



**SECOND QUARTERLY REPORT**

Quarterly report on consolidated results for the six months ended 30 June 2016. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

	<b>UNAUDITED INDIVIDUAL QUARTER</b>		<b>UNAUDITED CUMULATIVE PERIOD</b>	
	<b>Second quarter ended 30 June</b>		<b>Six months ended 30 June</b>	
	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
<b>Revenue</b>	<b>2,234,605</b>	1,983,201	<b>4,448,959</b>	4,076,341
Cost of sales	<b>(1,553,897)</b>	(1,559,002)	<b>(3,168,964)</b>	(3,063,913)
<b>Gross profit</b>	<b>680,708</b>	424,199	<b>1,279,995</b>	1,012,428
Other income	<b>102,161</b>	70,623	<b>198,214</b>	182,866
Other expenses	<b>(250,292)</b>	(215,867)	<b>(669,220)</b>	(433,348)
<b>Profit from operations</b>	<b>532,577</b>	278,955	<b>808,989</b>	761,946
Finance costs	<b>(20,523)</b>	(7,756)	<b>(34,819)</b>	(15,515)
<b>Profit before taxation</b>	<b>512,054</b>	271,199	<b>774,170</b>	746,431
Taxation	<b>(46,789)</b>	(47,903)	<b>(164,774)</b>	(164,878)
<b>Profit for the financial period</b>	<b>465,265</b>	223,296	<b>609,396</b>	581,553
<b>Profit attributable to:</b>				
Equity holders of the Company	<b>476,444</b>	230,920	<b>638,011</b>	593,022
Non-controlling interests	<b>(11,179)</b>	(7,624)	<b>(28,615)</b>	(11,469)
	<b>465,265</b>	223,296	<b>609,396</b>	581,553
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic earnings per share (sen)	<b>8.42</b>	4.07	<b>11.28</b>	10.46
Diluted earnings per share (sen)	<b>8.41</b>	4.07	<b>11.27</b>	10.46

*(The Condensed Consolidated Income Statement should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2015.)*

**GENTING MALAYSIA BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2016**

	UNAUDITED INDIVIDUAL QUARTER Second quarter ended 30 June		UNAUDITED CUMULATIVE PERIOD Six months ended 30 June	
	<u>2016</u> <u>RM'000</u>	<u>2015</u> <u>RM'000</u>	<u>2016</u> <u>RM'000</u>	<u>2015</u> <u>RM'000</u>
<b>Profit for the financial period</b>	<b>465,265</b>	223,296	<b>609,396</b>	581,553
<b>Other comprehensive (loss)/income</b>				
Items that will be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value loss	<b>(145,159)</b>	(95,800)	<b>(173,079)</b>	(24,682)
- Reclassification to profit or loss upon disposal	-	-	-	(3,732)
Cash flow hedges				
- Fair value gain/(loss)	<b>631</b>	4,425	<b>(557)</b>	2,737
Foreign currency exchange differences	<b>124,403</b>	299,876	<b>(1,101,677)</b>	847,106
<b>Other comprehensive (loss)/income, net of tax</b>	<b>(20,125)</b>	208,501	<b>(1,275,313)</b>	821,429
<b>Total comprehensive income/(loss) for the financial period</b>	<b>445,140</b>	431,797	<b>(665,917)</b>	1,402,982
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the Company	<b>458,064</b>	439,476	<b>(634,164)</b>	1,416,809
Non-controlling interests	<b>(12,924)</b>	(7,679)	<b>(31,753)</b>	(13,827)
	<b>445,140</b>	431,797	<b>(665,917)</b>	1,402,982

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2015.)*

**GENTING MALAYSIA BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2016**

	UNAUDITED As at 30.06.2016 RM'000	As at 31.12.2015 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	10,511,435	10,475,088
Land held for property development	184,672	184,672
Investment properties	2,116,059	2,293,363
Intangible assets	4,761,770	5,367,250
Available-for-sale financial assets	92,872	99,150
Other non-current assets	1,425,522	322,182
Deferred tax assets	204,412	237,784
	<u>19,296,742</u>	<u>18,979,489</u>
<b>Current assets</b>		
Inventories	96,275	119,791
Trade and other receivables	542,849	1,242,809
Amounts due from other related companies	9,909	24,910
Financial asset at fair value through profit or loss	7,635	8,068
Available-for-sale financial assets	550,000	550,000
Derivative financial instruments	1,004	-
Restricted cash	34,663	80,701
Cash and cash equivalents	4,251,523	4,518,966
	<u>5,493,858</u>	<u>6,545,245</u>
Assets classified as held for sale	1,695,238	1,995,996
	<u>7,189,096</u>	<u>8,541,241</u>
<b>TOTAL ASSETS</b>	<u>26,485,838</u>	<u>27,520,730</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	593,804	593,804
Reserves	18,586,897	19,450,580
Treasury shares	(908,854)	(906,707)
Shares held for employee share scheme	(45,769)	(57,267)
	<u>18,226,078</u>	<u>19,080,410</u>
<b>Non-controlling interests</b>	<u>(61,793)</u>	<u>25,944</u>
<b>TOTAL EQUITY</b>	<u>18,164,285</u>	<u>19,106,354</u>
<b>Non-current liabilities</b>		
Other long term liabilities	189,015	198,896
Long term borrowings	3,832,676	3,840,862
Deferred tax liabilities	610,731	706,477
Derivative financial instruments	1,975	1,461
	<u>4,634,397</u>	<u>4,747,696</u>
<b>Current liabilities</b>		
Trade and other payables	2,469,526	2,647,741
Amount due to holding company	17,687	21,844
Amounts due to other related companies	152,621	158,166
Short term borrowings	747,117	783,967
Derivative financial instruments	4,475	3,444
Taxation	52,449	51,518
Dividend payable	243,281	-
	<u>3,687,156</u>	<u>3,666,680</u>
<b>TOTAL LIABILITIES</b>	<u>8,321,553</u>	<u>8,414,376</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>26,485,838</u>	<u>27,520,730</u>
<b>NET ASSETS PER SHARE (RM)</b>	<u>3.22</u>	<u>3.37</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 2015.)*

**GENTING MALAYSIA BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2016**

	Attributable to equity holders of the Company										
	Share Capital	Share Premium	Available-for-sale Financial Assets Reserve	Cash Flow Hedges Reserve	Other Reserves	Treasury Shares	Shares held for Employee Share Scheme	Retained Earnings	Total	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2016	593,804	1,170,620	1,077,734	(4,006)	2,857,714	(906,707)	(57,267)	14,348,518	19,080,410	25,944	19,106,354
Total comprehensive (loss)/income for the period	-	-	(173,079)	(557)	(1,098,539)	-	-	638,011	(634,164)	(31,753)	(665,917)
Transactions with owners:											
Changes in ownership interest in a subsidiary upon finalisation of purchase price allocation	-	-	-	-	-	-	-	5,551	5,551	(55,984)	(50,433)
Buy-back of shares	-	-	-	-	-	(2,147)	-	-	(2,147)	-	(2,147)
Performance-based employee share scheme	-	-	-	-	19,709	-	-	-	19,709	-	19,709
Employee share scheme shares vested to employees	-	-	-	-	(11,498)	-	11,498	-	-	-	-
Appropriation: Final single-tier dividend declared for the year ended 31 December 2015	-	-	-	-	-	-	-	(243,281)	(243,281)	-	(243,281)
Total transactions with owners	-	-	-	-	8,211	(2,147)	11,498	(237,730)	(220,168)	(55,984)	(276,152)
At 30 June 2016	593,804	1,170,620	904,655	(4,563)	1,767,386	(908,854)	(45,769)	14,748,799	18,226,078	(61,793)	18,164,285

*(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 2015.)*

**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	Share Premium	Available-for-sale Financial Assets Reserve	Cash Flow Hedges Reserve	Other Reserves	Treasury Shares	Shares held for Employee Share Scheme	Retained Earnings	Total	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	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

*(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 2015.)*

**GENTING MALAYSIA BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2016**

**UNAUDITED**  
**Six months ended**  
**30 June**

**CASH FLOWS FROM OPERATING ACTIVITIES**

	2016 RM'000	2015 RM'000
Profit before taxation	774,170	746,431
Adjustments for:		
Depreciation and amortisation	365,761	322,020
Property, plant and equipment written off	3,633	5,357
Net loss on disposal of property, plant and equipment	6,046	297
Gain on disposal of available-for-sale financial assets	-	(3,732)
Finance costs	34,819	15,515
Interest income	(99,573)	(44,349)
Investment income	(14,841)	(69,963)
Fair value loss on derivative financial instruments	721	-
Net exchange loss/(gain) – unrealised	96,981	(25,200)
Other non-cash items and adjustments	30,474	3,277
	<b>424,021</b>	<b>203,222</b>
<b>Operating profit before working capital changes</b>	<b>1,198,191</b>	<b>949,653</b>
Net change in current assets	(132,746)	(15,140)
Net change in current liabilities	131,089	243,873
	<b>(1,657)</b>	<b>228,733</b>
<b>Cash generated from operations</b>	<b>1,196,534</b>	<b>1,178,386</b>
Net tax paid	(139,412)	(167,763)
Retirement gratuities paid	(1,422)	(2,061)
Other net operating payments	(2,637)	(3,337)
	<b>(143,471)</b>	<b>(173,161)</b>
<b>Net Cash Flow From Operating Activities</b>	<b>1,053,063</b>	<b>1,005,225</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,397,345)	(1,190,814)
Proceeds from disposal of property, plant and equipment	292,771	27,850
Purchase of intangible asset	(5,929)	(5,958)
Purchase of investments	(341,738)	(62,415)
Proceeds from disposal of available-for-sale financial assets	-	179,197
Proceeds from redemption of unquoted preference shares in a Malaysian corporation	100,000	-
Other investing activities	(32,337)	35,064
	<b>(1,384,578)</b>	<b>(1,017,076)</b>
<b>Net Cash Flow From Investing Activities</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Buy-back of shares	(2,147)	(2,123)
Purchase of shares pursuant to employee share scheme	-	(12,488)
Repayment of borrowings and transaction costs	(1,135,945)	(70,209)
Proceeds from bank borrowings	1,326,364	-
Restricted cash	43,876	(14,047)
Finance costs paid	(81,092)	(18,737)
	<b>151,056</b>	<b>(117,604)</b>
<b>Net Cash Flow From Financing Activities</b>		
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>(180,459)</b>	<b>(129,455)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>4,518,966</b>	<b>2,770,256</b>
<b>EFFECT OF CURRENCY TRANSLATION</b>	<b>(86,984)</b>	<b>113,616</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>4,251,523</b>	<b>2,754,417</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and deposits	2,224,401	2,337,573
Money market instruments	2,027,122	416,844
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>4,251,523</b>	<b>2,754,417</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 2015.)*

**GENTING MALAYSIA BERHAD**  
**NOTES TO THE INTERIM FINANCIAL REPORT – SECOND QUARTER ENDED 30 JUNE 2016**

**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 2016 have been reviewed by the Company’s auditor 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 2015. 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 2015 except for the adoption of amendments that are mandatory for the Group for the financial year beginning 1 January 2016:

- Annual Improvements to MFRSs 2012-2014 Cycle
- Amendments to MFRS 11            Joint Arrangements
- Amendments to MFRS 101        Presentation of Financial Statements
- Amendments to MFRS 116        Property, Plant and Equipment
- Amendments to MFRS 127        Separate Financial Statements
- Amendments to MFRS 138        Intangible Assets

The adoption of these amendments to standards do not have a material impact on the interim financial information of the Group.

**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 2016.

**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 2016, 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.

There were no other issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the six months ended 30 June 2016.

**f) *Dividend Paid***

No dividend has been paid for the six months ended 30 June 2016.

**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, gain or loss on disposal of assets and assets written off.

Segment analysis for the six months ended 30 June 2016 is set out below:

	<u>Leisure &amp; Hospitality</u>			<u>Property</u>	<u>Investments &amp; Others</u>	<u>Total</u>
	<u>Malaysia RM'000</u>	<u>United Kingdom RM'000</u>	<u>United States of America and Bahamas RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Revenue</b>						
Total revenue	2,662,099	1,033,148	702,014	42,291	74,177	4,513,729
Inter segment	(7,930)	-	-	(6,634)	(50,206)	(64,770)
External	<u>2,654,169</u>	<u>1,033,148</u>	<u>702,014</u>	<u>35,657</u>	<u>23,971</u>	<u>4,448,959</u>
<b>Adjusted EBITDA</b>	<u>923,612</u>	<u>191,498</u>	<u>75,068</u>	<u>6,752</u>	<u>(90,364)</u>	<u>1,106,566</u>
<b>Total Assets</b>	<u>7,366,874</u>	<u>4,722,221</u>	<u>5,238,700</u>	<u>2,512,791</u>	<u>6,645,252</u>	<u>26,485,838</u>

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

Adjusted EBITDA for reportable segments	<b>RM'000</b> 1,106,566
Pre-opening expenses	(21,482)
Property, plant and equipment written off	(3,633)
Loss on disposal of property, plant and equipment	(6,046)
Impairment losses	(228)
<b>EBITDA</b>	<u>1,075,177</u>
Depreciation and amortisation	(365,761)
Interest income	99,573
Finance costs	(34,819)
<b>Profit before taxation</b>	<u>774,170</u>

**h) Property, Plant and Equipment**

During the six months ended 30 June 2016, acquisitions of property, plant and equipment (including capitalised interest) by the Group were RM1,184.4 million.

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

Other than the disclosure of the completion of the disposal of leasehold land in Part II, Note 6 (ii) of this interim financial report, there was no other material event subsequent to the end of current financial period ended 30 June 2016 that has 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 2016.



**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 2015.

**l) Capital Commitments**

Authorised capital commitments not provided for in the financial statements as at 30 June 2016 are as follows:

	<b>RM'000</b>
Contracted	2,925,273
Not contracted	6,206,504
	<u>9,131,777</u>
Analysed as follows:	
- Property, plant and equipment	8,859,421
- Investments	272,356
	<u>9,131,777</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 2016 are as follows:

	<b>Current Quarter RM'000</b>	<b>Current financial year-to-date 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.	104,759	205,133
ii) Licensing fee for the use of "Genting", "Resorts World" and "Awana" logo charged by GENT to the Group.	46,792	93,857
iii) Licensing fee for the use of "Resorts World" and "Genting" intellectual property outside Malaysia charged by GENT Group to the Group.	249	483
iv) Provision of GENT Group Management and Support Services by GENT Group to the Group.	2,037	4,126
v) Rental charges and related services by the Group to GENT Group.	969	1,929
vi) Rental charges and related services by the Group to Genting Plantations Berhad ("GENP") Group.	687	1,372
vii) 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.	19,257	38,157
viii) Provision of information technology consultancy, development, implementation, support and maintenance service and other management services by the Group to GENT Group.	1,247	2,399
ix) Provision of information technology consultancy, development, implementation, support and maintenance service and other management services by the Group to GENP Group.	1,100	2,507
x) Provision of management and support services by the Group to GENT Group.	517	1,059
xi) Rental charges by Genting Development Sdn Bhd to the Group.	368	660
xii) Provision of management and consultancy services on theme park and resort development operations by International Resort Management Services Pte Ltd to the Company.	2,502	5,004

**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 2016 are as follows (cont'd):

	Current Quarter RM'000	Current financial year-to-date RM'000
xiii) Rental charges for premises by the Group to Warisan Timah Holdings Sdn Bhd.	558	1,099
xiv) Provision of water supply services by an entity connected with a shareholder of BB Entertainment Ltd ("BBEL") to the Group.	605	1,132
xv) Provision of maintenance services by entities connected with a shareholder of BBEL to the Group.	1,740	3,674
xvi) Rental charges for office space by the Group to Genting Hong Kong Limited ("GENHK") Group.	688	1,382
xvii) Provision of construction services by an entity connected with a shareholder of BBEL to the Group.	2,475	2,475
xviii) Purchase of rooms by the Group from an entity connected with a shareholder of BBEL.	559	3,091
xix) Licensing fee for the use of Internet Gaming System platform in the United Kingdom charged by RWI Group to the Group.	277	566
xx) Licensing fee for the use of "Genting" intellectual property in the United Kingdom charged by RWI Group to the Group.	-	6,003
xxi) Provision of aviation related services by the Group to GENHK Group.	360	758
xxii) Provision of information technology consultancy, development, implementation, support and maintenance service and other management services by the Group to GENHK Group.	484	611

**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 2016, 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
<b>Financial assets</b>				
Financial asset at fair value through profit or loss	7,635	-	-	7,635
Available-for-sale financial assets	-	640,783	2,089	642,872
Assets classified as held for sale	1,673,101	-	-	1,673,101
Derivative financial instruments	-	1,004	-	1,004
	1,680,736	641,787	2,089	2,324,612

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 31 December 2015.

**GENTING MALAYSIA BERHAD**  
**ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FINANCIAL PERIOD ENDED**  
**30 JUNE 2016**

**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		Var %	SIX MONTHS ENDED 30 JUNE		Var %
	2Q2016 RM'Mil	2Q2015 RM'Mil		1Q2016 RM'Mil	2016 RM'Mil		2015 RM'Mil		
<b>Revenue</b>									
Leisure & Hospitality									
- Malaysia	1,349.1	1,293.4	4%	1,305.1	3%	2,654.2	2,685.9	-1%	
- United Kingdom	504.2	295.4	71%	528.9	-5%	1,033.1	651.1	59%	
- United States of America and Bahamas	351.6	310.9	13%	350.4	0%	702.0	624.7	12%	
	<b>2,204.9</b>	<b>1,899.7</b>	<b>16%</b>	<b>2,184.4</b>	<b>1%</b>	<b>4,389.3</b>	<b>3,961.7</b>	<b>11%</b>	
Property	17.8	18.3	-3%	17.8	0%	35.6	37.3	-5%	
Investments & others	11.9	65.2	-82%	12.1	-2%	24.0	77.3	-69%	
	<b>2,234.6</b>	<b>1,983.2</b>	<b>13%</b>	<b>2,214.3</b>	<b>1%</b>	<b>4,448.9</b>	<b>4,076.3</b>	<b>9%</b>	
<b>Adjusted EBITDA</b>									
Leisure & Hospitality									
- Malaysia	472.1	420.7	12%	451.5	5%	923.6	905.3	2%	
- United Kingdom	92.8	(99.9)	>100%	98.7	-6%	191.5	(61.6)	>100%	
- United States of America and Bahamas	51.8	38.0	36%	23.2	>100%	75.0	85.1	-12%	
	<b>616.7</b>	<b>358.8</b>	<b>72%</b>	<b>573.4</b>	<b>8%</b>	<b>1,190.1</b>	<b>928.8</b>	<b>28%</b>	
Property	5.2	6.9	-25%	1.6	>100%	6.8	13.2	-48%	
Investments & others	40.3	70.3	-43%	(130.7)	>100%	(90.4)	102.3	->100%	
	<b>662.2</b>	<b>436.0</b>	<b>52%</b>	<b>444.3</b>	<b>49%</b>	<b>1,106.5</b>	<b>1,044.3</b>	<b>6%</b>	
Pre-opening expenses	(10.8)	(13.2)	18%	(10.7)	-1%	(21.5)	(27.7)	22%	
Property, plant and equipment written off	(1.9)	(3.5)	46%	(1.7)	-12%	(3.6)	(5.4)	33%	
Gain/(loss) on disposal of property, plant and equipment	0.1	-	NC	(6.1)	>100%	(6.0)	(0.3)	->100%	
Others	-	-	NC	(0.2)	NC	(0.2)	28.7	->100%	
<b>EBITDA</b>	<b>649.6</b>	<b>419.3</b>	<b>55%</b>	<b>425.6</b>	<b>53%</b>	<b>1,075.2</b>	<b>1,039.6</b>	<b>3%</b>	
Depreciation and amortisation	(177.7)	(163.3)	-9%	(188.1)	6%	(365.8)	(322.0)	-14%	
Interest income	60.7	22.9	>100%	38.9	56%	99.6	44.3	>100%	
Finance costs	(20.5)	(7.7)	->100%	(14.3)	-43%	(34.8)	(15.5)	->100%	
<b>Profit before taxation</b>	<b>512.1</b>	<b>271.2</b>	<b>89%</b>	<b>262.1</b>	<b>95%</b>	<b>774.2</b>	<b>746.4</b>	<b>4%</b>	

NC: Not comparable

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

### a) Quarter ended 30 June 2016 ("2Q 2016") compared with quarter ended 30 June 2015 ("2Q 2015")

The Group's revenue in 2Q 2016 was RM2,234.6 million, an increase of 13% compared with RM1,983.2 million in 2Q 2015.

The higher revenue was mainly attributable to:

1. higher revenue from the casino business in United Kingdom ("UK") by RM208.8 million, mainly contributed by its premium players business ("International Markets") as a result of revised marketing strategies adopted;
2. higher revenue from the leisure and hospitality business in Malaysia by RM55.7 million, mainly contributed by an improved hold percentage, which is in line with expectation, for the mid to premium segment of the business even though business volumes were lower; and
3. higher revenue from the leisure and hospitality business in United States of America ("US") and Bahamas by RM40.7 million mainly contributed by an increase in the volume of business from the operation of Resorts World Casino New York City ("RWNYC operations") and Resorts World Bimini in Bahamas offset by the cessation of Bimini SuperFast cruise ferry operations in January 2016 ("Bimini operations"). The favourable foreign exchange movement of USD against RM has also contributed to higher revenue for this segment; offset by
4. lower investment income by RM53.3 million as there was no dividend income received this quarter compared to a dividend income of RM53.4 million from the Group's investment in Genting Hong Kong Limited ("GENHK") in the same quarter last year.

The Group's adjusted EBITDA in 2Q 2016 was at RM662.2 million compared with RM436.0 million in 2Q 2015, an increase of 52%. The higher adjusted EBITDA was mainly attributable to:

1. leisure and hospitality business in Malaysia which reported a higher adjusted EBITDA of RM472.1 million compared with RM420.7 million in 2Q 2015. The improved adjusted EBITDA margin of 35% as compared to 33% in 2Q 2015 was mainly due to higher revenue and overall lower operating cost from mid to premium segment of the business;
2. casino business in the UK which registered an adjusted EBITDA of RM92.8 million compared with an adjusted loss before interest, tax, depreciation and amortisation ("LBITDA") of RM99.9 million last year mainly due to significantly higher revenue aided by some debt recovery during 2Q 2016; and
3. higher adjusted EBITDA by RM13.8 million from the leisure and hospitality business in US and Bahamas. This was mainly due to overall higher revenue and lower operating cost from its Bimini operations; offset by
4. lower adjusted EBITDA for "investments and others" segment by RM30.0 million as there was no dividend income received this quarter compared to a dividend income of RM53.4 million from the Group's investment in GENHK in the same quarter last year. This was mitigated by foreign exchange gains on the Group's USD denominated assets this quarter.

The Group's profit before taxation of RM512.1 million in 2Q 2016 was higher by 89% compared with RM271.2 million in 2Q 2015. The increase in profit before taxation was mainly due to:

1. higher adjusted EBITDA as mentioned above; and
2. higher interest income by RM37.8 million mainly from the Group's foreign currency denominated investment; offset by
3. higher depreciation and amortisation charges by RM14.4 million mainly from Malaysia and UK operations.

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

### b) **Financial period for the six months ended 30 June 2016 (“1H 2016”) compared with six months ended 30 June 2015 (“1H 2015”)**

The Group's revenue in 1H 2016 was RM4,448.9 million, an increase of 9% compared with RM4,076.3 million in 1H 2015.

The higher revenue was mainly attributable to:

1. higher revenue from the leisure and hospitality business in the UK by RM382.0 million, mainly due to the implementation of revised marketing strategies for International Markets; and
2. higher revenue from the leisure and hospitality business in the US and Bahamas by RM77.3 million, mainly contributed by higher volume of business from the RWNYC and Bimini operations. The favourable foreign exchange movement of USD against RM has contributed to higher revenue for this segment; offset by
3. lower revenue from the leisure and hospitality business in Malaysia by RM31.7 million, mainly due to the impact of Goods and Services Tax and a lower than expected hold percentage in the mid to premium segment of the business, although its business volumes were higher; and
4. lower investment income by RM53.3 million as there was no dividend income recorded in 1H 2016 from the Group's investment in GENHK.

The Group's adjusted EBITDA in 1H 2016 was RM1,106.5 million compared with RM1,044.3 million in 1H 2015, an increase of 6%. The higher adjusted EBITDA was mainly attributable to:

1. casino business in the UK which registered an adjusted EBITDA of RM191.5 million compared with an adjusted LBITDA of RM61.6 million in 1H 2015 mainly due to significantly higher revenue and net debt recovery in 1H 2016 as compared to a high level of bad debts in 1H 2015; and
2. the leisure and hospitality business in Malaysia registered an adjusted EBITDA of RM923.6 million compared with RM905.3 million in 1H 2015. The improved adjusted EBITDA margin of 35% as compared to 34% in 1H 2015 was mainly due to lower operating costs from mid to premium segment of the business; offset by
3. lower adjusted EBITDA by RM10.1 million from the leisure and hospitality business in US and Bahamas mainly due to higher payroll costs for RWNYC operations, higher operating costs relating to premium players business for Bimini operations offset by lower operating costs following the cessation of Bimini SuperFast; and
4. an adjusted LBITDA of RM90.4 million was recorded from the “investments and others” segment in 1H 2016 due mainly to foreign exchange losses on the USD denominated assets as a result of the strengthening of RM against USD.

The Group's profit before taxation of RM774.2 million in 1H 2016 was higher by 4% compared with RM746.4 million in 1H 2015. The higher profit before taxation was mainly due to:

1. higher adjusted EBITDA as mentioned above; and
2. higher interest income by RM55.3 million mainly from the Group's foreign currency denominated investment; offset by
3. higher depreciation and amortisation charges by RM43.8 million mainly from UK operations; and
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 2016”) compared with the Immediate Preceding Quarter (“1Q 2016”)**

Profit before taxation for 2Q 2016 was RM512.1 million compared to 1Q 2016 of RM262.1 million. The higher profit before taxation was mainly due to:

1. Foreign exchange gains of RM46.1 million on the Group's USD denominated assets as a result of the strengthening of USD against RM in 2Q 2016. In 1Q 2016, the Group recorded foreign exchange losses of RM138.8 million on the Group's USD denominated assets;
2. higher adjusted EBITDA by RM28.6 million from the leisure and hospitality business in US and Bahamas mainly contributed by lower operating loss from Bimini operations in 2Q 2016 and lower operating cost for RWNYC operations; and
3. higher adjusted EBITDA by RM20.6 million from leisure and hospitality business in Malaysia mainly contributed by higher revenue.

### **3) Prospects**

The global economy is expected to remain challenging given the uncertainty over the pace of recovery in major economies as well as the impact of United Kingdom's exit from the European Union. In Malaysia, domestic demand is expected to continue to be the main growth driver for the economy.

International tourism outlook is expected to remain positive. Meanwhile, the recent reported numbers from the Macau and Singapore regional gaming operators indicate the continued uncertainties encountered by the Asian premium players business.

The Group remains cautious on the near term outlook of the leisure and hospitality industry, but is positive on the longer term outlook.

In Malaysia, the Group remains focused on the development of its Genting Integrated Tourism Plan ("GITP") at Resorts World Genting ("RWG"). Pre-opening activities continue to ramp up as the Group prepares for the opening of the various GITP attractions and facilities in stages, commencing before the end of the year. The significant redevelopment and expansion under the GITP, once completed, is expected to elevate the quality of guest experience at the resort. Meanwhile, the Group remains committed to optimising its operational efficiencies, yield management systems and database marketing efforts as well as enhancing customer service at RWG.

In the UK, the domestic market segment has performed commendably. The Group will further strengthen its position in this segment and improve business efficiency. As for the international premium players business, the Group is pleased with the improved performance as a result of its revised marketing strategies but maintains a cautious stance on the volatility implicit in this business. The Group remains focused on stabilising operations and growing business volumes at both Resorts World Birmingham and the online operation.

In the US, Resorts World Casino New York City remains the market leader in terms of gaming revenue for the Northeast US region. The Group will continue to intensify its direct marketing efforts and introduce additional promotional activities to attract new customers and increase the frequency of visitation to the property. Earlier this year, the Group completed the gaming and amenities expansion and improvements at the property to serve a growing market. This expansion is expected to further strengthen the Group's presence in the region.

In the Bahamas, the Group has now fully opened the 305-room Hilton hotel and the related hotel amenities. The Group will focus on growing visitations to Resorts World Bimini by launching a revamped marketing campaign to attract targeted domestic US customers as well as international customers

### **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 2016 are as follows:

	<b>Current quarter ended 30 June 2016</b>	<b>Six months ended 30 June 2016</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
Current taxation		
Malaysian income tax charge	86,046	170,550
Foreign income tax credit	(3,964)	16,151
	<u>82,082</u>	<u>186,701</u>
Deferred tax charge	(29,599)	(6,363)
	<u>52,483</u>	<u>180,338</u>
Prior period taxation		
Income tax over provided	(5,694)	(15,564)
	<u>46,789</u>	<u>164,774</u>

The effective tax rates of the Group for the current quarter and six months ended 30 June 2016 are lower than the statutory tax rate mainly due to recognition of previously unrecognised tax losses, income not subject to tax and tax incentive offset by non-deductible expenses and current period deferred tax assets not recognised.

## 6) Status of Corporate Proposals Announced

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

On 6 April 2016, GENM announced that it proposes to seek the approval from its non-interested shareholders to renew the mandate for Resorts World Limited, an indirect wholly-owned subsidiary of GENM, to dispose of the entire 1,431,059,180 ordinary shares of USD0.10 each in GENHK ("Disposal Mandate"). On 1 June 2016, the Disposal Mandate was approved by the non-interested shareholders and is valid for a period of 1 year from the approval date.

### (ii) Disposal of leasehold land

On 15 October 2015, GENM announced that its direct wholly-owned subsidiary, Genting Highlands Tours and Promotion Sdn Bhd had entered into a conditional sale and purchase agreement with Esprit Icon Sdn Bhd, a wholly-owned subsidiary of Genting Plantations Berhad, to dispose of two parcels of adjoining leasehold land in Segambut measuring an aggregate land area of 380,902 square feet with buildings erected thereon for a total cash consideration of RM65.8 million. The disposal was completed on 12 July 2016.

Other than the above, there were no other corporate proposals announced but not completed as at 18 August 2016.

## 7) Group Borrowings

The details of the Group's borrowings as at 30 June 2016 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	USD44,649	180,001
	Unsecured	USD80,000	322,520
	Unsecured	<u>GBP45,000</u>	<u>244,596</u>
Long term borrowings	Secured	USD194,808	785,370
	Unsecured	GBP119,652	650,365
	Unsecured	<u>Not applicable</u>	<u>2,396,941</u>

## 8) *Outstanding derivatives*

As at 30 June 2016, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

<b>Types of Derivative</b>	<b>Contract/Notional Value RM'000</b>	<b>Fair Value Assets/(Liabilities) RM'000</b>
<u>Interest Rate Swaps</u> GBP - Less than 1 year - 1 year to 3 years	358,741	(3,754) (1,975)
<u>Foreign Currency Exchange Forward</u> USD - Less than 1 year	20,158	1,004
<u>Foreign Currency Exchange Option</u> USD - Less than 1 year	100,788	(721)

During the current quarter ended 30 June 2016, GENM Group has entered into foreign currency exchange forward contracts and foreign currency exchange option contracts to hedge against the exposure of its foreign exchange risk.

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 2015:

- 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*

The details of fair value changes of financial liabilities measured at fair value through profit or loss for the current quarter and six months ended 30 June 2016 are as follows:

<b>Types of Financial Liabilities</b>	<b>Current quarter fair value loss RM'000</b>	<b>Current financial year-to-date fair value loss RM'000</b>	<b>Basis of fair value measurement</b>	<b>Reason for the loss</b>
Foreign Currency Exchange Option	(721)	(721)	Foreign exchange differential between the strike rate and the current market spot rate.	The foreign exchange rates differential between the strike rate and the current market spot rate up to the respective maturity dates of the contracts have moved unfavourably for the Group.

## 10) *Changes in Material Litigation*

There are no pending material litigations as at 18 August 2016.



## 11) Dividend Proposed or Declared

- (a) (i) An interim single-tier dividend of 3.00 sen per ordinary share of 10 sen each in respect of the financial year ending 31 December 2016 has been declared by the Directors.
- (ii) The interim single-tier dividend declared and paid for the previous year's corresponding period was 2.80 sen per ordinary share of 10 sen each.
- (iii) The interim single-tier dividend shall be payable on 24 October 2016.
- (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 2016 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 2016 is 3.00 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:

	<b>Current quarter ended 30 June 2016 RM'000</b>	<b>Six months ended 30 June 2016 RM'000</b>
<b><u>Charges:</u></b>		
Depreciation and amortisation	177,622	365,761
Impairment losses	-	228
Property, plant and equipment written off	1,915	3,633
Net loss on disposal of property, plant and equipment	-	6,046
Net foreign currency exchange losses	-	98,284
Finance costs:		
- Interest on borrowings	39,541	79,662
- Other finance costs	9,331	11,554
- Less: capitalised costs	(21,233)	(38,105)
- Less: interest income earned	(7,116)	(18,292)
Finance costs charged to income statements	20,523	34,819
<b><u>Credits:</u></b>		
Net gain on disposal of property, plant and equipment	81	-
Net foreign currency exchange gains	42,159	-
Interest income	60,611	99,573
Investment income	7,075	14,841

### 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 2016 are as follows:

	<b>Current quarter ended 30 June 2016 RM'000</b>	<b>Current financial year-to-date ended 30 June 2016 RM'000</b>
Profit for the financial period attributable to equity holders of the Company (used as numerator for the computation of basic and diluted EPS)	476,444	638,011

- (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 2016 are as follows:

	<b>Current quarter ended 30 June 2016 Number of Shares ('000)</b>	<b>Current financial year-to-date ended 30 June 2016 Number of Shares ('000)</b>
Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of basic EPS)	5,658,003	5,656,923
Adjustment for dilutive effect of Employee Share Scheme	5,645	5,645
Adjusted weighted average number of ordinary shares in issue (used as denominator for the computation of diluted EPS)	5,663,648	5,662,568

(\*) The weighted average number of ordinary shares of RM0.10 each in issue during the current quarter and six months ended 30 June 2016 excludes the weighted average treasury shares held by the Company and the shares held for employee share scheme.

### 14) Realised and Unrealised Profits/Losses

The breakdown of the retained profits of the Group as at 30 June 2016, 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 the end of current quarter RM'000</b>	<b>As at the end of last financial year RM'000</b>
Total retained profits of Genting Malaysia Berhad and its subsidiaries:		
- Realised	14,832,098	14,189,547
- Unrealised	(529,401)	(370,359)
	14,302,697	13,819,188
Total share of accumulated losses from joint ventures:		
- Realised	(10,456)	(10,456)
	14,292,241	13,808,732
Add: Consolidation adjustments	456,558	539,786
Total Group retained profits as per consolidated accounts	14,748,799	14,348,518

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 2015 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 25 August 2016.