



FIRST QUARTERLY REPORT

Quarterly report on consolidated results for the first quarter ended 31 March 2020. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/2020 RM'000	Preceding Year Corresponding Quarter 31/03/2019 RM'000	Current Year- To-Date 31/03/2020 RM'000	Preceding Year Corresponding Period 31/03/2019 RM'000
Revenue	4,109,218	5,572,801	4,109,218	5,572,801
Cost of sales	(3,063,803)	(3,623,298)	(3,063,803)	(3,623,298)
Gross profit	1,045,415	1,949,503	1,045,415	1,949,503
Other income	255,590	363,927	255,590	363,927
Impairment losses	(482,459)	(17,834)	(482,459)	(17,834)
Other expenses	(646,268)	(799,093)	(646,268)	(799,093)
Other gains/(losses)	(21,115)	(66,124)	(21,115)	(66,124)
Finance cost	(261,361)	(293,706)	(261,361)	(293,706)
Share of results in joint ventures and associates	(108,007)	42,417	(108,007)	42,417
(Loss)/profit before taxation	(218,205)	1,179,090	(218,205)	1,179,090
Taxation	(124,738)	(207,727)	(124,738)	(207,727)
(Loss)/profit for the period	(342,943)	971,363	(342,943)	971,363
(Loss)/profit attributable to:				
Equity holders of the Company	(132,318)	561,640	(132,318)	561,640
Non-controlling interests	(210,625)	409,723	(210,625)	409,723
	(342,943)	971,363	(342,943)	971,363
(Loss)/earnings per share (sen) for (loss)/profit attributable to equity holders of the Company:				
- Basic	(3.44)	14.59	(3.44)	14.59
- Diluted	(3.44)	14.56	(3.44)	14.56

(The Condensed Consolidated Income Statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019)

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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020**

	INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Current Year Quarter 31/03/2020 RM'000	Preceding Year Corresponding Quarter 31/03/2019 RM'000	Current Year- To-Date 31/03/2020 RM'000	Preceding Year Corresponding Period 31/03/2019 RM'000
(Loss)/profit for the period	(342,943)	971,363	(342,943)	971,363
Other comprehensive (loss)/income				
Item that will not be reclassified subsequently to profit or loss:				
Changes in the fair value of equity investments at fair value through other comprehensive income	(266,966)	55,173	(266,966)	55,173
	(266,966)	55,173	(266,966)	55,173
Items that will be reclassified subsequently to profit or loss:				
Cash flow hedges				
- Fair value gain/(loss)	125,637	(83,036)	125,637	(83,036)
- Reclassifications	10,970	73,565	10,970	73,565
Share of other comprehensive income/(loss) of joint ventures and associates	39,169	(8,723)	39,169	(8,723)
Net foreign currency exchange differences	176,716	(669,594)	176,716	(669,594)
	352,492	(687,788)	352,492	(687,788)
Other comprehensive income/(loss) for the period, net of tax	85,526	(632,615)	85,526	(632,615)
Total comprehensive (loss)/income for the period	(257,417)	338,748	(257,417)	338,748
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	50,022	99,587	50,022	99,587
Non-controlling interests	(307,439)	239,161	(307,439)	239,161
	(257,417)	338,748	(257,417)	338,748

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019)

GENTING BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	As At 31 Mar 2020 RM'000	Audited As At 31 Dec 2019 RM'000
ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	42,050,137	41,304,014
Land held for property development	368,353	367,611
Investment properties	1,743,812	1,690,172
Intangible assets	5,629,740	5,739,620
Rights of use of oil and gas assets	3,500,259	3,376,414
Rights of use of lease assets	4,143,268	4,252,376
Joint ventures	1,359,829	1,334,897
Associates	1,509,372	1,322,519
Financial assets at fair value through other comprehensive income	1,053,871	1,051,747
Financial assets at fair value through profit or loss	860,923	947,159
Derivative financial instruments	30,329	3,056
Deferred tax assets	437,980	375,658
Other non-current assets	4,164,127	4,000,735
	<u>66,852,000</u>	<u>65,765,978</u>
CURRENT ASSETS		
Property development costs	11,940	45,681
Inventories	695,567	668,658
Produce growing on bearer plants	5,444	6,906
Trade and other receivables	2,369,278	2,538,665
Amounts due from joint ventures and associates	83,558	76,529
Financial assets at fair value through other comprehensive income	284,529	487,169
Financial assets at fair value through profit or loss	1,482,943	1,476,650
Derivative financial instruments	75,347	1,141
Restricted cash	678,533	662,621
Cash and cash equivalents	34,964,330	30,282,176
	<u>40,651,469</u>	<u>36,246,196</u>
Assets classified as held for sale	4,205	4,205
	<u>40,655,674</u>	<u>36,250,401</u>
TOTAL ASSETS	<u>107,507,674</u>	<u>102,016,379</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	3,056,175	3,056,175
Treasury shares	(221,206)	(221,206)
Reserves	32,188,324	32,497,233
	<u>35,023,293</u>	<u>35,332,202</u>
Non-controlling interests	<u>23,301,732</u>	<u>23,941,797</u>
TOTAL EQUITY	<u>58,325,025</u>	<u>59,273,999</u>
NON-CURRENT LIABILITIES		
Long term borrowings	36,124,881	29,390,159
Lease liabilities	793,702	818,043
Deferred tax liabilities	2,102,459	2,170,320
Derivative financial instruments	16,690	7,514
Other non-current liabilities	958,649	926,870
	<u>39,996,381</u>	<u>33,312,906</u>
CURRENT LIABILITIES		
Trade and other payables	5,146,386	5,747,299
Amounts due to joint ventures and associates	49,227	40,946
Short term borrowings	2,713,335	2,739,775
Derivative financial instruments	13,402	42,653
Lease liabilities	104,727	111,398
Taxation	793,386	747,403
Dividend payable	365,805	-
	<u>9,186,268</u>	<u>9,429,474</u>
TOTAL LIABILITIES	<u>49,182,649</u>	<u>42,742,380</u>
TOTAL EQUITY AND LIABILITIES	<u>107,507,674</u>	<u>102,016,379</u>
NET ASSETS PER SHARE (RM)	9.10	9.18

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019)

GENTING BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

	← Attributable to equity holders of the Company →						Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Fair Value Reserve RM'000	Cash Flow Hedge Reserve RM'000	Foreign Exchange & Other Reserves RM'000	Retained Earnings RM'000	Treasury Shares RM'000			
At 1 January 2020	3,056,175	(216,666)	(6,230)	(1,410,029)	34,130,158	(221,206)	35,332,202	23,941,797	59,273,999
Loss for the period	-	-	-	-	(132,318)	-	(132,318)	(210,625)	(342,943)
Other comprehensive (loss)/income	-	(266,966)	118,724	330,817	(235)	-	182,340	(96,814)	85,526
Total comprehensive (loss)/income for the period	-	(266,966)	118,724	330,817	(132,553)	-	50,022	(307,439)	(257,417)
Effects arising from changes in composition of the Group	-	-	-	-	(1,263)	-	(1,263)	(100,563)	(101,826)
Performance-based Employee Share Scheme by subsidiaries	-	-	-	-	8,137	-	8,137	(8,137)	-
Effects of share-based payment	-	-	-	-	-	-	-	32,561	32,561
Dividends to non-controlling interests	-	-	-	-	-	-	-	(256,487)	(256,487)
Appropriation: Special single-tier dividend for financial year ended 31 December 2019	-	-	-	-	(365,805)	-	(365,805)	-	(365,805)
Balance at 31 March 2020	3,056,175	(483,632)	112,494	(1,079,212)	33,638,674	(221,206)	35,023,293	23,301,732	58,325,025

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019)

GENTING BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2019

	← Attributable to equity holders of the Company →						Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
	Share Capital RM'000	Fair Value Reserve RM'000	Cash Flow Hedge Reserve RM'000	Foreign Exchange & Other Reserves RM'000	Retained Earnings RM'000	Treasury Shares RM'000			
At 1 January 2019	3,056,175	(328,873)	25,068	(1,314,804)	33,055,709	(221,206)	34,272,069	23,112,867	57,384,936
Profit for the period	-	-	-	-	561,640	-	561,640	409,723	971,363
Other comprehensive income/(loss)	-	55,173	(30,693)	(480,623)	(5,910)	-	(462,053)	(170,562)	(632,615)
Total comprehensive income/(loss) for the period	-	55,173	(30,693)	(480,623)	555,730	-	99,587	239,161	338,748
Effects arising from changes in composition of the Group	-	-	-	-	(1,554)	-	(1,554)	(13,756)	(15,310)
Performance-based Employee Share Scheme by subsidiaries	-	-	-	-	9,295	-	9,295	(9,295)	-
Effects of share-based payment	-	-	-	-	-	-	-	15,764	15,764
Dividends to non-controlling interests	-	-	-	-	-	-	-	(294,005)	(294,005)
Appropriation: Special single-tier dividend for financial year ended 31 December 2018	-	-	-	-	(269,540)	-	(269,540)	-	(269,540)
Balance at 31 March 2019	<u>3,056,175</u>	<u>(273,700)</u>	<u>(5,625)</u>	<u>(1,795,427)</u>	<u>33,349,640</u>	<u>(221,206)</u>	<u>34,109,857</u>	<u>23,050,736</u>	<u>57,160,593</u>

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019)

GENTING BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020

	Current Year-To-Date RM'000	Preceding Year Corresponding Period RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(218,205)	1,179,090
Adjustments for:		
Depreciation and amortisation	675,023	625,214
Impairment losses	482,459	17,834
Finance cost	261,361	293,706
Share of results in joint ventures and associates	108,007	(42,417)
Impairment and write off of receivables	47,312	32,102
Net fair value loss/(gain) on financial assets at fair value through profit or loss	14,641	(18,288)
Net exchange loss – unrealised	5,672	9,405
Assets written off	4,068	1,412
Interest income	(145,471)	(174,721)
Net gain on change in shareholding of associates	(52,740)	-
Investment income	(13,767)	(9,725)
(Reversal of provision)/provision for termination related costs	(50)	198,260
Loss on discontinued cash flow hedge	-	74,008
Gain on disposal of a subsidiary	-	(138,663)
Other non-cash items	28,780	40,136
	<u>1,415,295</u>	<u>908,263</u>
Operating profit before changes in working capital	1,197,090	2,087,353
Net change in current assets	134,370	93,780
Net change in current liabilities	(882,007)	(504,613)
	<u>(747,637)</u>	<u>(410,833)</u>
Cash generated from operations	449,453	1,676,520
Tax paid (net of tax refund)	(139,927)	(99,573)
Retirement gratuities paid	(5,782)	(8,482)
Other operating activities	11,512	(2,294)
	<u>(134,197)</u>	<u>(110,349)</u>
NET CASH FROM OPERATING ACTIVITIES	315,256	1,566,171
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,420,534)	(1,478,355)
Increase in investments, intangible assets and other long term financial assets	(139,041)	(443,425)
Interest received	169,612	174,396
Proceeds from disposal of investments	21,260	-
Proceeds from disposal of property, plant and equipment	3,783	26,222
Proceeds from disposal of a subsidiary	-	177,795
Other investing activities	24,177	26,948
NET CASH USED IN INVESTING ACTIVITIES	(1,340,743)	(1,516,419)

GENTING BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD ENDED 31 MARCH 2020 (Cont'd)

	Current Year-To-Date RM'000	Preceding Year Corresponding Period RM'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings and payment of transaction costs	(598,203)	(3,570,673)
Finance cost paid	(495,563)	(410,340)
Repayment of lease liabilities	(45,958)	(35,350)
Buy-back of shares by a subsidiary	(30,145)	(40,089)
Proceeds from bank borrowings and issuance of notes	6,586,914	3,579,944
Restricted cash	22,746	17,565
Settlement of derivative financial instruments	-	(146,101)
Dividends paid to non-controlling interests	-	(65,815)
Other financing activities	-	(89,312)
NET CASH FROM/(USED IN) FINANCING ACTIVITIES	5,439,791	(760,171)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	4,414,304	(710,419)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	30,282,176	30,987,855
EFFECTS OF CURRENCY TRANSLATION	267,850	(325,131)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	34,964,330	29,952,305
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	30,882,056	23,558,175
Money market instruments	4,082,274	6,394,130
	34,964,330	29,952,305

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2019)

GENTING BERHAD

NOTES TO THE INTERIM FINANCIAL REPORT – FIRST QUARTER ENDED 31 MARCH 2020

(I) Compliance with Malaysian Financial Reporting Standard (“MFRS”) 134: Interim Financial Reporting

(a) Accounting Policies, Presentation and Methods of Computation

The interim financial report has been prepared in accordance with MFRS 134 “Interim Financial Reporting” and paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements.

As indicated in the announcements made by Genting Malaysia Berhad Group (“GENM”, which is 49.5% owned by the Company), and Genting Plantations Berhad Group (“GENP”, which is 55.4% owned by the Company) which are significant components of the Genting Berhad Group, their current quarter ended 31 March 2020 results were subject to a review performed under International Standards on Review Engagements 2410 (“ISRE 2410”) - Review of Interim Financial Information by the Independent Auditor of the Entity, where review assurances were provided accordingly. A review under ISRE 2410 of Genting Energy Limited Group (which is wholly owned by the Company) was also performed by its auditor. However, no such similar review was performed for the Genting Singapore Limited Group (“GENS”, which is an indirect 52.7% subsidiary of the Company), as it is not required to provide quarterly reporting pursuant to the Listing Rules of the Singapore Exchange Securities Trading Limited.

In the absence of a review of GENS Group, the Company’s auditor is not able to perform a review of the Group’s interim financial report under ISRE 2410 and hence, no audit or review assurance is provided for the Group. The Company’s auditor has instead performed certain agreed upon procedures on the interim financial report in accordance with International Standard on Related Services 4400 - Engagements to Perform Agreed-Upon Procedures Regarding Financial Information.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019. The accounting policies, presentation and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2019 except for the adoption of new MFRSs, amendments to published standards and IC Interpretations for the Group for the financial year beginning 1 January 2020:

- Amendments to References to the Conceptual Framework in MFRS Standards
- Amendments to MFRS 3 “Definition of a Business”
- Amendments to MFRS 7 “Financial Instruments: Disclosures”, MFRS 9 “Financial Instruments” and MFRS 139 “Financial Instruments: Recognition and Measurement”
- Amendments to MFRS 101 “Presentation of Financial Statements” and MFRS 108 “Accounting Policies, Changes in Accounting Estimates and Errors”

The adoption of these new MFRSs, amendments to published standards and IC interpretations did not have any material impact on the interim financial report of the Group.

(b) Seasonal or Cyclical Factors

On an overall basis, the business operations of the Group’s Leisure & Hospitality Division and Plantation Division are subject to seasonal fluctuations. The results of the Leisure & Hospitality Division are affected by major festive seasons and holidays. Fresh fruit bunches (“FFB”) production is seasonal in nature. Production of FFB normally peaks in the second half of the year but this cropping pattern can be affected by changes in weather conditions. More detailed commentary is set out in Notes 1 and 2 in Part II of this interim financial report.

(c) **Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flow**

The unusual items included in the interim financial report for the current quarter ended 31 March 2020 related to the impairment losses on the Group's investments. The Group has carried out impairment review on the non-financial assets which have indication of impairment in view of the impact of the Coronavirus Disease 2019 ("COVID-19") on the business activities, in accordance with MFRS 136 "Impairment of Assets". Impairment loss is recognised when the carrying amount of the asset, at the point of review, exceeds its recoverable amount. An impairment loss can be reversed, to the extent of the previously recognised impairment losses for the same asset, if the recoverable amount determined at the subsequent review exceeds the carrying amount.

Consequently, the Group recorded total impairment losses of RM482.5 million during the current quarter ended 31 March 2020 mainly attributable to the GENM Group as a result of the economic slowdown following the unprecedented phenomenon of COVID-19 pandemic, as follows:

- i) An impairment loss of RM223.3 million relating to the assets of Resorts World Birmingham;
- ii) An impairment loss of RM182.0 million relating to certain casino licences and assets in the United Kingdom; and
- iii) An impairment loss of RM66.5 million relating to the assets of Resorts World Bimini.

Other than the above, there were no other significant unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the current quarter ended 31 March 2020.

(d) **Material Changes in Estimates**

There have been no significant changes made in estimates of amounts reported in prior financial years.

(e) **Changes in Debt and Equity Securities**

The increase in debt during the current quarter ended 31 March 2020 was mainly due to the drawdown of existing facilities to ensure that funds are secured for the completion of projects.

Other than the above, there were no other material issuance, cancellation, share buy-back, resale and repayment of debt securities or equity securities for the current quarter ended 31 March 2020.

(f) **Dividends Paid**

No dividends have been paid during the current quarter ended 31 March 2020.

(g) **Segment Information**

The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker whereby the Group's business is considered from both geographic and industry perspective. The performance of the operating segments is based on a measure of adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA"). Items not forming part of the adjusted EBITDA include net fair value gain or loss on financial assets, gain or loss on disposal of assets, assets written off, gain or loss on changes in shareholding in joint ventures and associates, project costs written off, impairment losses, reversal of previously recognised impairment losses and pre-opening and development expenses.

(g) **Segment Information (Cont'd)**

Segment analysis for the current quarter ended 31 March 2020 is set out below:

RM'million	Leisure & Hospitality				Plantation			Power	Property	Oil & Gas	Investments & Others	Total	
	Malaysia	Singapore	United Kingdom and Egypt	United States of America and Bahamas	Total	Oil Palm Plantation	Downstream Manufacturing						Total
Revenue													
Total revenue	1,352.2	1,226.7	371.2	320.7	3,270.8	344.5	344.9	689.4	258.4	48.5	88.5	45.8	4,401.4
Inter/intra segment	(128.9)	(0.1)	-	(0.4)	(129.4)	(141.4)	-	(141.4)	-	(1.5)	(1.3)	(18.6)	(292.2)
External	<u>1,223.3</u>	<u>1,226.6</u>	<u>371.2</u>	<u>320.3</u>	<u>3,141.4</u>	<u>203.1</u>	<u>344.9</u>	<u>548.0</u>	<u>258.4</u>	<u>47.0</u>	<u>87.2</u>	<u>27.2</u>	<u>4,109.2</u>
Adjusted EBITDA	<u>436.2</u>	<u>476.8</u>	<u>22.8</u>	<u>14.7</u>	<u>950.5</u>	<u>119.4</u>	<u>14.2</u>	<u>133.6</u>	<u>102.8</u>	<u>15.5</u>	<u>70.5</u>	<u>(64.2)</u>	<u>1,208.7</u>
Main foreign currency	RM	SGD	GBP	USD		RM/IDR	RM		RM/IDR	USD	^RMB		
Exchange ratio of 1 unit/ 100 units^ of foreign currency to RM		3.0189	5.3544	4.1810		0.0293			0.0293	4.1810	59.9021		

RM'million

A reconciliation of adjusted EBITDA to loss before tax is as follows:

Adjusted EBITDA	1,208.7
Net fair value loss on financial assets at fair value through profit or loss ("FVTPL")	(14.6)
Net gain on change in shareholding of associates	52.7
Impairment losses	(482.5)
Depreciation and amortisation	(675.0)
Interest income	145.5
Finance cost	(261.4)
Share of results in joint ventures and associates	(108.0)
Others *	(83.6)
Loss before taxation	(218.2)

* Others include pre-opening and development expenses, assets written off and gain or loss on disposal of assets.

(g) Segment Information (Cont'd)

RM'million	Leisure & Hospitality				Plantation			Power	Property	Oil & Gas	Investments & Others	Total	
	Malaysia	Singapore	United Kingdom and Egypt	United States of America and Bahamas	Total	Oil Palm Plantation	Downstream Manufacturing						Total
Segment Assets	11,689.1	14,083.7	4,995.4	16,418.3	47,186.5	5,451.8	517.3	5,969.1	4,831.5	2,570.0	4,107.1	6,121.1	70,785.3
Segment Liabilities	2,204.9	1,085.4	1,210.7	1,214.2	5,715.2	226.8	46.2	273.0	405.5	278.8	361.4	414.6	7,448.5
Main foreign currency Exchange ratio of 1 unit/ 100 units^ of foreign currency to RM	RM	SGD	GBP	USD		RM/^IDR	RM		^IDR	USD	^RMB/^IDR		
		3.0256	5.3108	4.3130		0.0264			0.0264	4.3130	60.8026/ 0.0264		

RM'million

A reconciliation of segment assets to total assets is as follows:

Segment assets	70,785.3
Interest bearing instruments	33,174.2
Joint ventures	1,359.8
Associates	1,509.4
Unallocated corporate assets	679.0
Total assets	107,507.7

A reconciliation of segment liabilities to total liabilities is as follows:

Segment liabilities	7,448.5
Interest bearing instruments	38,838.2
Unallocated corporate liabilities	2,895.9
Total liabilities	49,182.6

(g) **Segment Information (Cont'd)**

Notes

1. Total revenue from the Leisure & Hospitality segment of RM3,141.4 million for current quarter ended 31 March 2020 comprised gaming revenue and non-gaming revenue of RM2,258.0 million and RM883.4 million respectively. In respect of the Leisure & Hospitality non-gaming revenue:
 - i) Hotel room revenue is recognised when services are rendered to the customers over their stay at the hotel.
 - ii) Revenue from sales of food and beverage is recognised when the services are rendered to the customers.
 - iii) Attractions revenue is recognised when tickets are used. Revenue from annual passes is amortised over the period of their validity.
2. Plantation revenue from sales of palm produce and its derivatives is recognised upon the delivery of goods at the point when control of the goods has been passed to the customers.
3. Revenue from sale of oil is recognised at a point in time upon delivery to customer at the delivery point and there is no unfulfilled obligation that could affect the customer's acceptance of the oils. Revenue from sale of electricity is recognised over time upon delivery to customer.
4. Revenue from property development projects is recognised upon the finalisation of sale and purchase agreements and is measured as the projects' activities progress over time by reference to the property development costs incurred to date as a percentage of the total estimated development costs of the respective projects. Revenue from sales of completed properties is recognised upon delivery of properties at the point when control of the properties has been passed to the buyers.

(h) **Property, Plant and Equipment**

During the current quarter ended 31 March 2020, acquisitions and disposals of property, plant and equipment by the Group were RM1,612.0 million and RM65.1 million respectively.

(i) **Material Events Subsequent to the End of the Financial Period**

There were no material events subsequent to the end of the current quarter ended 31 March 2020 that have not been reflected in this interim financial report.

(j) **Changes in the Composition of the Group**

On 12 February 2020, GENP had announced the proposed unwinding of the share sale and purchase agreement between GENP and Elevance Renewables Sciences Singapore Pte Ltd ("ERS Singapore") dated 11 July 2014 ("Share SPA") for the disposal by GENP of 72 million fully paid-up ordinary shares representing 25% of the entire share capital of Genting Biorefinery Sdn Bhd ("GIB") to ERS Singapore for a cash consideration of RM72.0 million. The unwinding of the Share SPA has been completed on 18 February 2020 and GIB became a wholly owned subsidiary of GENP on the same date.

Other than the above, there were no other material changes in the composition of the Group for the current quarter ended 31 March 2020.

(k) **Changes in Contingent Liabilities or Contingent Assets**

There were no material changes in the contingent liabilities or contingent assets since the last financial year ended 31 December 2019.

(l) **Capital Commitments**

Authorised capital commitments not provided for in the interim financial statements as at 31 March 2020 are as follows:

	RM'million
Contracted	22,211.3
Not contracted	7,368.6
	<u>29,579.9</u>
Analysed as follows:	
- Property, plant and equipment	29,261.9
- Investments	152.1
- Rights of use of oil and gas assets	96.4
- Rights of use of lease assets	65.1
- Intangible assets	4.4
	<u>29,579.9</u>

(m) **Significant Related Party Transactions**

Significant related party transactions which were entered into on agreed terms and prices for the current quarter ended 31 March 2020 are set out below. The relationship of the related parties are as disclosed in the annual audited financial statements for the financial year ended 31 December 2019 and the approved shareholders' mandates for recurrent related party transactions.

<u>Group</u>	Current Quarter RM'million
i) Licensing fee for the use of the name "Genting" charged by wholly owned subsidiaries of the Company to Genting Simon Sdn Bhd ("GSSB") and Genting Highlands Premium Outlets Sdn Bhd ("GHPO").	<u>0.2</u>
ii) Licensing fee charged by Resorts World Inc Pte Ltd ("RWI") Group to Genting Hong Kong Limited ("GENHK") Group and Empire Group.	<u>3.1</u>
iii) Provision of management services by Genting Awanpura Sdn Bhd, a wholly owned subsidiary of GENP, to GSSB and GHPO.	<u>0.2</u>
iv) Sale of refined palm oil products by Genting MusimMas Refinery Sdn Bhd to Inter-Continental Oils & Fats Pte Ltd.	<u>21.7</u>
v) Sales of fresh fruit bunches by PT Agro Abadi Cemerlang to Sepanjang Group.	<u>4.7</u>
vi) Sales of fresh fruit bunches by PT Surya Agro Palma to Sepanjang Group.	<u>1.0</u>
vii) Licensing fee for the use of "Resorts World" and "Genting" intellectual property charged by RWI Group to GENM Group.	<u>15.4</u>

(m) **Significant Related Party Transactions (Cont'd)**

	Current Quarter RM'million
<u>Group</u>	
viii) Income from rental of premises by GENM Group to Warisan Timah Holdings Sdn Bhd.	<u>0.6</u>
ix) Provision of water supply services by an entity connected with shareholder of BB Entertainment Ltd ("BBEL") to GENM Group.	<u>0.4</u>
x) Income from rental of office space by GENM Group to GENHK Group.	<u>1.8</u>
xi) Provision of maintenance and construction services by an entity connected with shareholder of BBEL to GENM Group.	<u>4.8</u>
xii) Licensing fee for the use of gaming software and system charged by RWI Group to GENM Group.	<u>1.2</u>
xiii) Provision of utilities, maintenance and security services by GENM Group to GHPO.	<u>0.6</u>
xiv) Provision of onboard entertainment services by GENHK Group to GENM Group.	<u>1.8</u>
xv) Sale of goods and services by GENS Group to GENHK Group.	<u>0.8</u>
xvi) Purchase of goods and services by GENS Group from GENHK Group.	<u>0.1</u>
xvii) Sale of goods and services by GENS Group to DCP (Sentosa) Pte Ltd.	<u>1.0</u>
xviii) Purchase of goods and services by GENS Group from DCP (Sentosa) Pte Ltd.	<u>12.6</u>
xix) Sale of goods and services by GENS Group to International Resorts Management Services Pte Ltd.	<u>0.2</u>

(n) **Fair Value of Financial Instruments**

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

As at 31 March 2020, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

RM'million	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value through other comprehensive income	332.2	-	1,006.2	1,338.4
Financial assets at FVTPL	4.7	2,065.5	273.6	2,343.8
Derivative financial instruments	-	105.7	-	105.7
	<u>336.9</u>	<u>2,171.2</u>	<u>1,279.8</u>	<u>3,787.9</u>
Financial liability				
Derivative financial instruments	-	30.1	-	30.1

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 31 December 2019.

The following table presents the changes in financial instruments classified within Level 3:

	RM'million
As at 1 January 2020	1,312.5
Foreign exchange differences	45.9
Additions	6.4
Fair value changes – recognised in income statement	6.5
Disposal	(21.3)
Dividend and interest income	1.3
Redemption of non-convertible notes	(71.5)
As at 31 March 2020	<u>1,279.8</u>

There have been no transfers between the levels of the fair value hierarchy during the current quarter ended 31 March 2020.

GENTING BERHAD
 ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FIRST QUARTER ENDED 31 MARCH 2020

(II) Compliance with Appendix 9B of Bursa Securities Listing Requirements

1. Performance Analysis

Financial review for the current quarter compared with the corresponding period last year.

	Individual Period (1 st quarter)		Changes	
	Current Quarter 31/03/2020 RM'million	Preceding Year Corresponding Quarter 31/03/2019 RM'million	+/- RM'million	+/- %
Revenue				
Leisure & Hospitality				
- Malaysia	1,223.3	1,907.7	-684.4	-36
- Singapore	1,226.6	1,932.9	-706.3	-37
- UK and Egypt	371.2	419.3	-48.1	-11
- US and Bahamas	320.3	367.0	-46.7	-13
	3,141.4	4,626.9	-1,485.5	-32
Plantation				
- Oil Palm Plantation	344.5	342.8	1.7	-
- Downstream Manufacturing	344.9	398.5	-53.6	-13
	689.4	741.3	-51.9	-7
- Intra segment	(141.4)	(140.3)	-1.1	-1
	548.0	601.0	-53.0	-9
Power	258.4	196.7	61.7	+31
Property	47.0	47.7	-0.7	-1
Oil & Gas	87.2	74.4	12.8	+17
Investments & Others	27.2	26.1	1.1	+4
	4,109.2	5,572.8	-1,463.6	-26
(Loss)/profit before tax				
Leisure & Hospitality				
- Malaysia	436.2	702.4	-266.2	-38
- Singapore	476.8	1,021.5	-544.7	-53
- UK and Egypt	22.8	41.0	-18.2	-44
- US and Bahamas	14.7	66.0	-51.3	-78
	950.5	1,830.9	-880.4	-48
Plantation				
- Oil Palm Plantation	119.4	104.7	14.7	+14
- Downstream Manufacturing	14.2	22.0	-7.8	-35
	133.6	126.7	6.9	+5
Power	102.8	75.1	27.7	+37
Property	15.5	18.3	-2.8	-15
Oil & Gas	70.5	55.1	15.4	+28
Investments & Others	(64.2)	(50.6)	-13.6	-27
Adjusted EBITDA	1,208.7	2,055.5	-846.8	-41
Net fair value gain on derivative financial instruments	-	0.3	-0.3	-100
Net fair value (loss)/gain on financial assets at FVTPL	(14.6)	18.3	-32.9	>-100
Gain on disposal of a subsidiary	-	138.7	-138.7	-100
Net gain on change in shareholding of associates	52.7	-	52.7	NM
Impairment losses	(482.5)	(17.8)	-464.7	>-100
Depreciation and amortisation	(675.0)	(625.3)	-49.7	-8
Interest income	145.5	174.7	-29.2	-17
Finance cost	(261.4)	(293.7)	32.3	+11
Share of results in joint ventures and associates	(108.0)	42.4	-150.4	>-100
Others	(83.6)	(314.0)	230.4	+73
	(218.2)	1,179.1	-1,397.3	>-100

NM = Not meaningful

Quarter ended 31 March 2020 compared with quarter ended 31 March 2019

The Group's revenue for the current quarter was RM4,109.2 million, a decrease of 26% compared with that of the previous year's corresponding quarter's revenue of RM5,572.8 million.

Revenue and adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") of Resorts World Sentosa ("RWS") decreased by 37% and 53% respectively in the current quarter. The severity of the impact was partially mitigated by a series of cost control measures, including instituting a pay reduction scheme for all managerial team members, encouraging all employees to take their annual leave.

The respective resort operations of the GENM Group were temporarily closed from mid-March 2020 as per the respective government's directives arising from COVID-19 outbreak.

Decreased revenue from Resorts World Genting ("RWG") was mainly due to a decline in the overall business volume from both the gaming and non-gaming segments following the unprecedented disruptions to the business activities as a result of the COVID-19 outbreak. In addition, an exceptionally high hold percentage had been recorded in the mid to premium players segments in the previous year's corresponding quarter. Consequently, adjusted EBITDA decreased in the current quarter mainly due to the lower revenue, partially mitigated by lower costs relating to the premium players business.

Revenue from the leisure and hospitality businesses in United Kingdom ("UK") and Egypt decreased mainly due to lower business volume from mass market segment and Cairo, Egypt as a result of temporary closure arising from COVID-19 outbreak.

The leisure and hospitality businesses in United States of America ("US") and Bahamas decreased mainly due to lower revenue from Resorts World Casino New York City ("RWNYC") which arose from lower business volume following the COVID-19 outbreak. This resulted in a lower adjusted EBITDA which was further impacted by higher payroll cost and operating expenses from RWNYC's operations.

Total revenue from Plantation Division decreased in the current quarter mainly due to softer demand for refined palm products of the Downstream Manufacturing segment. Plantation segment's revenue was marginally higher, with higher palm product prices offset by lower FFB production. Adjusted EBITDA however increased due to better margins from higher palm product selling prices. Downstream Manufacturing's adjusted EBITDA decreased due to lower sales volume from its refinery.

Revenue and adjusted EBITDA from the Power Division increased mainly due to higher generation from the Indonesian coal-fired Banten power plant as a consequence of the lower number of outage days in the current quarter compared with last year's quarter.

The Oil & Gas Division generated higher revenue and adjusted EBITDA in the current quarter mainly due to higher average oil prices and a gain from the hedging of the oil price.

The adjusted loss before interest, tax, depreciation and amortisation from "Investments & Others" included net foreign exchange losses on net foreign currency denominated financial assets which was higher in the current quarter.

The Group suffered a loss before taxation of RM218.2 million in the current quarter compared with a profit before taxation of RM1,179.1 million in the previous year's corresponding quarter. The loss before taxation for the current quarter was mainly due to the lower adjusted EBITDA, impairment losses of RM482.5 million as well as a share of loss from joint ventures and associates of RM108.0 million compared with a share of profit in the previous year's corresponding quarter. The impairment losses arose mainly from GENM Group's investment in certain assets as mentioned in Part I(c) of this interim report. The share of loss from joint ventures and associates was mainly due to GENM Group's share of loss in an associate, i.e. Empire Resorts, Inc ("Empire") of RM100.1 million which arose mainly from GENM Group's share of costs associated with the refinancing of Empire's loans as well as depreciation and amortisation, whilst its share of Empire's operating loss was RM13.5 million. The previous year's corresponding quarter's profit had also included a gain on disposal of an indirect subsidiary in UK. However, higher pre-opening expenses had been recorded in the previous year's corresponding quarter by GENM mainly due to the provision of related costs as a result of the termination of contracts related to the outdoor theme park at RWG which had amounted to RM198.3 million.

2. Material Changes in Loss Before Taxation for the Current Quarter as Compared with the Immediate Preceding Quarter

Financial review for the current quarter compared with the immediate preceding quarter.

	Current Quarter 31/03/2020 RM'million	Immediate Preceding Quarter 31/12/2019 RM'million	Changes +/- RM'million	+/- %
Revenue				
Leisure & Hospitality				
- Malaysia	1,223.3	1,602.9	-379.6	-24
- Singapore	1,226.6	1,853.9	-627.3	-34
- UK and Egypt	371.2	422.3	-51.1	-12
- US and Bahamas	320.3	368.5	-48.2	-13
	3,141.4	4,247.6	-1,106.2	-26
Plantation				
- Oil Palm Plantation	344.5	379.2	-34.7	-9
- Downstream Manufacturing	344.9	371.2	-26.3	-7
	689.4	750.4	-61.0	-8
- Intra segment	(141.4)	(141.0)	-0.4	-
	548.0	609.4	-61.4	-10
Power	258.4	279.2	-20.8	-7
Property	47.0	62.5	-15.5	-25
Oil & Gas	87.2	76.9	10.3	+13
Investments & Others	27.2	27.4	-0.2	-1
	4,109.2	5,303.0	-1,193.8	-23
(Loss)/profit before tax				
Leisure & Hospitality				
- Malaysia	436.2	575.7	-139.5	-24
- Singapore	476.8	909.5	-432.7	-48
- UK and Egypt	22.8	59.7	-36.9	-62
- US and Bahamas	14.7	65.3	-50.6	-77
	950.5	1,610.2	-659.7	-41
Plantation				
- Oil Palm Plantation	119.4	108.4	11.0	+10
- Downstream Manufacturing	14.2	13.8	0.4	+3
	133.6	122.2	11.4	+9
Power	102.8	108.3	-5.5	-5
Property	15.5	26.1	-10.6	-41
Oil & Gas	70.5	51.8	18.7	+36
Investments & Others	(64.2)	(52.1)	-12.1	-23
Adjusted EBITDA	1,208.7	1,866.5	-657.8	-35
Net fair value (loss)/gain on financial assets at FVTPL	(14.6)	15.9	-30.5	>-100
Net gain on disposal of investment properties	-	132.1	-132.1	-100
Net gain/(loss) on derecognition and changes in shareholding of joint ventures and associates	52.7	(0.2)	52.9	>100
Net impairment losses	(482.5)	(13.5)	-469.0	>-100
Depreciation and amortisation	(675.0)	(667.7)	-7.3	-1
Interest income	145.5	159.0	-13.5	-8
Finance cost	(261.4)	(270.2)	8.8	+3
Share of results in joint ventures and associates	(108.0)	(9.3)	-98.7	>-100
Others	(83.6)	(93.1)	9.5	+10
	(218.2)	1,119.5	-1,337.7	>-100

Material changes in loss before taxation for the current quarter compared with the immediate preceding quarter

The Group suffered a loss before taxation of RM218.2 million in the current quarter compared with a profit before taxation of RM1,119.5 million in the immediate preceding quarter.

Adjusted EBITDA of RWS decreased in the current quarter due mainly to the impact of the COVID-19 which was felt in late January 2020 with the situation worsening over the course of the quarter.

Lower adjusted EBITDA from RWG was due to lower revenue as a result of decline in the overall business volume from both the gaming and non-gaming segments in the current quarter.

The leisure and hospitality businesses in US and Bahamas recorded lower adjusted EBITDA mainly due to lower revenue from RWNYC as a consequence of lower business volume.

Higher adjusted EBITDA from the Plantation Division was mainly due to higher palm product selling prices.

Adjusted EBITDA from the Oil & Gas Division increased mainly due to a gain from the hedging of the oil price.

The current quarter's loss was mainly due to lower adjusted EBITDA, the impairment losses of RM482.5 million and a higher share of loss from Empire as compared with the preceding quarter, mainly due to the share of costs associated with the refinancing of Empire's loans. In addition, the profit before taxation for the immediate preceding quarter had included a gain on disposal of investment properties in UK by the GENM Group.

- * *The comments on performance in Notes 1 and 2 above are based on the results of the respective subsidiaries and associates of the Company. Some of the subsidiaries are separately listed on the Malaysian and Singapore stock exchanges. Please refer to the respective listed subsidiaries' announcements of their interim results/voluntary quarterly business overview for a detailed review of their respective performance.*

<u>Listed subsidiaries</u>	<u>Voluntary quarterly business overview/Announcement date</u>
<i>Genting Singapore Limited</i>	<i>13 May 2020</i>
<i>Genting Plantations Berhad</i>	<i>20 May 2020</i>
<i>Genting Malaysia Berhad</i>	<i>21 May 2020</i>

3. Prospects

The performance of the Group for the remaining period of the current financial year may be impacted as follows:

- (a) The COVID-19 pandemic and the preventive measures taken by governments worldwide have placed significant pressure on the respective countries' economies. The tourism, leisure & hospitality and gaming industries are among the hardest hit by this unprecedented crisis. As the global economy is expected to contract, governments worldwide have introduced economic stimuli packages and fiscal support to mitigate the impact of COVID-19. Additionally, gradual easing of containment measures worldwide would also encourage improvements in economic activity and growth.

In Malaysia, the pandemic and Movement Control Order ("MCO") that began on 18 March 2020 have impacted both external and domestic demand, resulting in marginal economic growth and the weakening of labour market conditions. However, economic activity has gradually resumed since the government eased the MCO which allowed more businesses to operate.

However, RWG, Resorts World Awana, Resorts World Kijal and Resorts World Langkawi remain closed until further notice. Nevertheless, the GENM Group is currently preparing for the resumption of operations and is focused on leveraging domestic demand to drive visitation and revenue. As development works on the outdoor theme park ("OTP") were affected by the MCO, the GENM Group is working on a revised timeline for the completion and opening of the OTP;

- (b) Given the fluidity of the unfolding COVID-19 situation, the GENS Group remains pessimistic on its outlook for the remaining year. To cope with potentially volatile and long drawn recovery process, GENS will adopt an agile and continuous learning mindset to align its cost structure with the new norm. At the same time, as a SG Clean accredited organisation committed to upholding good sanitation and hygiene standards, GENS will establish more stringent health and safety protocols and safety measures to restore consumer confidence and ensure employee safety.

While its financial performance for 2020 will be severely affected, GENS Group has strategically built up a strong balance sheet over years that will enable it to continue operating smoothly and pursuing growth both at RWS and globally within GENS's core expertise despite the ongoing crisis.

Japan IR investment opportunity continues to feature in GENS's long term growth strategy. GENS has been engaged in the ongoing Request for Concept ("RFC") by Yokohama City and is anticipating the launch of the Request-for-Proposal ("RFP") in the second half of 2020;

- (c) In the UK and Egypt, Resorts World Birmingham, the GENM Group's other land-based casinos in the UK and Crockfords Cairo continue to be temporarily closed until further notice. However, the GENM Group's digital business in the UK, GentingBet, continues to operate in line with expectations;
- (d) In the US and Bahamas, RWNYC, Resorts World Catskills and Resorts World Bimini continue to be temporarily closed until further notice. Whilst construction of RWNYC's expansion has been halted in compliance with government directives, the GENM Group expects the development of the project to restart shortly.

GENM Group and GENS Group have made the following additional comments in respect of their expected performance.

While the full extent of the impact of COVID-19 on GENM Group's financial performance and operations for the financial year ending 31 December 2020 ("FY2020") is uncertain at this point in time, the GENM Board wishes to caution that GENM Group expects its financial results for the remaining period of FY2020 to be adversely impacted.

In the meantime, GENM Group will continue to implement various aggressive cost control measures across all its operating entities, including a reduction in operational expenditure such as payroll and related costs and the cancellation or deferment of non-essential capital expenditure. GENM Group has also put in place stringent health and precautionary measures at all its properties to ensure the safety and well-being of its employees and visitors at all times. These measures are part of GENM Group's ongoing initiative as it prepares for the recovery of the leisure and hospitality sector.

The pandemic has been absolutely devastating to the tourism industry across the world. GENS's flagship property, RWS too has been severely affected and will continue to face significant challenges.

- (e) The GENP Group's prospects for the rest of the year will track the performance of its mainstay Plantation segment, which is in turn dependent principally on the movements in palm products prices and the GENP Group's FFB production.

The COVID-19 pandemic continues to severely affect economies worldwide and thus, the GENP Group expects palm oil prices to be primarily influenced by the impact of the pandemic on factors such as the demand and supply dynamics of palm oil and other substitute oils and fats, global economic conditions and the implementation of higher biodiesel mandates by Indonesia and Malaysia.

Given the notable year-on-year decline in FFB production in the first quarter of 2020, the GENP Group expects to make up for the deficit in the remaining months of the year underpinned by additional mature areas and favourable age profile of its Indonesia operations. However, the overall demand in the near term will likely be subdued, with the decline in uptake thus far unlikely to be recouped.

The Property segment derived minimal sales during the MCO and with the bearish sentiment on the economic outlook, its performance for the rest of the year will be negatively impacted. Meanwhile, the Premium Outlets® will focus its efforts on building up patronage following the resumption of operations in early May 2020.

The outlook for the Downstream Manufacturing segment for the rest of this year will be challenging due to weak demand for its products stemming from the COVID-19 pandemic. Further, demand for discretionary blending for biodiesel has subsided due to the prevailing unfavourable palm oil gas oil (“POGO”) spread;

- (f) The Banten power plant in Indonesia has achieved almost 100% availability since February despite the COVID-19 pandemic. Plant efficiency is expected to be good and contribute positive earnings as power industry is classified as an essential industry. The earnings from the Jangi wind farm in Gujarat, India is expected to improve arising from the higher wind season from May to August;
- (g) Global crude oil prices fell drastically mainly due to the breakdown of the original OPEC-Plus agreement and unprecedented demand destruction brought about by the COVID-19 pandemic, where Brent crude prices had dropped to as low as USD19.33/bbl on 21 April 2020. Despite the negative outlook in global oil prices, Chengdaoxi block carries low-sulfur oil profile and its revenue is expected to improve marginally following the revision in the International Maritime Organisation’s global sulfur limit since 1 January 2020, which is noticeable from the higher local selling price compared with international Brent crude price since September 2019.

With the approval from the Ministry of Energy and Mineral Resources of Indonesia on the Plan of Development for the Kasuri block, Genting Oil Kasuri Pte Ltd (“GOKPL”) had commenced the front end engineering design (“FEED”) work since the third quarter of 2019. Arising from the lockdown policy implemented by the local government as a result of the global pandemic, progress of the FEED has slowed down and the revised target completion date is postponed to end of third quarter of 2020. Utilising 1.7 trillion cubic feet of discovered gas reserves, GOKPL plans to supply about 170 million cubic feet per day of natural gas for 20 years to a petrochemical plant in West Papua, which is in the plan and will be built by a third party; and

- (h) The State of Nevada has deemed construction as an essential licensed business and hence construction of RWLV continues to progress despite COVID-19 challenges. RWLV continues to work with the state and federal Occupational Safety and Health Administration (“OSHA”) and government officials to ensure it meets the social distancing requirements. As of 24 April 2020, RWLV is nearing completion on the curtain wall for all Towers and dismantling of three cranes is complete. On the low-rise casino podium, framing and drywall continuing on all levels and structural steel is almost completed on the pool deck. Concrete foundations and walls are near complete for the main Retail Promenade and structure steel is being erected on the nightlife venue. Construction is complete on the Central Plant and Fire Building and testing for the Total Cost of Ownership (“TCO”) is underway. Total development and land costs incurred as of 31 March 2020 were approximately USD2.1 billion.

Projected to open in Summer 2021, RWLV will combine traditional and modern architecture, weaving a new luxury hotel experience into the fabric of Las Vegas with Asian-inspired touches, progressive technology and world-class guests service. Updated plans for the USD4.3 billion luxury resort-casino include new amenities such as a 5,000-capacity state-of-the-art theater scalable to host A-list residencies and corporate events; a dynamic 75,000-square-foot nightlife and daylife concept; a 50-foot diameter video globe which will display over 6,000-square-feet of captivating LED content; and additional luxury suites, villas and penthouses with individual lobby experiences, open balconies and a sky casino.

4. Variance of Actual Profit from Forecast Profit

The Group did not issue any profit forecast or profit guarantee for the year.

5. Taxation

The breakdown of tax charges for the current quarter ended 31 March 2020 is set out below:

	Current Quarter 31/03/2020 RM'million	Preceding Year Corresponding Quarter 31/03/2019 RM'million
Current taxation		
Malaysian income tax charge	57.7	92.2
Foreign income tax charge	121.4	207.5
	<u>179.1</u>	<u>299.7</u>
Deferred tax credit	(54.9)	(71.3)
	<u>124.2</u>	<u>228.4</u>
Prior period taxation		
Income tax under/(over) provided	0.5	(20.7)
Total tax charge	<u>124.7</u>	<u>207.7</u>

The effective tax rate of the Group for the current quarter ended 31 March 2020 is higher than the Malaysian statutory income tax rate due mainly to expenses not deductible for tax purposes, partially offset by income not subject to tax and tax incentives.

6. (Loss)/Profit Before Taxation

(Loss)/profit before taxation has been determined after inclusion of the following charges and credits:

	Current Quarter 31/03/2020 RM'million	Preceding Year Corresponding Quarter 31/03/2019 RM'million
Charges:		
Finance cost	261.4	293.7
Depreciation and amortisation	675.0	625.3
Impairment and write off of receivables	47.3	32.1
Impairment losses	482.5	17.8
Net fair value loss/(gain) on financial assets at FVTPL	14.6	(18.3)
Loss on discontinued cash flow hedge	-	74.0
Property, plant and equipment written off	4.0	1.3
(Reversal of provision)/provision for termination related costs	(0.1)	198.3
Inventories written off	0.1	0.1
Net foreign exchange loss	6.4	10.7
	<u>6.4</u>	<u>10.7</u>
Credits:		
Interest income	145.5	174.7
Investment income	13.8	9.7
Gain on disposal of a subsidiary	-	138.7
Net gain/(loss) on disposal of property, plant and equipment	2.6	(3.7)
Net gain on change in shareholding of associates	52.7	-
Net surplus arising from Government acquisition	7.0	-
Net fair value gain on derivative financial instruments	-	0.3
	<u>-</u>	<u>0.3</u>

7. Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed as at 14 May 2020.

8. Group Borrowings and Debt Securities

The details of the Group's borrowings and debt securities as at 31 March 2020 are as set out below:

	As at 31/03/2020				As at 31/12/2019
	Secured/ Unsecured	Foreign Currency 'million		RM Equivalent 'million	RM Equivalent 'million
Short term borrowings	Secured	RM		2.0	1.0
	Secured	USD	134.5	579.9	600.3
	Secured	GBP	15.6	82.8	79.8
	Secured	INR	218.5	12.5	18.4
	Unsecured	RM		1,330.3	1,349.0
	Unsecured	USD	132.3	570.5	556.3
	Unsecured	GBP	25.0	133.0	134.1
	Unsecured	JPY	58.6	2.3	0.9
				2,713.3	2,739.8
Long term borrowings	Secured	RM		87.4	87.3
	Secured	USD	3,039.0	13,107.2	6,929.6
	Secured	GBP	54.6	290.2	292.3
	Secured	INR	2,407.8	137.6	147.0
	Unsecured	RM		10,488.6	10,488.2
	Unsecured	USD	2,604.1	11,231.6	10,692.1
	Unsecured	JPY	19,923.9	782.3	753.7
				36,124.9	29,390.2
Total borrowings	Secured	RM		89.4	88.3
	Secured	USD	3,173.5	13,687.1	7,529.9
	Secured	GBP	70.2	373.0	372.1
	Secured	INR	2,626.3	150.1	165.4
	Unsecured	RM		11,818.9	11,837.2
	Unsecured	USD	2,736.4	11,802.1	11,248.4
	Unsecured	GBP	25.0	133.0	134.1
Unsecured	JPY	19,982.5	784.6	754.6	
				38,838.2	32,130.0

9. Outstanding Derivatives

As at 31 March 2020, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

Types of Derivative	Contract/ Notional Value RM'million	Fair Value Assets/ (Liabilities) RM'million
<u>Interest Rate Swaps</u>		
USD	536.5	
- Less than 1 year		(7.4)
- 1 year to 3 years		(10.2)
- More than 3 years		(1.6)
GBP	371.8	
- Less than 1 year		(2.7)
- 1 year to 3 years		(4.9)
<u>Forward Foreign Currency Exchange</u>		
USD	247.4	
- Less than 1 year		(2.8)
<u>Commodity Future Contracts</u>		
RM	55.4	
- Less than 1 year		(0.5)
<u>Commodity Swap</u>		
USD	-	
- Less than 1 year		75.4
- 1 year to 3 years		30.3

There is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 December 2019:

- (a) the credit risk, market risk and liquidity risk associated with these financial derivatives;
- (b) the cash requirements of the financial derivatives; and
- (c) the policy in place for mitigating or controlling the risks associated with these financial derivatives.

10. Fair Value Changes of Financial Liabilities

As at 31 March 2020, the Group does not have any financial liabilities measured at fair value through profit or loss.

11. Changes in Material Litigation

There are no pending material litigations as at 14 May 2020.

12. **Dividend Proposed or Declared**

No dividend has been proposed or declared for the current quarter ended 31 March 2020.

13. **Loss Per Share**

- (a) The loss used as the numerator in calculating basic and diluted loss per share for the current quarter ended 31 March 2020 is as follows:

	Current Quarter RM'million
Loss for the financial period attributable to equity holders of the Company (used as numerator for the computation of Basic loss per share)	132.3
Net impact on loss on potential exercise of Performance Share Scheme awarded to executives of the Company's subsidiaries	<u>0.3</u>
Loss for the financial period attributable to equity holders of the Company (used as numerator for the computation of Diluted loss per share)	<u>132.6</u>

- (b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share for the current quarter ended 31 March 2020 is as follows:

	Current Quarter No. of shares 'million
Weighted average number of ordinary shares in issue (used as denominator for the computation of Basic and Diluted loss per share)	<u>3,850.6</u>

14. **Disclosure of Audit Report Qualification and Status of Matters Raised**

The audit report of the Group's annual financial statements for the financial year ended 31 December 2019 did not contain any qualification.

15. **Approval of Interim Financial Statements**

The condensed consolidated financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 21 May 2020.