GENTING MALAYSIA

SECOND QUARTERLY REPORT

Quarterly report on consolidated results for the six months ended 30 June 2012. The figures have not been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2012

	UNAUDITED INDIVIDUAL QUARTER Second quarter ended 30 June		UNAUDITED CUMULATIVE PERIOD Six months ended 30 June	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Revenue	**2,119,482**	1,896,025	**4,023,283**	3,846,605
Cost of sales	**(1,275,728)**	(1,378,565)	**(2,609,859)**	(2,723,382)
Gross profit	**843,754**	517,460	**1,413,424**	1,123,223
Other income	**37,972**	43,668	**70,159**	78,073
Other expenses	**(232,207)**	(123,653)	**(439,435)**	(200,845)
Profit from operations before impairment losses	**649,519**	437,475	**1,044,148**	1,000,451
Impairment losses	**-**	-	**(5,020)**	(3,863)
Profit from operations	**649,519**	437,475	**1,039,128**	996,588
Finance costs	**(11,016)**	(6,198)	**(23,417)**	(9,996)
Share of results in jointly controlled entities	**-**	(644)	**-**	(2,010)
Share of results in associates	**-**	(291)	**1,333**	(752)
Profit before taxation	**638,503**	430,342	**1,017,044**	983,830
Taxation	**(142,703)**	(116,589)	**(250,580)**	(252,379)
Profit for the financial period	**495,800**	313,753	**766,464**	731,451
Profit attributable to:				
Equity holders of the Company	**495,800**	313,753	**766,464**	731,451
Earnings per share attributable to equity holders of the Company:				
Basic earnings per share (sen)	**8.75**	5.54	**13.53**	12.91
Diluted earnings per share (sen)	**8.74**	5.53	**13.52**	12.89

(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 SIX MONTHS ENDED 30 JUNE 2012

	UNAUDITED INDIVIDUAL QUARTER Second quarter ended 30 June		UNAUDITED CUMULATIVE PERIOD Six months ended 30 June	
	2012 RM'000	2011 RM'000	2012 RM'000	2011 RM'000
Profit for the financial period	**495,800**	313,753	**766,464**	731,451
Other comprehensive (loss)/income:				
Available-for-sale financial assets	**(270,096)**	(172,645)	**253,957**	(343,433)
Share of other comprehensive income of an associate				
- Foreign currency exchange differences	**-**	3	**3**	6
- Reclassification to profit or loss upon disposal	**12**	-	**12**	-
Foreign currency exchange differences	**177,981**	11,614	**67,800**	(142,747)
Other comprehensive (loss)/income, net of tax	**(92,103)**	(161,028)	**321,772**	(486,174)
Total comprehensive income for the financial period	**403,697**	152,725	**1,088,236**	245,277
Total comprehensive income attributable to:				
Equity holders of the Company	**403,697**	152,725	**1,088,236**	245,277

(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 30 JUNE 2012

	Unaudited As at 30.06.2012 RM'000	**As at 31.12.2011 RM'000**	**As at 01.01.2011 RM'000**
ASSETS			
Non-current assets			
Property, plant and equipment	**5,038,769**	4,797,899	4,374,776
Land held for property development	**184,534**	184,534	181,534
Investment properties	**1,525,942**	1,562,290	304,008
Intangible assets	**4,314,855**	4,332,320	3,144,542
Jointly controlled entities	**13,170**	13,227	17,228
Associates	**-**	24,445	1,521
Available-for-sale financial assets	**1,406,067**	1,608,220	2,371,445
Long term receivables	**265,244**	257,257	7,505
Deferred tax assets	**1,918**	1,377	2,630
	12,750,499	12,781,569	10,405,189
Current assets			
Inventories	**74,926**	75,784	73,865
Trade and other receivables	**329,050**	548,680	412,518
Amounts due from other related companies	**15,788**	16,683	20,241
Amounts due from jointly controlled entities	**1,898**	1,886	20
Assets classified as held for sale	**-**	-	19,658
Financial assets at fair value through profit or loss	**4,208**	65,043	90,785
Available-for-sale financial assets	**771,038**	250,025	250,025
Restricted cash	**7,979**	624,077	645,814
Cash and cash equivalents	**2,810,659**	2,142,775	2,866,264
	4,015,546	3,724,953	4,379,190
TOTAL ASSETS	**16,766,045**	16,506,522	14,784,379
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the Company			
Share capital	**593,397**	592,441	591,531
Reserves	**13,129,232**	12,226,648	11,852,546
Treasury shares	**(892,328)**	(892,292)	(835,370)
TOTAL EQUITY	**12,830,301**	11,926,797	11,608,707
Non-current liabilities			
Other long term liabilities	**190,415**	176,526	174,930
Long term borrowings	**700,077**	970,555	346,301
Deferred tax liabilities	**814,402**	816,688	829,065
	1,704,894	1,963,769	1,350,296
Current liabilities			
Trade and other payables	**1,339,208**	1,591,597	907,242
Amount due to holding company	**15,720**	24,752	16,204
Amounts due to other related companies	**53,237**	43,372	53,414
Amounts due to jointly controlled entity and associate	**26,134**	32,036	25,637
Short term borrowings	**464,932**	829,181	701,781
Taxation	**127,540**	95,018	121,098
Dividend payable	**204,079**	-	-
	2,230,850	2,615,956	1,825,376
TOTAL LIABILITIES	**3,935,744**	4,579,725	3,175,672
TOTAL EQUITY AND LIABILITIES	**16,766,045**	16,506,522	14,784,379
NET ASSETS PER SHARE (RM)	**2.26**	2.11	2.05

(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 SIX MONTHS ENDED 30 JUNE 2012

	Attributable to equity holders of the Company						
	Share Capital	Share Premium	Available-for-sale Financial Assets Reserve	Other Reserves	Treasury Shares	Retained Earnings	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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	-	-	-	(217)	-	-	(217)
Issue of shares	956	18,644	-	-	-	-	19,600
Buy-back of shares	-	-	-	-	(36)	-	(36)
Appropriation: Final dividend declared for the year ended 31 December 2011	-	-	-	-	-	(204,079)	(204,079)
Total comprehensive income for the period	-	-	253,957	67,815	-	766,464	1,088,236
At 30 June 2012	593,397	1,162,762	1,206,144	(222,973)	(892,328)	10,983,299	12,830,301
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	-	-	-	15	-	-	15
Issue of shares	402	7,776	-	-	-	-	8,178
Buy-back of shares	-	-	-	-	(31,144)	-	(31,144)
Appropriation: Final dividend declared for the year ended 31 December 2010	-	-	-	-	-	(186,862)	(186,862)
Total comprehensive (loss)/ income for the period	-	-	(343,433)	(142,741)	-	731,451	245,277
At 30 June 2011	591,933	1,134,230	1,427,867	(536,174)	(866,514)	9,892,829	11,644,171

(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 SIX MONTHS ENDED 30 JUNE 2012

	Unaudited Six months ended 30 June	
	2012 RM'000	2011 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**1,017,044**	983,830
Adjustments for:		
Depreciation and amortisation	**260,284**	165,829
Finance costs	**23,417**	9,996
Interest income	**(28,472)**	(36,616)
Investment income	**(15,726)**	(15,206)
Construction loss/(profit)	**48,150**	(28,414)
Impairment losses	**5,020**	3,863
Net fair value gain on financial assets at fair value through profit or loss	**(3,863)**	(1,717)
Gain on disposal of investment properties	**-**	(12,642)
Share of results in jointly controlled entities	**-**	2,010
Share of results in associates	**(1,333)**	752
Other non-cash items and adjustments	**9,519**	14,038
	296,996	101,893
Operating profit before working capital changes	**1,314,040**	1,085,723
Net change in current assets	**92,934**	(224,103)
Net change in current liabilities	**(280,608)**	3,890
	(187,674)	(220,213)
Cash generated from operations	**1,126,366**	865,510
Net tax paid	**(224,810)**	(160,306)
Retirement gratuities paid	**(3,824)**	(2,222)
Other net operating payments	**(7,938)**	(14,328)
	(236,572)	(176,856)
Net Cash Flow From Operating Activities	**889,794**	688,654
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	**(298,530)**	(98,632)
Purchase of investment properties	**-**	(703,995)
Proceed from disposal of an associate	**23,909**	-
Proceed from disposal of investment properties	**-**	32,300
Proceeds from disposal of investments	**-**	15,938
Other investing activities	**34,838**	21,428
Net Cash Flow From Investing Activities	**(239,783)**	(732,961)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of shares	**19,600**	8,178
Proceeds from borrowings	**-**	1,215,000
Buy-back of shares	**(36)**	(31,144)
Finance costs paid	**(13,240)**	(8,417)
Repayment of borrowings	**(611,661)**	(644,141)
Restricted cash	**616,384**	-
Others	**4,599**	6,665
Net Cash Flow From Financing Activities	**15,646**	546,141
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	**665,657**	501,834
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	**2,142,775**	2,866,264
EFFECT OF CURRENCY TRANSLATION	**2,227**	(26,393)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	**2,810,659**	3,341,705
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	**1,443,013**	1,889,330
Money market instruments	**1,367,646**	1,452,375
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	**2,810,659**	3,341,705

(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 six months ended 30 June 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 second quarter ended 30 June 2012 is 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 six months ended 30 June 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 9,553,000 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 six months ended 30 June 2012 at the following exercise prices:

Exercise price (RM)	No. of options exercised during the six months ended 30 June 2012
1.700	5,000
1.898	751,000
2.064	8,672,000
2.134	125,000
	9,553,000

ii) During the six months ended 30 June 2012, the Company had repurchased 10,000 ordinary shares of 10 sen each of its issued share capital from the open market for a consideration of approximately RM36,000. The repurchased transactions were financed by internally generated funds. The repurchased shares are held as treasury shares in accordance with the requirements of Section 67A (as amended) of the Companies Act, 1965.

f) *Dividends Paid*

No dividend has been paid for the six months ended 30 June 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 six months ended 30 June 2012 is set out below:

	Leisure & Hospitality			Property	Investments & Others	Total
	Malaysia	United Kingdom	United States of America			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue						
Total revenue	2,774,167	816,158	435,103	37,388	32,572	4,095,388
Inter segment	(65,808)	-	-	(348)	(5,949)	(72,105)
External	2,708,359	816,158	435,103	37,040	26,623	4,023,283
Adjusted EBITDA	1,022,416	164,572	61,900	28,710	2,357	1,279,955
Total Assets	3,859,057	3,581,827	2,740,895	2,025,617	4,558,649	16,766,045

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

Adjusted EBITDA for reportable segments	1,279,955
Pre-operating expenses	(23,270)
Loss on disposal of assets	(314)
Impairment losses	(5,020)
Net fair value gain on financial assets at fair value through profit or loss	3,863
Investment income	15,726
EBITDA	1,270,940
Depreciation and amortisation	(260,284)
Interest income	28,472
Finance costs	(23,417)
Share of results in associates	1,333
Profit before taxation	1,017,044

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 30 June 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 six months ended 30 June 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. The liability has been settled in the second quarter ended 30 June 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 30 June 2012 are as follows:

	RM'000
Contracted	126,605
Not contracted	1,170,836
	1,297,441
Analysed as follows:	
- Property, plant and equipment	707,333
- Investments	590,108
	1,297,441

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 six months ended 30 June 2012 are as follows:

		Current quarter RM'000	Current financial year-to-date RM'000
i)	Provision of technical know-how and management expertise in the resort's operations by Genting Berhad ("GENT") Group to the Group.	112,298	213,340
ii)	Licensing fee for the use of "Genting" and "Awana" logo charged by GENT to the Group.	47,735	94,357
iii)	Provision of GENT Group Management and Support Services by GENT Group to the Group.	1,548	3,373
iv)	Rental charges for premises by the Company to Oriregal Creations Sdn Bhd.	381	740
v)	Rental charges and related services by the Group to GENT Group.	967	1,736
vi)	Rental charges and related services by the Group to Genting Plantations Berhad ("GENP") Group.	549	1,098
vii)	Purchase of holiday packages from Genting Hong Kong Limited ("GENHK") Group.	222	455
viii)	Air ticketing and transportation services rendered by the Group to GENS Group.	139	271
ix)	Technical services rendered by Resorts World Inc Pte Ltd ("RWI") to the Group.	-	690
x)	Provision of marketing services by the Group to GENS Group.	1,494	3,158
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.	10,566	20,940
xii)	Provision of information technology consultancy, development, implementation, support and maintenance service and other management services by the Group to GENT Group.	1,137	2,154
xiii)	Provision of information technology consultancy, development, implementation, support and maintenance service and other management services by the Group to GENP Group.	600	1,349
xiv)	Provision of information technology consultancy, development, implementation, support and maintenance service and other management services by the Group to GENHK Group.	310	520

GENTING MALAYSIA BERHAD
ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – SECOND QUARTER ENDED 30 JUNE 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			PRECEDING QUARTER		SIX MONTHS ENDED 30 JUNE		
	2Q2012 RM'Mil	2Q2011 RM'Mil	Var %	1Q2012 RM'Mil	Var %	2012 RM'Mil	2011 RM'Mil	Var %
Revenue								
Leisure & Hospitality								
- Malaysia	**1,397.8**	1,328.3	5%	1,310.6	7%	**2,708.4**	2,651.7	2%
- United Kingdom	**472.9**	187.1	+>100%	343.3	38%	**816.2**	533.7	53%
- United States of America	**216.7**	363.1	-40%	218.4	-1%	**435.1**	627.7	-31%
	2,087.4	1,878.5	11%	1,872.3	11%	**3,959.7**	3,813.1	4%
Property	**18.9**	7.7	+>100%	18.1	4%	**37.0**	13.4	+>100%
Investments & Others	**13.2**	9.8	35%	13.4	-1%	**26.6**	20.1	32%
	2,119.5	1,896.0	12%	1,903.8	11%	**4,023.3**	3,846.6	5%
Adjusted EBITDA								
Leisure & Hospitality								
- Malaysia	**560.4**	518.3	8%	462.0	21%	**1,022.4**	1,048.5	-2%
- United Kingdom	**130.2**	(7.7)	+>100%	34.4	+>100%	**164.6**	68.1	+>100%
- United States of America	**60.6**	15.0	+>100%	1.3	+>100%	**61.9**	28.4	+>100%
	751.2	525.6	43%	497.7	51%	**1,248.9**	1,145.0	9%
Property	**14.3**	2.5	+>100%	14.4	-1%	**28.7**	6.2	+>100%
Others	**1.4**	3.2	-56%	1.0	40%	**2.4**	5.5	-56%
	766.9	531.3	44%	513.1	49%	**1,280.0**	1,156.7	11%
Pre-operating expenses	**(5.6)**	(9.6)	42%	(17.7)	68%	**(23.3)**	(17.3)	-35%
Property related termination costs	**-**	(39.4)	NC	-	-	**-**	(39.4)	NC
(Loss)/gain on disposal of assets	**(0.5)**	12.7	->100%	0.2	->100%	**(0.3)**	12.8	->100%
Impairment losses	**-**	-	-	(5.0)	NC	**(5.0)**	(3.9)	-28%
Net fair value (loss)/gain on financial assets at fair value through profit or loss	**(2.0)**	2.4	->100%	5.8	->100%	**3.8**	1.7	+>100%
Investment income	**7.9**	8.0	-1%	7.8	1%	**15.7**	15.2	3%
EBITDA	**766.7**	505.4	52%	504.2	52%	**1,270.9**	1,125.8	13%
Depreciation and amortisation	**(132.4)**	(87.9)	-51%	(127.9)	-4%	**(260.3)**	(165.8)	-57%
Interest income	**15.2**	19.9	-24%	13.3	14%	**28.5**	36.6	-22%
Finance costs	**(11.0)**	(6.2)	-77%	(12.4)	11%	**(23.4)**	(10.0)	->100%
Share of results in jointly controlled entities	**-**	(0.6)	NC	-	-	**-**	(2.0)	NC
Share of results in associates	**-**	(0.3)	NC	1.3	NC	**1.3**	(0.8)	+>100%
Profit before taxation	**638.5**	430.3	48%	378.5	69%	**1,017.0**	983.8	3%

NC: Not comparable

1) Review of Performance (Cont'd)

a) Quarter ended 30 June 2012 ("2Q 2012") compared with quarter ended 30 June 2011 ("2Q 2011")

The Group's revenue in the 2Q 2012 was RM2,119.5 million, which is an increase of 12% compared with RM1,896.0 million in the 2Q 2011.

The higher revenue was mainly attributable to:

1. higher revenue from the leisure and hospitality business in United Kingdom ("UK") by RM285.8 million contributed mainly by the overall higher volume of business and higher hold percentage of its London casino operations;
2. the revenue from the leisure and hospitality business in the United States of America ("US") of RM216.7 million, mainly from the operations of Resorts World Casino New York City ("RWNYC"), which commenced operations in October 2011;
3. higher revenue from the leisure and hospitality business in Malaysia by RM69.5 million or 5%. The increase is mainly due to the overall higher volume of business and higher hold percentage in the premium players business;
4. the property segment reported a higher revenue by RM11.2 million compared to the 2Q 2011. This is 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; offset by
5. completion of the development of RWNYC resulting in no further construction revenue being recognised from its development in the 2Q 2012. Construction revenue recorded in the 2Q 2011 was RM363.1 million.

The Group's adjusted EBITDA in the 2Q 2012 was RM766.9 million compared with RM531.3 million in the 2Q 2011. The higher adjusted EBITDA was mainly attributable to the leisure and hospitality segment of the Group.

The leisure and hospitality business in Malaysia registered an adjusted EBITDA of RM560.4 million compared with RM518.3 million in the 2Q 2011, an increase of 8%. The adjusted EBITDA margin was 40% (2Q 2011: 39%). The casino business in the UK registered higher adjusted EBITDA by RM137.9 million in the 2Q 2012 mainly due to the overall higher volume of business and higher hold percentage of its London casino operations. The higher adjusted EBITDA for leisure and hospitality in US by RM45.6 million for 2Q 2012 was mainly from the operations of RWNYC. Included in the adjusted EBITDA for leisure and hospitality business in US for 2Q 2011 was the construction profit of RM15.0 million.

The Group's profit before taxation of RM638.5 million in the 2Q 2012 was higher by 48% compared with RM430.3 million in the 2Q 2011. The higher profit before taxation was mainly due to:

1. higher adjusted EBITDA;
2. property related termination costs of RM39.4 million incurred in the 2Q 2011 in respect of the purchase of the properties in the City of Miami, Florida, US; offset by
3. higher depreciation and amortisation charges by RM44.5 million mainly from the Group's operations in the US.

b) Financial period for the six months ended 30 June 2012 ("1H 2012") compared with six months ended 30 June 2011 ("1H 2011")

The Group's revenue in the 1H 2012 was RM4,023.3 million, an increase of 5% compared with RM3,846.6 million in the 1H 2011.

The higher revenue was mainly attributable to:

1. the revenue from the leisure and hospitality business in the US of RM435.1 million, mainly from the operations of RWNYC, which commenced operations in October 2011;
2. higher revenue from the leisure and hospitality business in the UK by RM282.5 million contributed mainly by the overall higher volume of business and higher hold percentage of its London casino operations;
3. higher revenue from the leisure and hospitality business in Malaysia by RM56.7 million or 2%. The increase is mainly due to the overall higher volume of business despite a lower hold percentage in the premium players business;
4. the property segment reported a higher revenue by RM23.6 million compared to the 1H 2011 mainly attributable to the additional rental income arising from properties in the City of Miami, Florida, US; offset by
5. completion of the development of RWNYC resulting in no further construction revenue being recognised from its development in the 1H 2012. Construction revenue recorded in the 1H 2011 was RM627.7million.

1) Review of Performance (Cont'd)

b) Financial period for the six months ended 30 June 2012 ("1H 2012") compared with six months ended 30 June 2011 ("1H 2011") ***(Cont'd)***

The Group's adjusted EBITDA in the 1H 2012 was RM1,280.0 million compared with RM1,156.7 million in the 1H 2011. The higher adjusted EBITDA was mainly attributable to the leisure and hospitality businesses in UK and US. Included in the adjusted EBITDA for leisure and hospitality business in US for the 1H 2012 was the construction loss of RM48.2 million incurred relating to the cost overrun from the development of RWNYC. Excluding the construction loss, the adjusted EBITDA for leisure and hospitality in US would have been RM110.1 million, mainly from the operations of RWNYC. The adjusted EBITDA in 1H 2011 of RM28.4 million represents construction profit from the development of RWNYC.

The leisure and hospitality business in Malaysia registered an adjusted EBITDA of RM1,022.4 million compared with RM1,048.5 million in the 1H 2011. The adjusted EBITDA margin was 38% as compared to 1H 2011 of 40%.

The casino business in the UK registered higher adjusted EBITDA by RM96.5 million in the 1H 2012 mainly due to the overall higher volume of business and higher hold percentage of its London casino operations.

The Group's profit before taxation of RM1,017.0 million in the 1H 2012 was higher by 3% compared with RM983.8 million in the 1H 2011. The higher profit before taxation was mainly due to:

1. higher adjusted EBITDA from the leisure and hospitality businesses in the US and UK;
2. property related termination costs of RM39.4 million incurred in the 1H 2011 as explained above; offset by
3. higher depreciation and amortisation charges by RM94.5 million mainly from the Group's operations in the US.

2) Material Changes in Profit Before Taxation for the Current Quarter ("2Q 2012") as compared with the Immediate Preceding Quarter ("1Q 2012")

Profit before taxation for the 2Q 2012 of RM638.5 million is higher by 69% as compared to the 1Q 2012. The higher profit before taxation was mainly due to:

1. higher adjusted EBITDA by RM98.4 million from the leisure and hospitality business in Malaysia was mainly due to higher hold percentage despite a lower volume of business in the premium players business;
2. higher adjusted EBITDA by RM95.8 million from UK operations contributed mainly by its London casino operations;
3. higher adjusted EBITDA by RM59.3 million from the US operations mainly from the operations of RWNYC. Included in the adjusted EBITDA for the 1Q 2012 was the construction loss of RM48.2 million incurred due to cost overrun from the development of RWNYC. Excluding the construction loss, the adjusted EBITDA for leisure and hospitality in US in the 2Q 2012 would have been higher by RM11.1 million as compared to 1Q 2012; and
4. lower pre-operating expenses by RM12.1 million incurred in relation to the masterplan development of a destination resort in the City of Miami, Florida, US.

3) *Prospects*

Growth prospects in the Eurozone countries are expected to be constrained and will increase risks of prolonged uncertainties affecting the rest of the world.

The regional gaming business, as reported in Macau and Singapore, continues to grow albeit at a slower rate. Tourist arrivals in the ASEAN region continued to register growth, which augurs well for the leisure and hospitality industry. Whilst encouraged by these industry indicators, the Group is nevertheless cautious on the industry outlook especially on the potential risks and spillover effects that may arise from a global economic slowdown.

In Malaysia, the Group continues to focus on yield management strategies and operational efficiencies in addressing regional competition. For the non-premium players business, the Group continues to focus on growing visitations. In addition, the Group will enhance its marketing activities to grow the premium players business. The Group has also embarked on various expansion and refurbishment initiatives at Resorts World Genting with the aim of enhancing its hospitality offerings to cater for the evolving customer preferences.

In the first half 2012, the UK economy performed weaker than expected, to some extent as a result of the continuing uncertainties in Europe. The outlook will remain subdued with limited economic growth prospects for the foreseeable future. The Group's focus on growing its premium players business, mainly the London casinos, has continued to gather traction, driven especially by the Group's ability to harness its well established networks in Asia. As a result of the Group's investments to improve the competitiveness of its provincial casinos outside of London, the Group is able to leverage on the heightened awareness of Genting's branding and its ability to provide high class offerings in the UK.

In the US, RWNYC's performance remains commendable given that operations had started less than a year ago. Marketing efforts will be directed to build the US customers database and expand on loyalty programs. The Group will also continue to intensify its efforts to build its presence in the US.

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 and six months ended 30 June 2012 are as follows:

	Current quarter ended 30 June 2012	Six months ended 30 June 2012
	RM'000	RM'000
Current taxation charge:		
Malaysian income tax charge	125,987	226,511
Foreign income tax charge	24,274	29,850
Deferred tax charge	(7,715)	(5,583)
	142,546	250,778
Prior years' taxation:		
Income tax under provided	340	758
Deferred tax over provided	(183)	(956)
	142,703	250,580

The effective tax rate of the Group for the current quarter ended 30 June 2012 is lower than the statutory tax rate mainly due to income not subject to tax, income subject to tax in different jurisdictions and tax incentives; offset by, non-deductible expenses.

The effective tax rate of the Group for the six months ended 30 June 2012 is lower than the statutory tax rate mainly due to income not subject to tax, income subject to tax in different jurisdictions and tax incentives; offset by, non-deductible expenses.

6) *Status of Corporate Proposals Announced*

There were no other corporate proposals announced but not completed as at 22 August 2012.

7) *Group Borrowings*

The details of the Group's borrowings as at 30 June 2012 are as set out below:

	Secured/Unsecured	Foreign Currency '000	RM Equivalent '000
Short term borrowings	Secured	USD33,750	107,714
	Secured	GBP36	180
	Unsecured	GBP44,725	222,979
	Unsecured	SGD53,651	134,059
Long term borrowings	Secured	USD219,152	699,424
	Secured	GBP131	653

8) *Outstanding derivatives*

There are no outstanding derivatives as at 30 June 2012.

9) *Fair Value Changes of Financial Liabilities*

As at 30 June 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 22 August 2012.

11) Dividend Proposed or Declared

(a) (i) An interim dividend for the half year ended 30 June 2012 has been declared by the Directors.

(ii) The interim dividend for the period ended 30 June 2012 is 3.80 sen per ordinary share of 10 sen each, less 25% tax.

(iii) The interim dividend declared and paid for the previous year corresponding period ended 30 June 2011 was 3.80 sen per ordinary share of 10 sen each, less 25% tax.

(iv) The interim dividend shall be payable on 22 October 2012.

(v) Entitlement to the interim dividend:

A Depositor shall qualify for entitlement to the interim dividend only in respect of:

(I) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 28 September 2012 in respect of ordinary transfers; and

(II) Shares bought on Bursa Securities on a cum entitlement basis according to the Main Market Listing Requirements of Bursa Securities.

(b) Total dividend payable for the current financial year-to-date is 3.80 sen per ordinary share of 10 sen each, less 25% tax.

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12) Profit Before Taxation

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

	Current quarter ended **30 June 2012** **RM'000**	**Six months ended** **30 June 2012** **RM'000**
Charges:		
Depreciation and amortisation	132,400	260,284
Impairment losses	-	5,020
Net foreign currency exchange losses	-	2,933
Impairment loss and write off of receivables	-	890
Finance costs	11,016	23,417
Net loss on disposal of assets	472	314
Credits:		
Reversal of previously recognised impairment loss on receivables	667	-
Net foreign currency exchange gains	1,143	-
Investment income	7,901	15,726
Interest income	15,183	28,472

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 and six months ended 30 June 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 and six months ended 30 June 2012 are as follows:

	Current quarter ended 30 June 2012 RM'000	Current financial year-to-date ended 30 June 2012 RM'000
Profit for the financial period attributable to equity holders of the Company (used as numerator for the computation of basic and diluted EPS)	495,800	766,464

(b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share for the current quarter and six months ended 30 June 2012 are as follows:

	Current quarter ended 30 June 2012 Number of Shares ('000)	Current financial year-to-date ended 30 June 2012 Number of Shares ('000)
Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of basic EPS)	5,666,130	5,663,782
Adjustment for share options granted under the Executive Share Option Scheme for Eligible Executives of Genting Malaysia Berhad	3,579	4,741
Weighted average number of ordinary shares in issue (used as denominator for the computation of diluted EPS)	5,669,709	5,668,523

(*) The weighted average number of ordinary shares of RM0.10 each in issue during the current quarter and six months ended 30 June 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 30 June 2012, into realised and unrealised profits, pursuant to a directive issued by Bursa Securities on 25 June 2010 and 20 December 2010 is as follows:

	As at end of current quarter RM'000	**As at end of immediate preceding quarter RM'000**
Total retained profits of Genting Malaysia Berhad and its subsidiaries:		
- Realised	11,111,527	10,853,052
- Unrealised	(824,733)	(814,156)
	10,286,794	10,038,896
Total share of accumulated losses from associated companies:		
- Realised	(918)	(918)
- Unrealised	-	-
Total share of accumulated losses from jointly controlled entities:		
- Realised	(10,456)	(10,456)
- Unrealised	-	-
	10,275,420	10,027,522
Add: Consolidation adjustments	707,879	664,056
Total Group retained profits as per consolidated accounts	10,983,299	10,691,578

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 29 August 2012.