



SECOND QUARTERLY REPORT

Quarterly report on consolidated results for the six months ended 30 June 2015. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	Second quarter ended 30 June		Six months ended 30 June	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	1,983,201	1,910,867	4,076,341	3,936,917
Cost of sales	(1,559,002)	(1,387,191)	(3,063,913)	(2,732,417)
Gross profit	424,199	523,676	1,012,428	1,204,500
Other income	70,623	50,665	182,866	99,227
Other expenses	(215,867)	(244,796)	(433,348)	(500,572)
Profit from operations	278,955	329,545	761,946	803,155
Finance costs	(7,756)	(10,812)	(15,515)	(21,191)
Profit before taxation	271,199	318,733	746,431	781,964
Taxation	(47,903)	(75,882)	(164,878)	(189,418)
Profit for the financial period	223,296	242,851	581,553	592,546
Profit attributable to:				
Equity holders of the Company	230,920	254,433	593,022	612,722
Non-controlling interests	(7,624)	(11,582)	(11,469)	(20,176)
	223,296	242,851	581,553	592,546
Earnings per share attributable to equity holders of the Company:				
Basic and diluted earnings per share (sen)	4.07	4.49	10.46	10.80

(The Condensed Consolidated Income Statement should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2014.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	Second quarter ended 30 June		Six months ended 30 June	
	<u>2015</u> <u>RM'000</u>	<u>2014</u> <u>RM'000</u>	<u>2015</u> <u>RM'000</u>	<u>2014</u> <u>RM'000</u>
Profit for the financial period	223,296	242,851	581,553	592,546
Other comprehensive income				
Items that will be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value (loss)/gain	(95,800)	10,604	(24,682)	(167,611)
- Reclassification to profit or loss upon disposal	-	-	(3,732)	-
Cash flow hedges				
- Fair value gain	4,425	1,184	2,737	422
Foreign currency exchange differences	299,876	(152,240)	847,106	(61,633)
Other comprehensive income/(loss), net of tax	208,501	(140,452)	821,429	(228,822)
Total comprehensive income for the financial period	431,797	102,399	1,402,982	363,724
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	439,476	114,222	1,416,809	384,030
Non-controlling interests	(7,679)	(11,823)	(13,827)	(20,306)
	431,797	102,399	1,402,982	363,724

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2014.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015

	UNAUDITED	As at
	As at	31.12.2014
	30.06.2015	RM'000
	RM'000	RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	8,634,031	7,426,480
Land held for property development	184,672	184,672
Investment properties	2,074,464	1,958,810
Intangible assets	4,812,318	4,482,221
Available-for-sale financial assets	86,040	1,239,176
Long term receivables	317,167	324,714
Deferred tax assets	189,352	200,581
	<u>16,298,044</u>	<u>15,816,654</u>
Current assets		
Inventories	105,149	100,325
Trade and other receivables	1,022,730	787,984
Amounts due from other related companies	23,259	29,606
Financial asset at fair value through profit or loss	10,092	7,171
Available-for-sale financial assets	500,000	1,266,125
Restricted cash	34,605	19,087
Cash and cash equivalents	2,754,417	2,770,256
	<u>4,450,252</u>	<u>4,980,554</u>
Assets classified as held for sale	1,845,251	-
	<u>6,295,503</u>	<u>4,980,554</u>
TOTAL ASSETS	<u>22,593,547</u>	<u>20,797,208</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	593,804	593,804
Reserves	17,814,002	16,612,906
Treasury shares	(904,535)	(902,412)
Shares held for employee share scheme	(12,488)	-
	<u>17,490,783</u>	<u>16,304,298</u>
Non-controlling interests	<u>25,018</u>	<u>(30,662)</u>
TOTAL EQUITY	<u>17,515,801</u>	<u>16,273,636</u>
Non-current liabilities		
Other long term liabilities	197,497	199,170
Long term borrowings	1,464,598	1,411,079
Deferred tax liabilities	688,936	658,594
Derivative financial instruments	-	2,009
	<u>2,351,031</u>	<u>2,270,852</u>
Current liabilities		
Trade and other payables	2,131,665	1,851,996
Amount due to holding company	17,288	15,552
Amounts due to other related companies	95,624	93,912
Amount due to a joint venture	-	28,533
Short term borrowings	222,636	207,144
Derivative financial instruments	3,012	3,257
Taxation	58,146	52,326
Dividend payable	198,344	-
	<u>2,726,715</u>	<u>2,252,720</u>
TOTAL LIABILITIES	<u>5,077,746</u>	<u>4,523,572</u>
TOTAL EQUITY AND LIABILITIES	<u>22,593,547</u>	<u>20,797,208</u>
NET ASSETS PER SHARE (RM)	<u>3.08</u>	<u>2.88</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 2014.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Attributable to equity holders of the Company										
	Share Capital RM'000	Share Premium RM'000	Available-for-sale Financial Assets Reserve RM'000	Cash Flow Hedges Reserve RM'000	Other Reserves RM'000	Treasury Shares RM'000	Shares held for Employee Share Scheme RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
At 1 January 2015	593,804	1,170,620	1,260,841	(5,287)	721,384	(902,412)	-	13,465,348	16,304,298	(30,662)	16,273,636
Total comprehensive (loss)/income for the period	-	-	(28,414)	2,737	849,464	-	-	593,022	1,416,809	(13,827)	1,402,982
Transactions with owners:											
Changes in ownership interest in a subsidiary that do not result in a loss of control	-	-	-	-	-	-	-	(22,686)	(22,686)	69,507	46,821
Buy-back of shares	-	-	-	-	-	(2,123)	-	-	(2,123)	-	(2,123)
Purchase of shares pursuant to employee share scheme	-	-	-	-	-	-	(12,488)	-	(12,488)	-	(12,488)
Performance-based employee share scheme	-	-	-	-	5,317	-	-	-	5,317	-	5,317
Appropriation: Final single-tier dividend declared for the year ended 31 December 2014	-	-	-	-	-	-	-	(198,344)	(198,344)	-	(198,344)
Total transactions with owners	-	-	-	-	5,317	(2,123)	(12,488)	(221,030)	(230,324)	69,507	(160,817)
At 30 June 2015	593,804	1,170,620	1,232,427	(2,550)	1,576,165	(904,535)	(12,488)	13,837,340	17,490,783	25,018	17,515,801
At 1 January 2014	593,804	1,170,620	1,667,076	1,545	247,747	(898,185)	-	12,675,348	15,457,955	19,646	15,477,601
Total comprehensive (loss)/income for the period	-	-	(167,611)	422	(61,503)	-	-	612,722	384,030	(20,306)	363,724
Transactions with owners:											
Buy-back of shares	-	-	-	-	-	(2,122)	-	-	(2,122)	-	(2,122)
Appropriation: Final single-tier dividend declared for the year ended 31 December 2013	-	-	-	-	-	-	-	(221,167)	(221,167)	-	(221,167)
Total transactions with owners	-	-	-	-	-	(2,122)	-	(221,167)	(223,289)	-	(223,289)
At 30 June 2014	593,804	1,170,620	1,499,465	1,967	186,244	(900,307)	-	13,066,903	15,618,696	(660)	15,618,036

(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 2014.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2015

UNAUDITED
Six months ended
30 June

	2015 RM'000	2014 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	746,431	781,964
Adjustments for:		
Depreciation and amortisation	322,020	301,835
Property, plant and equipment written off	5,357	1,341
Net loss on disposal of property, plant and equipment	297	142
Gain on disposal of available-for-sale financial assets	(3,732)	-
Finance costs	15,515	21,191
Interest income	(44,349)	(45,100)
Investment income	(69,963)	(59,772)
Other non-cash items and adjustments	(21,923)	5,090
	203,222	224,727
Operating profit before working capital changes	949,653	1,006,691
Net change in current assets	(15,140)	(129,235)
Net change in current liabilities	243,873	(56,869)
	228,733	(186,104)
Cash generated from operations	1,178,386	820,587
Net tax paid	(167,763)	(222,306)
Retirement gratuities paid	(2,061)	(3,121)
Other net operating payments	(3,337)	(7,480)
	(173,161)	(232,907)
Net Cash Flow From Operating Activities	1,005,225	587,680
CASH FLOWS FROM INVESTING ACTIVITIES		
Property, plant and equipment	(1,162,964)	(746,412)
Purchase of intangible asset	(5,958)	(4,824)
Purchase of investments	(62,415)	(19,439)
Proceeds from disposal of available-for-sale financial assets	179,197	1,667
Other investing activities	35,064	51,835
	(1,017,076)	(717,173)
Net Cash Flow From Investing Activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Buy-back of shares	(2,123)	(2,122)
Purchase of shares pursuant to employee share scheme	(12,488)	-
Repayment of borrowings and transaction costs	(70,209)	(61,259)
Restricted cash	(14,047)	8,692
Finance costs paid	(18,737)	(16,423)
Others	-	11,462
	(117,604)	(59,650)
Net Cash Flow From Financing Activities		
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(129,455)	(189,143)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	2,770,256	3,720,034
EFFECT OF CURRENCY TRANSLATION	113,616	(14,693)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	2,754,417	3,516,198
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	2,337,573	2,439,114
Money market instruments	416,844	1,077,084
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	2,754,417	3,516,198

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2014.)

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 2015 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 2014. 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 2014 except for the accounting policy on share-based compensation:

Share-based compensation

For equity-settled, share-based compensation plan, the fair value of employee services rendered in exchange for the grant of the shares is recognised as an expense with a corresponding increase in equity over the vesting period. The total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of shares granted at the grant date and the number of shares vested by vesting date. At each reporting date, the Group will revise its estimates of the number of shares that are expected to be vested and recognise the impact of this revision in the income statement with a corresponding adjustment to equity.

The Group has applied the accounting policy on share-based compensation in respect of the Employee Share Scheme (“ESS”) granted on 16 March 2015 and the adoption of this accounting policy does not have a material impact on the interim financial report for the six months ended 30 June 2015.

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 2015.

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*

Purchase of shares pursuant to Section 67A of the Companies Act, 1965

During the six months ended 30 June 2015, the Company had repurchased 500,000 ordinary shares of 10 sen each of its issued share capital from the open market for a consideration of approximately RM2.1 million. 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.

e) **Changes in Debt and Equity Securities (Cont'd)**

Purchase of shares pursuant to ESS

During the six months ended 30 June 2015, the Trustee of the ESS had purchased 2,979,400 ordinary shares of 10 sen each from the open market at an average price of RM4.19 per share. The total consideration paid for the purchase including transaction costs was approximately RM12.5 million. The shares purchased are being held in trust by the Trustee of the ESS in accordance with the Trust Deed dated 26 February 2015. As at 30 June 2015, the Trustee of the ESS held 2,979,400 ordinary shares representing 0.05% of the issued and paid-up capital of the Company.

There were no other issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the six months ended 30 June 2015.

f) **Dividend Paid**

No dividend has been paid for the six months ended 30 June 2015.

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 impairment losses, pre-opening expenses, project costs written off and assets written off.

Segment analysis for the six months ended 30 June 2015 is set out below:

	<u>Leisure & Hospitality</u>			<u>Property</u>	<u>Investments & 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 and Bahamas</u> <u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue						
Total revenue	2,689,313	651,061	624,723	43,767	148,643	4,157,507
Inter segment	(3,401)	-	-	(6,467)	(71,298)	(81,166)
External	<u>2,685,912</u>	<u>651,061</u>	<u>624,723</u>	<u>37,300</u>	<u>77,345</u>	<u>4,076,341</u>
Adjusted EBITDA	<u>905,532</u>	<u>(61,650)</u>	<u>84,643</u>	<u>13,175</u>	<u>102,282</u>	<u>1,043,982</u>
Total Assets	<u>5,649,715</u>	<u>4,696,684</u>	<u>4,844,036</u>	<u>2,469,349</u>	<u>4,933,763</u>	<u>22,593,547</u>

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

Adjusted EBITDA for reportable segments	1,043,982
Pre-opening expenses	(27,701)
Property, plant and equipment written off	(5,357)
Depreciation and amortisation	(322,020)
Interest income	44,349
Finance costs	(15,515)
Others	28,693
Profit before taxation	<u>746,431</u>

h) **Property, Plant and Equipment**

During the six months ended 30 June 2015, acquisitions of property, plant and equipment by the Group were RM1,237.8 million.

i) Material Event Subsequent to the end of Financial Period

On 24 August 2015, GENM announced that its wholly-owned subsidiary, GENM Capital Berhad, issued RM2.4 billion Medium Term Notes ("MTN") under the MTN Programme. The proceeds from the issuance of the MTNs shall be utilised for operating expenses, capital expenditure and/or working capital requirements of GENM including to finance the development and/or re-development of the properties of GENM located in Genting Highlands, Pahang, Malaysia.

Other than the above, there were no other material events subsequent to the end of current financial period ended 30 June 2015 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 2015.

k) Changes in Contingent Liabilities or Contingent Assets

There were no material changes in the contingent liabilities or contingent assets since the financial year ended 31 December 2014.

l) Capital Commitments

Authorised capital commitments not provided for in the financial statements as at 30 June 2015 are as follows:

	RM'000
Contracted	2,928,970
Not contracted	2,640,386
	<u>5,569,356</u>
Analysed as follows:	
- Property, plant and equipment	5,254,069
- Investments	315,287
	<u>5,569,356</u>

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 2015 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.	99,439	199,264
ii) Licensing fee for the use of "Genting", "Resorts World" and "Awana" logo charged by GENT to the Group.	47,442	97,013
iii) Licensing fee for the use of "Resorts World" and "Genting" intellectual property outside Malaysia charged by GENT Group to the Group.	265	468
iv) Provision of GENT Group Management and Support Services by GENT Group to the Group.	1,635	3,471
v) Rental charges and related services by the Group to GENT Group.	966	1,935
vi) Provision of information technology consultancy, development, implementation, support and maintenance service and other management services by the Group to GENT Group.	2,013	3,139
vii) Provision of management and support services by the Group to GENT Group.	469	951

m) Significant Related Party Transactions (Cont'd)

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 2015 are as follows (Cont'd):

	Current quarter RM'000	Current financial year-to-date RM'000
viii) Rental charges and related services by the Group to Genting Plantations Berhad ("GENP") Group.	685	1,368
ix) Provision of information technology consultancy, development, implementation, support and maintenance service and other management services by the Group to GENP Group.	1,179	2,868
x) Licensing fee for the use of "Resorts World" and "Genting" intellectual property in the United States of America and the Bahamas charged by Resorts World Inc Pte Ltd ("RWI") Group to the Group.	16,593	32,620
xi) Provision of professional and marketing services by the Group to RWI Group.	5,378	9,928
xii) Provision of management and consultancy services on theme park and resort development and operations by International Resort Management Services Pte Ltd to the Company.	7,500	15,000
xiii) Provision of management and support services by the Group to SE Mass II LLC.	1,273	2,578
xiv) Rental charges by Genting Development Sdn Bhd to the Group.	305	676
xv) Provision of information technology consultancy, development, implementation, support and maintenance service and other management services by the Group to Genting Hong Kong Limited Group.	133	400

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 assets or liabilities that are not based on observable market data (that is, unobservable inputs).

As at 30 June 2015, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Financial asset at fair value through profit or loss	10,092	-	-	10,092
Available-for-sale financial assets	-	584,320	1,720	586,040
	<u>10,092</u>	<u>584,320</u>	<u>1,720</u>	<u>596,132</u>

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 31 December 2014.

GENTING MALAYSIA BERHAD
ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FINANCIAL PERIOD ENDED
30 JUNE 2015

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		
	2Q2015 RM'Mil	2Q2014 RM'Mil	Var %	1Q2015 RM'Mil	Var %	2015 RM'Mil	2014 RM'Mi	Var %
Revenue								
Leisure & Hospitality								
- Malaysia	1,293.4	1,280.9	1%	1,392.5	-7%	2,685.9	2,642.0	2%
- United Kingdom	295.4	301.5	-2%	355.7	-17%	651.1	683.0	-5%
- United States of America and Bahamas	310.9	253.0	23%	313.8	-1%	624.7	509.6	23%
	1,899.7	1,835.4	4%	2,062.0	-8%	3,961.7	3,834.6	3%
Property	18.3	15.4	19%	19.0	-4%	37.3	31.1	20%
Investments & others	65.2	60.0	9%	12.1	>100%	77.3	71.2	9%
	1,983.2	1,910.8	4%	2,093.1	-5%	4,076.3	3,936.9	4%
Adjusted EBITDA								
Leisure & Hospitality								
- Malaysia	420.9	447.5	-6%	484.6	-13%	905.5	950.1	-5%
- United Kingdom	(99.9)	(65.9)	-52%	38.3	->100%	(61.6)	10.4	->100%
- United States of America and Bahamas	37.8	28.3	34%	46.8	-19%	84.6	43.0	97%
	358.8	409.9	-12%	569.7	-37%	928.5	1,003.5	-7%
Property	6.9	1.0	>100%	6.3	10%	13.2	5.1	>100%
Investments & others	70.3	50.3	40%	32.0	>100%	102.3	58.2	76%
	436.0	461.2	-5%	608.0	-28%	1,044.0	1,066.8	-2%
Pre-opening expenses	(13.2)	(3.2)	->100%	(14.5)	9%	(27.7)	(5.6)	->100%
Property, plant and equipment written off	(3.5)	(0.7)	->100%	(1.9)	-84%	(5.4)	(1.3)	->100%
Depreciation and amortisation	(163.3)	(152.5)	-7%	(158.7)	-3%	(322.0)	(301.8)	-7%
Interest income	22.9	24.8	-8%	21.4	7%	44.3	45.1	-2%
Finance costs	(7.7)	(10.8)	29%	(7.8)	1%	(15.5)	(21.2)	27%
Others	-	-	-	28.7	NC	28.7	-	NC
Profit before taxation	271.2	318.8	-15%	475.2	-43%	746.4	782.0	-5%

NC: Not comparable

1) Review of Performance (Cont'd)

a) Quarter ended 30 June 2015 ("2Q 2015") compared with quarter ended 30 June 2014 ("2Q 2014")

The Group's revenue in 2Q 2015 was RM1,983.2 million, an increase of 4% compared with RM1,910.8 million in 2Q 2014.

The higher revenue was mainly attributable to:

1. higher revenue from the leisure and hospitality business in United States of America ("US") and Bahamas by RM57.9 million mainly contributed by higher volume of business from the operations of Resorts World Bimini in Bahamas ("Bimini operations") and Resorts World Casino New York City ("RWNYC"); and
2. higher revenue from the leisure and hospitality business in Malaysia by RM12.5 million, mainly contributed by overall higher volume of business offset by lower hold percentage in the premium players business. In addition, the Malaysia operations were also impacted by the introduction of Goods and Services Tax ("GST") on 1 April 2015; offset by
3. lower revenue from the casino business in United Kingdom ("UK") by RM6.1 million, mainly due to lower hold percentage and lower volume of business of its International Markets.

The Group's adjusted EBITDA in 2Q 2015 was at RM436.0 million compared with RM461.2 million 2Q 2014, a decrease of 5%. The lower adjusted EBITDA was mainly attributable to:

1. leisure and hospitality business in Malaysia which reported a lower adjusted EBITDA of RM420.9 million compared with RM447.5 million in 2Q 2014. The adjusted EBITDA margin was 33% as compared to 35% in 2Q 2014 mainly due to higher costs relating to premium players business and the impact of GST; and
2. casino business in the UK which reported a higher adjusted loss before interest, tax, depreciation and amortisation ("LBITDA") by RM34.0 million mainly due to lower revenue and higher bad debts written off in 2Q 2015; mitigated by
3. higher adjusted EBITDA for "investments and others" segment by RM20.0 million mainly due to foreign exchange gains on the USD denominated assets as a result of the strengthening of USD against RM; and
4. leisure and hospitality business in the US and Bahamas which reported a higher adjusted EBITDA by RM9.5 million mainly due to higher revenue and lower payroll costs for RWNYC.

The Group's profit before taxation of RM271.2 million in 2Q 2015 was lower by 15% compared with RM318.8 million in 2Q 2014. The lower profit before taxation was mainly due to:

1. lower adjusted EBITDA as mentioned above;
2. higher depreciation and amortisation charges by RM10.8 million mainly from Bimini operations; and
3. higher pre-opening expenses by RM10.0 million mainly due to costs incurred for Resorts World Birmingham ("RWB") and Genting Integrated Tourism Plan ("GITP") developments.

b) Financial period for the six months ended 30 June 2015 ("1H 2015") compared with six months ended 30 June 2014 ("1H 2014")

The Group's revenue in 1H 2015 was RM4,076.3 million, an increase of 4% compared with RM3,936.9 million in 1H 2014.

The higher revenue was mainly attributable to:

1. higher revenue from the leisure and hospitality business in the US and Bahamas by RM115.1 million, mainly contributed by higher volume of business from the operations of Bimini and RWNYC operations; and
2. higher revenue from the leisure and hospitality business in Malaysia by RM43.9 million, mainly contributed by overall higher volume of business offset by lower hold percentage in the premium players business and the impact of GST; offset by
3. lower revenue from the leisure and hospitality business in the UK by RM31.9 million, mainly due to lower hold percentage and lower volume of business of its International Markets.

1) Review of Performance (Cont'd)

b) Financial period for the six months ended 30 June 2015 ("1H 2015") compared with six months ended 30 June 2014 ("1H 2014") (Cont'd)

The Group's adjusted EBITDA in 1H 2015 was RM1,044.0 million compared with RM1,066.8 million in 1H 2014, a decrease of 2%. The lower adjusted EBITDA was mainly attributable to:

1. the leisure and hospitality business in Malaysia registered an adjusted EBITDA of RM905.5 million compared with RM950.1 million in 1H 2014. The adjusted EBITDA margin was 34% as compared to 36% in 1H 2014 mainly due to higher costs relating to premium players business and the impact of GST; and
2. casino business in the UK which registered an adjusted LBITDA of RM61.6 million compared with an adjusted EBITDA of RM10.4 million in 1H 2014 mainly due to lower revenue and higher bad debts written off in 1H 2015; mitigated by
3. higher adjusted EBITDA for "investments and others" segment by RM44.1 million mainly due to foreign exchange gains on the USD denominated assets as a result of the strengthening of USD against RM; and
4. higher adjusted EBITDA by RM41.6 million from the leisure and hospitality business in US and Bahamas mainly due to higher revenue offset by higher payroll costs for Bimini operations.

The Group's profit before taxation of RM746.4 million in 1H 2015 was lower by 5% compared with RM782.0 million in 1H 2014. The lower profit before taxation was mainly due to:

1. lower adjusted EBITDA as mentioned above;
2. higher pre-opening expenses by RM22.1 million mainly due to expenses incurred for RWB and GITP developments; and
3. higher depreciation and amortisation charges by RM20.2 million mainly from the Group's operations in Bahamas; mitigated by
4. one-off gain arising from a waiver of debt of RM28.7 million recorded in 1Q 2015.

2) Material Changes in Profit before Taxation for the Current Quarter ("2Q 2015") compared with the Immediate Preceding Quarter ("1Q 2015")

Profit before taxation for 2Q 2015 of RM271.2 million was lower by 43% compared to 1Q 2015 of RM475.2 million. The lower profit before taxation was mainly due to:

1. casino business in the UK which registered an adjusted LBITDA of RM99.9 million compared with an adjusted EBITDA of RM38.3 million in 1Q 2015 mainly due to lower revenue and higher bad debts written off in 2Q 2015;
2. lower adjusted EBITDA by RM63.7 million from leisure and hospitality business in Malaysia mainly due to the impact of GST; and
3. one-off gain arising from a waiver of debt of RM28.7 million recorded in 1Q 2015; mitigated by
4. higher adjusted EBITDA for "investments and others" segment by RM38.3 million mainly contributed by dividend income from the Group's investment in Genting Hong Kong Limited in 2Q 2015 offset by lower foreign exchange gains on the USD denominated assets.

3) Prospects

Overall, the global economy is expected to expand at a moderate pace in the second half of the year, amid diverging growth momentum across major economies. The Malaysian economy, despite the weakening of its currency and other headwinds, is expected to remain on a growth path underpinned by domestic demand.

The outlook for international tourism remains positive across all regions. The regional gaming market, with the ongoing events in Asia impacting the premium players business, remains challenging as evidenced by the continued slowdown in gaming revenues in both the Singapore and Macau markets.

The Group continues to be cautious on the near term outlook of the leisure and hospitality industry, but remains positive in the longer term.

3) Prospects (Cont'd)

In Malaysia, the Group will continue to focus on growing its key business segments by deploying enhanced capabilities including yield management systems and database analytics, improving operational efficiencies, and enhancing the guest experience through better service and product offerings. These efforts will also help to mitigate the impact of the GST on the Group's business. Meanwhile, the construction and development works for the GTP are progressing well. The Group is also in the midst of refining the overall master plan to elevate and enrich the quality of guest experience at Resorts World Genting. The first offering for Phase 1 – the new 1,300-room First World Hotel Tower 2A - is now fully opened. With the new additional rooms, First World Hotel, having a total of 7,351 operational rooms, has reclaimed its title of "World's Largest Hotel" by Guinness World Records. Other attractions and facilities of the GTP are expected to be opened in phases from the second half of 2016.

In the UK, the Group continues to experience volatility in its International Markets division in view of the events in Asia affecting the premium players segment. Nonetheless, the Group remains focused on its strategies to grow the business and to improve operational efficiency. The Home Markets division, on the contrary, has delivered encouraging results in 1H2015. The Group will continue to strengthen its position in the domestic business segment to gain market share. RWB, the Group's upcoming addition to its Resorts World properties and UK's first integrated destination leisure complex, is expected to open its doors in the fourth quarter of 2015.

In the US, RWNYC remains the market leader by gaming revenue in the State of New York. Whilst the operation at RWNYC continues to deliver steady business growth despite a crowded market, the Group will continue to enhance its direct marketing efforts and introduce promotional activities to attract new customers and increase the frequency of visitation. The Group is also in the process of expanding its capacity at RWNYC. At Bimini, the Group has taken more steps to improve both guest experience and revenue generation while streamlining operations. There has also been an improvement in Bimini's business volume since the opening of the initial phase of its new 300-room Hilton hotel in April 2015. The Group will intensify its marketing efforts to further grow the earnings and visitation level at Bimini upon the completion of the remaining hotel rooms at the end of the year.

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 2015 are as follows:

	Current quarter ended 30 June 2015	Six months ended 30 June 2015
	<u>RM'000</u>	<u>RM'000</u>
Current taxation		
Malaysian income tax charge	59,711	164,028
Foreign income tax credit	(24,328)	(15,687)
	<u>35,383</u>	<u>148,341</u>
Deferred tax charge	11,917	15,567
	<u>47,300</u>	<u>163,908</u>
Prior period taxation		
Income tax under provided	603	970
	<u>47,903</u>	<u>164,878</u>

The effective tax rates of the Group for the current quarter and six months ended 30 June 2015 are lower than the statutory tax rate mainly due to tax incentive and income not subject to tax; offset by non-deductible expenses.

6) Status of Corporate Proposals Announced

Proposed Shareholders' Mandate for the disposal of Genting Hong Kong Limited ("GENHK") Shares

On 11 May 2015, GENM announced that it proposes to obtain a mandate from its non-interested shareholders for the disposal by Resorts World Limited, an indirect wholly-owned subsidiary of GENM, of the entire 1,431,059,180 ordinary shares of USD0.10 each in GENHK ("Proposed Disposal Mandate"). On 2 July 2015, the Proposed Disposal Mandate was approved by the non-interested shareholders and is valid for a period of 1 year from the approval date.

Other than the above, there were no other corporate proposals announced but not completed as at 19 August 2015.

7) Group Borrowings

The details of the Group's borrowings as at 30 June 2015 are as set out below:

	<u>Secured/Unsecured</u>	<u>Foreign Currency</u> <u>'000</u>	<u>RM Equivalent</u> <u>'000</u>
Short term borrowings	Secured	USD59,457	222,636
Long term borrowings	Secured	USD154,260	577,625
	Unsecured	GBP149,419	886,973

8) Outstanding derivatives

As at 30 June 2015, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

<u>Types of Derivative</u>	<u>Contract/Notional Value</u> <u>RM'000</u>	<u>Fair Value Liabilities</u> <u>RM'000</u>
<u>Interest Rate Swaps</u>		
GBP	391,787	
- Less than 1 year		3,012

Other than the above, there is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 December 2014:

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

9) Fair Value Changes of Financial Liabilities

As at 30 June 2015, 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 19 August 2015.

11) Dividend Proposed or Declared

- (a) (i) An interim single-tier dividend of 2.80 sen per ordinary share of 10 sen each in respect of the financial year ending 31 December 2015 has been declared by the Directors.
- (ii) The interim single-tier dividend declared and paid for the previous year's corresponding period was 3.00 sen per ordinary share of 10 sen each.
- (iii) The interim single-tier dividend shall be payable on 22 October 2015.
- (iv) Entitlement to the interim single-tier dividend:
- A Depositor shall qualify for entitlement to the interim single-tier dividend only in respect of:
- (I) Shares transferred into the Depositor's Securities Account before 4.00 p.m. on 30 September 2015 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) The total single-tier dividend payable for the financial year ending 31 December 2015 is 2.80 sen per ordinary share of 10 sen each.

12) Profit before Taxation

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

	Current quarter ended <u>30 June 2015</u> RM'000	Six months ended <u>30 June 2015</u> RM'000
<u>Charges:</u>		
Depreciation and amortisation	163,305	322,020
Property, plant and equipment written off	3,456	5,357
Net loss on disposal of property, plant and equipment	-	297
Net impairment loss on receivables	30	1,354
Finance costs	7,756	15,515
<u>Credits:</u>		
Net foreign currency exchange gains	1,927	24,818
Net gain on disposal of property, plant and equipment	35	-
Interest income	22,944	44,349
Investment income	63,040	69,963

13) Earnings per share ("EPS")

- (a) The earnings used as the numerator in calculating basic and diluted EPS for the current quarter and six months ended 30 June 2015 are as follows:

	Current quarter ended 30 June 2015 RM'000	Current financial year-to-date ended 30 June 2015 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)	230,920	593,022

- (b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted EPS for the current quarter and six months ended 30 June 2015 are as follows:

	Current quarter ended 30 June 2015 Number of Shares ('000)	Current financial year-to-date ended 30 June 2015 Number of Shares ('000)
Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of basic and diluted EPS)	5,669,675	5,670,054

(*) *The weighted average number of ordinary shares of RM0.10 each in issue during the current quarter and six months ended 30 June 2015 excludes the weighted average treasury shares held by the Company and the shares held for employee share scheme.*

14) Realised and Unrealised Profits/Loss

The breakdown of the retained profits of the Group as at 30 June 2015, into realised and unrealised profits, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	As at the end of current quarter RM'000	As at the end of last financial year RM'000
Total retained profits of Genting Malaysia Berhad and its subsidiaries:		
- Realised	13,796,738	13,242,871
- Unrealised	(490,842)	(448,690)
	13,305,896	12,794,181
Total share of accumulated losses from joint ventures:		
- Realised	(10,456)	(23,202)
	13,295,440	12,770,979
Add: Consolidation adjustments	541,900	694,369
Total Group retained profits as per consolidated accounts	13,837,340	13,465,348

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 2014 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 26 August 2015.