



**MALAYSIA**  
Genting Malaysia Berhad

(Incorporated in Malaysia under Company No. 58019-U)  
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**FIRST QUARTERLY REPORT**

Quarterly report on consolidated results for the three months ended 31 March 2012. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE THREE MONTHS ENDED 31 MARCH 2012**

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	First quarter ended 31 March		Three months ended 31 March	
	<u>2012</u> <u>RM'000</u>	<u>2011</u> <u>RM'000</u>	<u>2012</u> <u>RM'000</u>	<u>2011</u> <u>RM'000</u>
<b>Revenue</b>	<b>1,903,801</b>	1,950,580	<b>1,903,801</b>	1,950,580
Cost of sales	<b>(1,334,131)</b>	(1,344,817)	<b>(1,334,131)</b>	(1,344,817)
<b>Gross profit</b>	<b>569,670</b>	605,763	<b>569,670</b>	605,763
Other income	<b>32,187</b>	34,405	<b>32,187</b>	34,405
Other expenses	<b>(207,228)</b>	(77,192)	<b>(207,228)</b>	(77,192)
Profit from operations before impairment losses	<b>394,629</b>	562,976	<b>394,629</b>	562,976
Impairment losses	<b>(5,020)</b>	(3,863)	<b>(5,020)</b>	(3,863)
<b>Profit from operations</b>	<b>389,609</b>	559,113	<b>389,609</b>	559,113
Finance costs	<b>(12,401)</b>	(3,798)	<b>(12,401)</b>	(3,798)
Share of results in jointly controlled entities	-	(1,366)	-	(1,366)
Share of results in associates	<b>1,333</b>	(461)	<b>1,333</b>	(461)
<b>Profit before taxation</b>	<b>378,541</b>	553,488	<b>378,541</b>	553,488
Taxation	<b>(107,877)</b>	(135,790)	<b>(107,877)</b>	(135,790)
<b>Profit for the financial period</b>	<b>270,664</b>	417,698	<b>270,664</b>	417,698
<b>Profit attributable to:</b>				
Equity holders of the Company	<b>270,664</b>	417,698	<b>270,664</b>	417,698
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic earnings per share (sen)	<b>4.78</b>	7.37	<b>4.78</b>	7.37
Diluted earnings per share (sen)	<b>4.78</b>	7.36	<b>4.78</b>	7.36

*(The Condensed Consolidated Income Statement should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2011.)*

GENTING MALAYSIA BERHAD  
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS ENDED 31 MARCH 2012

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	First quarter ended 31 March		Three months ended 31 March	
	<u>2012</u> <u>RM'000</u>	<u>2011</u> <u>RM'000</u>	<u>2012</u> <u>RM'000</u>	<u>2011</u> <u>RM'000</u>
<b>Profit for the financial period</b>	<b>270,664</b>	417,698	<b>270,664</b>	417,698
<b>Other comprehensive income/(loss):</b>				
Available-for-sale financial assets	<b>524,053</b>	(170,788)	<b>524,053</b>	(170,788)
Share of other comprehensive income of an associate	<b>3</b>	3	<b>3</b>	3
Foreign currency exchange differences	<b>(110,181)</b>	(154,361)	<b>(110,181)</b>	(154,361)
<b>Other comprehensive income/(loss), net of tax</b>	<b>413,875</b>	(325,146)	<b>413,875</b>	(325,146)
<b>Total comprehensive income for the financial period</b>	<b>684,539</b>	92,552	<b>684,539</b>	92,552
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	<b>684,539</b>	92,552	<b>684,539</b>	92,552

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2011.)*

GENTING MALAYSIA BERHAD  
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2012

	Unaudited As at 31.03.2012 RM'000	As at 31.12.2011 RM'000	As at 01.01.2011 RM'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4,921,123	4,797,899	4,374,776
Land held for property development	184,534	184,534	181,534
Investment properties	1,502,481	1,562,290	304,008
Intangible assets	4,270,172	4,332,320	3,144,542
Jointly controlled entities	12,926	13,227	17,228
Associates	-	24,445	1,521
Available-for-sale financial assets	2,082,249	1,608,220	2,371,445
Long term receivables	256,655	257,257	7,505
Deferred tax assets	1,279	1,377	2,630
	<u>13,231,419</u>	<u>12,781,569</u>	<u>10,405,189</u>
<b>Current assets</b>			
Inventories	76,198	75,784	73,865
Trade and other receivables	351,212	548,680	412,518
Amounts due from other related companies	16,374	16,683	20,241
Amounts due from jointly controlled entities	1,860	1,886	20
Assets classified as held for sale	23,603	-	19,658
Financial assets at fair value through profit or loss	69,431	65,043	90,785
Available-for-sale financial assets	250,025	250,025	250,025
Restricted cash	7,693	624,077	645,814
Cash and cash equivalents	2,157,528	2,142,775	2,866,264
	<u>2,953,924</u>	<u>3,724,953</u>	<u>4,379,190</u>
<b>TOTAL ASSETS</b>	<u>16,185,343</u>	<u>16,506,522</u>	<u>14,784,379</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	592,897	592,441	591,531
Reserves	12,919,912	12,226,648	11,852,546
Treasury shares	(892,292)	(892,292)	(835,370)
<b>TOTAL EQUITY</b>	<u>12,620,517</u>	<u>11,926,797</u>	<u>11,608,707</u>
<b>Non-current liabilities</b>			
Other long term liabilities	184,778	176,526	174,930
Long term borrowings	947,527	970,555	346,301
Deferred tax liabilities	810,535	816,688	829,065
	<u>1,942,840</u>	<u>1,963,769</u>	<u>1,350,296</u>
<b>Current liabilities</b>			
Trade and other payables	1,262,383	1,591,597	907,242
Amount due to holding company	14,799	24,752	16,204
Amounts due to other related companies	53,484	43,372	53,414
Amounts due to jointly controlled entity and associate	25,606	32,036	25,637
Short term borrowings	178,822	829,181	701,781
Taxation	86,892	95,018	121,098
	<u>1,621,986</u>	<u>2,615,956</u>	<u>1,825,376</u>
<b>TOTAL LIABILITIES</b>	<u>3,564,826</u>	<u>4,579,725</u>	<u>3,175,672</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>16,185,343</u>	<u>16,506,522</u>	<u>14,784,379</u>
<b>NET ASSETS PER SHARE (RM)</b>	<u>2.23</u>	<u>2.11</u>	<u>2.05</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2011.)

GENTING MALAYSIA BERHAD  
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED 31 MARCH 2012

	Attributable to equity holders of the Company						Total Equity RM'000
	Share Capital RM'000	Share Premium RM'000	Available-for-sale Financial Assets Reserve RM'000	Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	
At 1 January 2012	592,441	1,144,118	952,187	(290,571)	(892,292)	10,420,914	11,926,797
Share based payments under ESOS	-	-	-	(156)	-	-	(156)
Issue of shares	456	8,881	-	-	-	-	9,337
Total comprehensive income/(loss) for the period	-	-	524,053	(110,178)	-	270,664	684,539
At 31 March 2012	592,897	1,152,999	1,476,240	(400,905)	(892,292)	10,691,578	12,620,517
At 1 January 2011	591,531	1,126,454	1,771,300	(393,448)	(835,370)	9,348,240	11,608,707
Share based payments under ESOS	-	-	-	8	-	-	8
Issue of shares	126	2,418	-	-	-	-	2,544
Buy-back of shares	-	-	-	-	(19,081)	-	(19,081)
Total comprehensive (loss)/ income for the period	-	-	(170,788)	(154,358)	-	417,698	92,552
At 31 March 2011	591,657	1,128,872	1,600,512	(547,798)	(854,451)	9,765,938	11,684,730

*(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 2011.)*

GENTING MALAYSIA BERHAD  
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS ENDED 31 MARCH 2012

Unaudited  
Three months ended  
31 March

	2012 RM'000	2011 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	378,541	553,488
Adjustments for:		
Depreciation and amortisation	127,884	77,903
Finance costs	12,401	3,798
Interest income	(13,289)	(16,622)
Investment income	(7,825)	(7,157)
Construction loss/(profit)	48,150	(13,400)
Impairment losses	5,020	3,863
Net fair value (gain)/loss on financial assets at fair value through profit or loss	(5,851)	680
Share of results in jointly controlled entities	-	1,366
Share of results in associates	(1,333)	461
Other non-cash items and adjustments	2,290	289
	<b>167,447</b>	<b>51,181</b>
<b>Operating profit before working capital changes</b>	<b>545,988</b>	<b>604,669</b>
Net change in current assets	60,216	(131,434)
Net change in current liabilities	(358,956)	76,102
	<b>(298,740)</b>	<b>(55,332)</b>
<b>Cash generated from operations</b>	<b>247,248</b>	<b>549,337</b>
Net tax paid	(116,939)	(76,298)
Retirement gratuities paid	(2,197)	(1,831)
Other net operating payments	(4,301)	(9,570)
	<b>(123,437)</b>	<b>(87,699)</b>
<b>Net Cash Flow From Operating Activities</b>	<b>123,811</b>	<b>461,638</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Property, plant and equipment	(125,213)	(43,030)
Other investing activities	17,737	15,924
<b>Net Cash Flow From Investing Activities</b>	<b>(107,476)</b>	<b>(27,106)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of shares	9,337	2,544
Buy-back of shares	-	(19,081)
Finance costs paid	(7,653)	(1,861)
Repayment of borrowings	(611,595)	-
Restricted cash	616,384	(3,647)
Others	-	(25,119)
<b>Net Cash Flow From Financing Activities</b>	<b>6,473</b>	<b>(47,164)</b>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>22,808</b>	<b>387,368</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>2,142,775</b>	<b>2,866,264</b>
<b>EFFECT OF CURRENCY TRANSLATION</b>	<b>(8,055)</b>	<b>(29,415)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>2,157,528</b>	<b>3,224,217</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and deposits	1,265,419	2,030,927
Money market instruments	892,109	1,193,290
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>2,157,528</b>	<b>3,224,217</b>

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2011.)

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

**a) *Accounting Policies and Methods of Computation***

The interim financial report is unaudited and has been prepared in accordance with MFRS 134 “Interim Financial Reporting” and paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements. The financial information for the three months ended 31 March 2012 have been reviewed by the Company’s auditors in accordance with the International Standards on Review Engagements (“ISRE”) 2410 - Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2011. For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (“FRS”). Except for certain differences, the requirements under FRS and MFRS are similar. The accounting policies 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 2011, except for the initial elections upon first time adoption of MFRS as disclosed below:

**(i) Initial elections upon first time adoption of MFRS**

The interim financial report for the first quarter ended 31 March 2012 is the first set of interim report prepared in accordance with MFRSs, including MFRS 1 “First-time adoption of MFRS”. Subject to certain transition elections as disclosed below, the Group has consistently applied the same accounting policies in its opening MFRS statement of financial position at 1 January 2011 (transition date) and throughout all periods presented, as if these policies had always been in effect.

***Exemption for business combinations***

MFRS 1 provides the option to apply MFRS 3 “Business Combinations” prospectively for business combination that occurred from the transition date or from a designated date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date or a designated date prior to the transition date. The Group elected to apply MFRS 3 prospectively to business combinations that occurred after 1 January 2011. Business combinations that occurred prior to 1 January 2011 have not been restated. In addition, the Group has also applied MFRS 127 “Consolidated and Separate Financial Statements” from the same date.

**(ii) Explanations of transition from FRSs to MFRSs**

The adoption of MFRS 1 does not have any impact on the reported financial position, financial performance and cash flows of the Group and hence, no reconciliations from FRSs to MFRSs were prepared.

**b) *Seasonal or Cyclical Factors***

The business operations of the Group’s leisure and hospitality division are subject to seasonal fluctuations. The results are affected by major festive seasons and holidays.

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the three months ended 31 March 2012.

**d) *Material Changes in Estimates***

There were no material changes in estimates of amounts reported in prior financial years.

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

- i) The Company issued 4,556,000 new ordinary shares of 10 sen each, for cash, arising from the exercise of options granted under the Executive Share Option Scheme (“ESOS”) for Eligible Executives of Genting Malaysia Berhad during the three months ended 31 March 2012 at the following exercise prices:

<b>Exercise price (RM)</b>	<b>No. of options exercised during the three months ended 31 March 2012</b>
1.700	5,000
1.898	421,000
2.064	4,055,000
2.134	75,000
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	4,556,000
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- ii) The Company did not repurchase its own shares during the three months ended 31 March 2012.

**f) Dividends Paid**

No dividend has been paid for the three months ended 31 March 2012.

**g) Segment Information**

The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The performance of the operating segments is based on a measure of adjusted earnings before interest, tax, depreciation and amortisation (EBITDA). This measurement basis excludes the effects of non-recurring items from the reporting segments, such as fair value gains and losses, impairment losses, pre-operating expenses and gain or loss on disposal of assets. Interest income is not included in the result for each operating segment.

Segment analysis for the three months ended 31 March 2012 is set out below:

	<u>Leisure &amp; Hospitality</u>			<u>Property</u>	<u>Investments &amp; Others</u>	<u>Total</u>
	<u>Malaysia</u> <u>RM'000</u>	<u>United Kingdom</u> <u>RM'000</u>	<u>United States of America</u> <u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Revenue</b>						
Total revenue	1,343,040	343,279	218,394	18,312	16,174	1,939,199
Inter segment	(32,491)	-	-	(181)	(2,726)	(35,398)
External	<u>1,310,549</u>	<u>343,279</u>	<u>218,394</u>	<u>18,131</u>	<u>13,448</u>	<u>1,903,801</u>
<b>Adjusted EBITDA</b>	<u>462,031</u>	<u>34,457</u>	<u>1,246</u>	<u>14,388</u>	<u>977</u>	<u>513,099</u>
<b>Total Assets</b>	<u>3,865,194</u>	<u>3,317,315</u>	<u>2,726,889</u>	<u>1,995,288</u>	<u>4,280,657</u>	<u>16,185,343</u>

A reconciliation of adjusted EBITDA to profit before taxation is provided as follows:

Adjusted EBITDA for reportable segments	513,099
Pre-operating expenses	(17,709)
Gain on disposal of assets	158
Impairment losses	(5,020)
Net fair value gain on financial assets at fair value through profit or loss	5,851
Investment income	7,825
<b>EBITDA</b>	<u>504,204</u>
Depreciation and amortisation	(127,884)
Interest income	13,289
Finance costs	(12,401)
Share of results in associates	1,333
<b>Profit before taxation</b>	<u>378,541</u>

**h) Valuation of Property, Plant and Equipment**

There was no valuation of property, plant and equipment since the financial year ended 31 December 2011.

**i) Material Events Subsequent to the end of Financial Period**

There were no material events subsequent to the end of current financial period ended 31 March 2012 that have not been reflected in this interim financial report.

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

There were no material changes in the composition of the Group for the three months ended 31 March 2012.



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

As disclosed in the audited financial statements for the financial year ended 31 December 2011, a subsidiary of the Group had received billings made by a contractor in respect of work performed for the subsidiary and an external consultant had been engaged by the subsidiary to review and verify these billings. Consequently, an appropriate amount of the billings had been recognised in the financial statements based on the consultant's independent review. The amount which was in dispute of RM83.0 million had not been recognised as a liability in the financial statements as at 31 December 2011 as the Group was of the view that the obligation to settle it was not probable and had been disclosed as a contingent liability.

In May 2012, the subsidiary entered into a settlement agreement with the contractor to agree on a final settlement amount. As a result, a liability of RM48.2 million has been accrued in the interim financial statements as at 31 March 2012.

Other than the above development, there were no material changes in the contingent liabilities or contingent assets since the financial year ended 31 December 2011.

**l) Capital Commitments**

Authorised capital commitments not provided for in the interim financial statements as at 31 March 2012 are as follows:

	<b>RM'000</b>
Contracted	76,090
Not contracted	605,585
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	681,675
Analysed as follows:	
- Property, plant and equipment	<hr/>
	681,675

**m) Significant Related Party Transactions**

In the normal course of business, the Group undertakes on agreed terms and prices, transactions with related companies and other related parties. The related party transactions of the Group carried out during the three months ended 31 March 2012 are as follows:

	<b>Current quarter RM'000</b>
i) Provision of technical know-how and management expertise in the resort's operations by Genting Berhad ("GENT") Group to the Group.	<u>101,042</u>
ii) Licensing fee for the use of "Genting" and "Awana" logo charged by GENT to the Group.	<u>46,622</u>
iii) Provision of GENT Group Management and Support Services by GENT Group to the Group.	<u>1,825</u>
iv) Rental charges for premises by the Company to Oriregal Creations Sdn Bhd.	<u>359</u>
v) Rental charges and related services by the Group to GENT Group.	<u>769</u>
vi) Rental charges and related services by the Group to Genting Plantations Berhad ("GENP") Group.	<u>549</u>
vii) Purchase of holiday packages from Genting Hong Kong Limited ("GENHK") Group.	<u>233</u>
viii) Air ticketing and transportation services rendered by the Group to GENS Group.	<u>132</u>
ix) Technical services rendered by Resorts World Inc Pte Ltd ("RWI") to the Group.	<u>690</u>
x) Provision of marketing services by the Group to GENS Group.	<u>1,664</u>
xi) Licensing fee for the use of "Resorts World" and "Genting" intellectual property in the United States of America charged by RWI to the Group.	<u>10,374</u>
xii) Provision of information technology consultancy, development, implementation, support and maintenance service and other management services by the Group to GENT Group.	<u>1,017</u>
xiii) Provision of information technology consultancy, development, implementation, support and maintenance service and other management services by the Group to GENP Group.	<u>749</u>
xiv) Provision of information technology consultancy, development, implementation, support and maintenance service and other management services by the Group to GENHK Group.	<u>210</u>

**GENTING MALAYSIA BERHAD**  
**ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FIRST QUARTER ENDED 31 MARCH**  
**2012**

**Part II: Compliance with Appendix 9B of Bursa Securities Listing Requirements**

**1) Review of Performance**

The results of the Group are tabulated below:

	INDIVIDUAL QUARTER		Var %	PRECEDING QUARTER	
	1Q2012 RM'Mil	1Q2011 RM'Mil		4Q2011 RM'Mil	Var %
<b>Revenue</b>					
Leisure & Hospitality					
- Malaysia	1,310.6	1,323.4	-1%	1,377.0	-5%
- United Kingdom	343.3	346.6	-1%	288.8	19%
- United States of America	218.4	264.6	-17%	642.2	-66%
	1,872.3	1,934.6	-3%	2,308.0	-19%
Property	18.1	5.7	+>100%	10.4	74%
Investments & Others	13.4	10.3	30%	12.9	4%
	<u>1,903.8</u>	<u>1,950.6</u>	-2%	<u>2,331.3</u>	-18%
<b>Adjusted EBITDA</b>					
Leisure & Hospitality					
- Malaysia	462.0	530.2	-13%	534.3	-14%
- United Kingdom	34.4	75.8	-55%	55.3	-38%
- United States of America	1.3	13.4	-90%	(17.3)	+>100%
	497.7	619.4	-20%	572.3	-13%
Property	14.4	3.7	+>100%	2.1	+>100%
Others	1.0	2.3	-57%	9.2	-89%
	<u>513.1</u>	<u>625.4</u>	-18%	<u>583.6</u>	-12%
Pre-operating expenses	(17.7)	(7.7)	->100%	(30.7)	42%
Gain on disposal of assets	0.2	0.1	100%	-	NC
Impairment losses	(5.0)	(3.9)	-28%	(9.9)	49%
Net fair value gain/(loss) on financial assets at fair value through profit or loss	5.8	(0.7)	+>100%	4.2	38%
Investment income	7.8	7.4	5%	8.1	-4%
<b>EBITDA</b>	<u>504.2</u>	<u>620.6</u>	-19%	<u>555.3</u>	-9%
Depreciation and amortisation	(127.9)	(77.9)	-64%	(107.1)	-19%
Interest income	13.3	16.4	-19%	18.0	-26%
Finance costs	(12.4)	(3.8)	->100%	(11.6)	-7%
Share of results in jointly controlled entities	-	(1.4)	NC	(0.2)	NC
Share of results in associates	1.3	(0.4)	+>100%	(0.7)	+>100%
<b>Profit before taxation</b>	<u>378.5</u>	<u>553.5</u>	-32%	<u>453.7</u>	-17%

NC: Not comparable

## 1) Review of Performance (Cont'd)

### a) Quarter ended 31 March 2012 ("1Q 2012") compared with quarter ended 31 March 2011 ("1Q 2011")

The Group's revenue in the 1Q 2012 was RM1,903.8 million, which is a decrease of 2% compared with RM1,950.6 million in the 1Q 2011.

The lower revenue was mainly attributable to:

1. completion of the development of Resorts World Casino New York City ("RWNYC") resulting in no further construction revenue being recognised from its development in the 1Q 2012. Construction revenue recorded in the 1Q 2011 was RM264.6 million;
2. lower revenue from the leisure and hospitality business in Malaysia of RM12.8 million; mitigated by
3. the revenue from the leisure and hospitality business in the United States of America ("US") of RM218.4 million, mainly from the operations of RWNYC, which marked its debut on 28 October 2011;
4. the property segment reported a higher revenue by RM12.4 million compared to the 1Q 2011 mainly attributable to the additional rental income arising from properties in the City of Miami, Florida, US which the Group acquired in the second quarter last year.

The Group's adjusted EBITDA in the 1Q 2012 was RM513.1 million compared with RM625.4 million in the 1Q 2011. The lower adjusted EBITDA was mainly attributable to the leisure and hospitality businesses in Malaysia and UK. Included in the adjusted EBITDA for leisure and hospitality business in US for 1Q 2012 was the construction loss of RM48.2 million incurred due to cost overrun from the development of RWNYC. Construction profit recorded in 1Q 2011 was RM13.4 million. Excluding the construction loss, the adjusted EBITDA for leisure and hospitality in US would have been RM49.5 million, mainly from the operations of RWNYC.

The decrease in revenue from the leisure and hospitality business in Malaysia was mainly due to the weaker hold percentage in the premium players business despite an overall higher volume of business. The leisure and hospitality business in Malaysia registered an adjusted EBITDA of RM462.0 million compared with RM530.2 million in the 1Q 2011. The lower adjusted EBITDA margin of 35% (1Q 2011: 40%) for the leisure and hospitality business in Malaysia was mainly due to higher payroll costs and promotional expenses.

The leisure and hospitality business in the UK registered a slight decrease in revenue by RM3.3 million and a lower adjusted EBITDA by RM41.4 million. The lower adjusted EBITDA in the 1Q 2012 was mainly due to bad debts written off.

The Group's profit before taxation of RM378.5 million in the 1Q 2012 was lower by 32% compared with RM553.5 million in the 1Q 2011. The lower profit before taxation was mainly due to:

1. higher depreciation and amortisation charges by RM50.0 million mainly from the Group's operations in the US;
2. lower adjusted EBITDA;
3. pre-operating expenses of RM17.7 million incurred in relation to the masterplan development of a destination resort in the City of Miami, Florida, US in the 1Q 2012. The pre-operating expenses of RM7.7 million incurred in the 1Q 2011 was in respect of the development and operations of RWNYC.

## **2) Material Changes in Profit Before Taxation for the Current Quarter (“1Q 2012”) as compared with the Immediate Preceding Quarter (“4Q 2011”)**

Profit before taxation for the 1Q 2012 of RM378.5 million is lower by 17% as compared to the 4Q 2011. The lower profit before taxation was mainly due to:

1. lower adjusted EBITDA of RM72.3 million from the leisure and hospitality business in Malaysia mainly due to the weaker hold percentage in premium players business and higher promotional expenses;
2. lower adjusted EBITDA of RM20.9 million from UK operations mainly due to bad debts written off;
3. higher depreciation and amortisation charges by RM20.8 million mainly from the Group’s operations in the US; mitigated by
4. higher adjusted EBITDA of RM25.9 million from the US operations mainly from the operations of RWNYC. This was partially offset by higher construction loss of RM7.3 million due to cost overrun from the development of RWNYC in 1Q 2012 as compared to 4Q 2011;
5. lower pre-operating expenses by RM13.0 million incurred in relation to the development and operations of RWNYC and masterplan development of a destination resort in the City of Miami, Florida, US.

## **3) Prospects**

The economic uncertainties in Europe continue to cloud growth prospects, potentially increasing the risks of a general global slowdown. The Group is maintaining its cautious stance on the outlook for the leisure and hospitality industry.

In Malaysia, yield management strategies remain a key focus in growing the business whilst initiatives are ongoing to expand the customer database to attract more visitations to Resorts World Genting. The Group’s property refurbishment programmes will widen its range of appeal and quality of offerings. The non-premium players business continues to enjoy strong support and remains the Group’s core revenue segment. The regional gaming business, as reported in Macau and Singapore, is still expanding and marketing efforts have been intensified to tap further on the regional premium players business. These conditions augur well for the leisure and hospitality business, and the measures employed will enhance the Group’s ability to improve its business.

In the UK, any recovery on the local economy is likely to remain tentative in the foreseeable future. The renewed uncertainty arising from the European financial crisis and wider implications from austere fiscal measures may further weaken consumer, business and investment sentiments. Nonetheless, the Group is committed to build on the Genting brand, leveraging on its Asian connections to grow the international premium players business in London and the re-branding of its casinos outside of London.

In the US, RWNYC is focusing on improving operational efficiencies and rolling out initiatives to grow its customer database. Whilst operations are still stabilising, the Group is pleased that the operating momentum is gaining positive traction. The Group is working with stakeholders to bring about further development and expansion at RWNYC. Separately, the Group is also working on plans for a mixed use development for its properties located in Miami.

## **4) Variance of Actual Profit from Forecast Profit**

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

## 5) **Taxation**

Taxation charges for the current quarter ended 31 March 2012 are as follows:

	<b>Current quarter ended 31 March 2012</b>
	<b><u>RM'000</u></b>
Current taxation charge:	
Malaysian income tax charge	100,524
Foreign income tax charge	5,576
Deferred tax charge	2,132
	<hr/>
	108,232
Prior years' taxation:	
Income tax under provided	418
Deferred tax over provided	(773)
	<hr/>
	107,877
	<hr/>

The effective tax rate of the Group for the current quarter ended 31 March 2012 (before the adjustment of taxation in respect of prior years) is higher than the statutory tax rate mainly due to non-deductible expenses; mitigated by income subject to different tax jurisdictions and tax incentives.

## 6) **Status of Corporate Proposals Announced**

There were no other corporate proposals announced but not completed as at 23 May 2012.

## 7) **Group Borrowings**

The details of the Group's borrowings as at 31 March 2012 are as set out below:

	<b><u>Secured/Unsecured</u></b>	<b><u>Foreign Currency</u></b>	<b><u>RM Equivalent</u></b>
		<b><u>'000</u></b>	<b><u>'000</u></b>
Short term borrowings	Secured	USD37,000	113,849
	Secured	GBP35	172
	Unsecured	GBP8,289	40,492
	Unsecured	SGD9,968	24,309
		<hr/>	<hr/>
Long term borrowings	Secured	USD215,325	662,555
	Secured	GBP135	661
	Unsecured	GBP36,407	177,846
	Unsecured	SGD43,657	106,465
		<hr/>	<hr/>

## 8) **Outstanding derivatives**

There are no outstanding derivatives as at 31 March 2012.

## 9) **Fair Value Changes of Financial Liabilities**

As at 31 March 2012, the Group does not have any financial liabilities measured at fair value through profit or loss.

## 10) **Changes in Material Litigation**

There are no pending material litigations as at 23 May 2012.

### 11) Dividend Proposed or Declared

No dividend has been proposed or declared for the current quarter ended 31 March 2012.

### 12) Profit Before Taxation

Profit before taxation has been determined after inclusion of the following charges and credits:

	<b>Current quarter ended 31 March 2012</b>
	<b><u>RM'000</u></b>
<b><u>Charges:</u></b>	
Depreciation and amortisation	127,884
Impairment losses	5,020
Net foreign currency exchange losses	4,076
Impairment loss and write off of receivables	1,557
Finance costs	12,401
<b><u>Credits:</u></b>	
Net gain on disposal of assets	158
Investment income	7,825
Interest income	13,289

Other than the above, there were no gain or loss on disposal of quoted and unquoted investment, write-down of inventories and gain or loss on derivatives for the current quarter ended 31 March 2012.

### 13) Earnings per share ("EPS")

- (a) The earnings used as the numerator in calculating basic and diluted earnings per share for the current quarter ended 31 March 2012 are as follows:

	<b>Current quarter ended 31 March 2012</b>
	<b><u>RM'000</u></b>
Profit for the financial period attributable to equity holders of the Company (used as numerator for the computation of basic and diluted EPS)	270,664

- (b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share for the current quarter ended 31 March 2012 are as follows:

	<b>Current quarter ended 31 March 2012</b>
	<b><u>Number of Shares ('000)</u></b>
Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of basic EPS)	5,661,502
Adjustment for share options granted under the Executive Share Option Scheme for Eligible Executives of Genting Malaysia Berhad	6,072
Weighted average number of ordinary shares in issue (used as denominator for the computation of diluted EPS)	5,667,574

(\*) The weighted average number of ordinary shares of RM0.10 each in issue during the current quarter ended 31 March 2012 excludes the weighted average treasury shares held by the Company.

#### 14) *Realised and Unrealised Profits/Loss*

The breakdown of the retained profits of the Group as at 31 March 2012, into realised and unrealised profits, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	<b>As at end of current quarter RM'000</b>	<b>As at end of last financial year RM'000</b>
Total retained profits of Genting Malaysia Berhad and its subsidiaries:		
- Realised	10,853,052	10,578,548
- Unrealised	(814,156)	(818,379)
	<hr/> 10,038,896	<hr/> 9,760,169
Total share of accumulated losses from associated companies:		
- Realised	(918)	(2,251)
- Unrealised	-	-
Total share of accumulated losses from jointly controlled entities:		
- Realised	(10,456)	(10,456)
- Unrealised	-	-
	<hr/> 10,027,522	<hr/> 9,747,462
Add: Consolidation adjustments	664,056	673,452
	<hr/> 10,691,578	<hr/> 10,420,914

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for the purposes of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

#### 15) *Disclosure of Audit Report Qualification and Status of Matters Raised*

The audit report of the Group's annual financial statements for the year ended 31 December 2011 was not qualified.

#### 16) *Approval of Interim Financial Statements*

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 30 May 2012.