



FOURTH QUARTERLY REPORT

Quarterly report on consolidated results for the financial year ended 31 December 2016. The figures for the cumulative period for the year ended 31 December 2016 have been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	UNAUDITED INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Fourth quarter ended 31 December		Financial year ended 31 December	
	<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>
Revenue	2,282,941	2,291,879	8,931,617	8,395,906
Cost of sales	(1,689,716)	(1,718,979)	(6,449,017)	(6,353,534)
Gross profit	593,225	572,900	2,482,600	2,042,372
Other income	1,434,045	117,229	1,792,088	655,215
Other expenses	(208,143)	(292,219)	(1,152,221)	(1,128,760)
Profit from operations before impairment losses	1,819,127	397,910	3,122,467	1,568,827
Reversal of previously recognised impairment losses	-	-	49,181	24,304
Impairment losses	(4,982)	(27,258)	(10,591)	(27,258)
Profit from operations	1,814,145	370,652	3,161,057	1,565,873
Finance costs	(17,378)	(12,806)	(70,465)	(35,906)
Profit before taxation	1,796,767	357,846	3,090,592	1,529,967
Taxation	(137,621)	(11,840)	(289,895)	(286,968)
Profit for the financial period/year	1,659,146	346,006	2,800,697	1,242,999
Profit attributable to:				
Equity holders of the Company	1,686,334	338,558	2,880,078	1,257,877
Non-controlling interests	(27,188)	7,448	(79,381)	(14,878)
	1,659,146	346,006	2,800,697	1,242,999
Earnings per share attributable to equity holders of the Company:				
Basic earnings per share (sen)	29.81	5.99	50.91	22.21
Diluted earnings per share (sen)	29.73	5.98	50.78	22.17

(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 FINANCIAL YEAR ENDED 31 DECEMBER 2016

	UNAUDITED INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Fourth quarter ended 31 December		Financial year ended 31 December	
	<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>
Profit for the financial period/year	1,659,146	346,006	2,800,697	1,242,999
Other comprehensive (loss)/income				
Item that will not be reclassified subsequently to profit or loss:				
Actuarial (loss)/gain on retirement benefit liability	(13,088)	4,724	(13,088)	4,724
Items that will be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value loss	-	(28,351)	(265,222)	(179,375)
- Reclassification to profit or loss upon disposal	(812,512)	-	(812,512)	(3,732)
Cash flow hedges				
- Fair value gain	3,414	950	3,267	1,281
Foreign currency exchange differences	341,488	(316,574)	(649,289)	2,116,375
Other comprehensive (loss)/income, net of tax	(480,698)	(339,251)	(1,736,844)	1,939,273
Total comprehensive income for the financial period/year	1,178,448	6,755	1,063,853	3,182,272
Total comprehensive income attributable to:				
Equity holders of the Company	1,211,109	(1,996)	1,153,466	3,195,173
Non-controlling interests	(32,661)	8,751	(89,613)	(12,901)
	1,178,448	6,755	1,063,853	3,182,272

(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 31 DECEMBER 2016

	As at 31.12.2016 RM'000	As at 31.12.2015 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	12,158,625	10,475,088
Land held for property development	184,672	184,672
Investment properties	2,317,873	2,293,363
Intangible assets	5,036,343	5,367,250
Available-for-sale financial assets	102,892	99,150
Other non-current assets	1,842,383	322,182
Deferred tax assets	122,415	237,784
	<u>21,765,203</u>	<u>18,979,489</u>
Current assets		
Inventories	98,221	119,791
Trade and other receivables	566,850	1,242,809
Amounts due from other related companies	9,493	24,910
Financial asset at fair value through profit or loss	10,799	8,068
Available-for-sale financial assets	550,000	550,000
Derivative financial instruments	3,064	-
Restricted cash	35,053	80,701
Cash and cash equivalents	4,855,700	4,518,966
	<u>6,129,180</u>	<u>6,545,245</u>
Assets classified as held for sale	-	1,995,996
	<u>6,129,180</u>	<u>8,541,241</u>
TOTAL ASSETS	<u><u>27,894,383</u></u>	<u><u>27,520,730</u></u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	593,804	593,804
Reserves	20,228,241	19,450,580
Treasury shares	(911,258)	(906,707)
Shares held for employee share scheme	(45,769)	(57,267)
	<u>19,865,018</u>	<u>19,080,410</u>
Non-controlling interests	<u>(119,653)</u>	<u>25,944</u>
TOTAL EQUITY	<u>19,745,365</u>	<u>19,106,354</u>
Non-current liabilities		
Other long term liabilities	220,337	198,896
Long term borrowings	3,223,146	3,840,862
Deferred tax liabilities	673,771	706,477
Derivative financial instruments	-	1,461
	<u>4,117,254</u>	<u>4,747,696</u>
Current liabilities		
Trade and other payables	2,738,495	2,647,741
Amount due to holding company	19,886	21,844
Amounts due to other related companies	162,031	158,166
Short term borrowings	1,103,426	783,967
Derivative financial instruments	4,006	3,444
Taxation	3,920	51,518
	<u>4,031,764</u>	<u>3,666,680</u>
TOTAL LIABILITIES	<u>8,149,018</u>	<u>8,414,376</u>
TOTAL EQUITY AND LIABILITIES	<u><u>27,894,383</u></u>	<u><u>27,520,730</u></u>
NET ASSETS PER SHARE (RM)	<u>3.51</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 FINANCIAL YEAR ENDED 31 DECEMBER 2016

	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 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
Profit/(Loss) for the financial year	-	-	-	-	-	-	-	2,880,078	2,880,078	(79,381)	2,800,697
Other comprehensive (loss)/income	-	-	(1,077,734)	3,267	(639,057)	-	-	(13,088)	(1,726,612)	(10,232)	(1,736,844)
Total comprehensive (loss)/income for the financial year	-	-	(1,077,734)	3,267	(639,057)	-	-	2,866,990	1,153,466	(89,613)	1,063,853
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	-	-	-	-	-	(4,551)	-	-	(4,551)	-	(4,551)
Performance-based employee share scheme	-	-	-	-	43,154	-	-	-	43,154	-	43,154
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)
Interim single-tier dividend declared for the year ended 31 December 2016	-	-	-	-	-	-	-	(169,731)	(169,731)	-	(169,731)
Total transactions with owners	-	-	-	-	31,656	(4,551)	11,498	(407,461)	(368,858)	(55,984)	(424,842)
At 31 December 2016	593,804	1,170,620	-	(739)	2,250,313	(911,258)	(45,769)	16,808,047	19,865,018	(119,653)	19,745,365

(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 (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 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 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
Profit/(Loss) for the financial year	-	-	-	-	-	-	-	1,257,877	1,257,877	(14,878)	1,242,999
Other comprehensive (loss)/income	-	-	(183,107)	1,281	2,114,398	-	-	4,724	1,937,296	1,977	1,939,273
Total comprehensive (loss)/income for the financial year	-	-	(183,107)	1,281	2,114,398	-	-	1,262,601	3,195,173	(12,901)	3,182,272
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	-	-	-	-	-	(4,295)	-	-	(4,295)	-	(4,295)
Purchase of shares pursuant to employee share scheme	-	-	-	-	-	-	(57,267)	-	(57,267)	-	(57,267)
Performance-based employee share scheme	-	-	-	-	21,932	-	-	-	21,932	-	21,932
Appropriation:											
Final single-tier dividend declared for the year ended 31 December 2014	-	-	-	-	-	-	-	(198,344)	(198,344)	-	(198,344)
Interim single-tier dividend declared for the year ended 31 December 2015	-	-	-	-	-	-	-	(158,401)	(158,401)	-	(158,401)
Total transactions with owners	-	-	-	-	21,932	(4,295)	(57,267)	(379,431)	(419,061)	69,507	(349,554)
At 31 December 2015	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

(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 FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Financial year ended	
	31 December	
	2016	2015
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	3,090,592	1,529,967
Adjustments for:		
Depreciation and amortisation	800,684	684,128
Property, plant and equipment written off	20,978	9,989
Net (gain)/loss on disposal of property, plant and equipment	(37,176)	1,202
Finance costs	70,465	35,906
Interest income	(235,721)	(94,978)
Investment income	(27,564)	(84,736)
Reversal of previously recognised impairment losses	(49,181)	(24,304)
Impairment losses	10,591	27,258
Deferred expenses written off	-	137,124
Employee share grant scheme expenses	43,154	21,932
Provision for onerous lease	62,565	24,015
Impairment losses on receivables	80,064	(387)
Net exchange gain – unrealised	(44,435)	(131,976)
Gain arising from acquisition of business	-	(52,423)
Gain on disposal of available-for-sale financial assets	(1,272,927)	(3,732)
Other non-cash items and adjustments	21,583	15,926
	(556,920)	564,944
Operating profit before working capital changes	2,533,672	2,094,911
Net change in current assets	19,961	(139,818)
Net change in current liabilities	115,432	266,179
	135,393	126,361
Cash generated from operations	2,669,065	2,221,272
Net tax paid	(252,438)	(339,236)
Retirement gratuities paid	(2,809)	(4,227)
Other net operating payments	(4,497)	(20,796)
	(259,744)	(364,259)
Net Cash Flow From Operating Activities	2,409,321	1,857,013
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(3,117,284)	(2,530,500)
Proceeds from disposal of property, plant and equipment	334,077	33,785
Purchase of intangible assets	(7,373)	(5,958)
Investment in promissory notes	(483,282)	(271,056)
Purchase of other investments	-	(50,369)
Proceeds from disposal of available-for-sale financial assets	1,738,258	179,197
Proceeds from redemption of unquoted preference shares in a Malaysian corporation	100,000	-
Acquisition of a subsidiary and business	-	(60,732)
Other investing activities	128,907	131,095
	(1,306,697)	(2,574,538)
Net Cash Flow From Investing Activities		
CASH FLOWS FROM FINANCING ACTIVITIES		
Buy-back of shares	(4,551)	(4,295)
Purchase of shares pursuant to employee share scheme	-	(57,267)
Repayment of borrowings and transaction costs	(1,732,623)	(164,970)
Proceeds from bank borrowings and issuance of medium term notes	1,531,390	2,828,185
Restricted cash	44,775	(57,036)
Dividend paid	(413,012)	(356,745)
Finance costs paid	(162,508)	(38,244)
	(736,529)	2,149,628
Net Cash Flow From Financing Activities		
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	366,095	1,432,103
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	4,518,966	2,770,256
EFFECT OF CURRENCY TRANSLATION	(29,361)	316,607
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	4,855,700	4,518,966
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	1,947,683	2,166,698
Money market instruments	2,908,017	2,352,268
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	4,855,700	4,518,966

(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.)

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

a) *Accounting Policies and Methods of Computation*

The interim financial report has been prepared in accordance with MFRS 134 “Interim Financial Reporting” and paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements. The figures for the cumulative period for the year ended 31 December 2016 have been audited.

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*

Other than the recognition of one-off gain of RM1,272.9 million from the disposal of the Group’s investment in Genting Hong Kong Limited as disclosed in Part II, Note 1 of this interim financial report, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial year ended 31 December 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 financial year ended 31 December 2016, the Company had repurchased 1,000,000 ordinary shares of 10 sen each of its issued share capital from the open market for a consideration of approximately RM4.6 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 financial year ended 31 December 2016.

f) Dividend Paid

Dividend paid during the financial year ended 31 December 2016 is as follows:

	RM'000
Final single-tier dividend for the year ended 31 December 2015 paid on 26 July 2016 4.3 sen per ordinary share of RM0.10 each	243,281
Interim single-tier dividend for the year ended 31 December 2016 paid on 24 October 2016 3.0 sen per ordinary share of RM0.10 each	169,731
	<u>413,012</u>

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 reversal of previously recognised impairment losses/impairment losses, pre-opening expenses, gain or loss on disposal of assets and assets written off.

Segment analysis for the financial year ended 31 December 2016 is set out below:

	<u>Leisure & Hospitality</u>			<u>Property</u>	<u>Investments & 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>
Revenue						
Total revenue	5,778,730	1,816,263	1,364,955	80,816	165,706	9,206,470
Inter segment	(155,508)	-	-	(13,251)	(106,094)	(274,853)
External	<u>5,623,222</u>	<u>1,816,263</u>	<u>1,364,955</u>	<u>67,565</u>	<u>59,612</u>	<u>8,931,617</u>
Adjusted EBITDA	<u>1,942,375</u>	<u>260,427</u>	<u>191,466</u>	<u>11,039</u>	<u>27,495</u>	<u>2,432,802</u>
Total Assets	<u>9,065,427</u>	<u>4,624,298</u>	<u>5,565,767</u>	<u>2,656,145</u>	<u>5,982,746</u>	<u>27,894,383</u>

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

Adjusted EBITDA for reportable segments	RM'000 2,432,802
Property, plant and equipment written off	(20,978)
Impairment losses	(10,591)
Net gain on disposal of property, plant and equipment	37,176
Pre-opening expenses	(49,523)
Reversal of previously recognised impairment losses	49,181
Gain on disposal of available-for-sale financial assets	1,272,927
Others	15,026
EBITDA	<u>3,726,020</u>
Depreciation and amortisation	(800,684)
Interest income	235,721
Finance costs	(70,465)
Profit before taxation	<u>3,090,592</u>

h) Property, Plant and Equipment

During the financial year ended 31 December 2016, acquisitions (including capitalised interest) and disposals of property, plant and equipment) by the Group were RM3,087.9 million and RM281.4 million respectively.

i) Material Event Subsequent to the end of Financial Period

There was no material event subsequent to the end of current financial year ended 31 December 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 financial year ended 31 December 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 31 December 2016 are as follows:

	RM'000
Contracted	2,658,689
Not contracted	7,307,222
	<u>9,965,911</u>
Analysed as follows:	
- Property, plant and equipment	9,589,889
- Investments	376,022
	<u>9,965,911</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 financial year ended 31 December 2016 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.	109,894	425,860
ii) Licensing fee for the use of "Genting", "Resorts World" and "Awana" logo charged by GENT to the Group.	51,528	195,511
iii) Licensing fee for the use of "Resorts World" and "Genting" intellectual property outside Malaysia charged by GENT Group to the Group.	232	948
iv) Provision of management and support services by GENT Group to the Group.	1,913	8,076
v) Rental charges and related services by the Group to GENT Group.	959	3,851
vi) Rental charges and related services by the Group to Genting Plantations Berhad ("GENP") Group.	686	2,745
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.	18,832	75,079
viii) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENT Group.	1,087	4,766
ix) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENP Group.	972	4,553

m) Significant Related Party Transactions (Cont'd)

	Current quarter RM'000	Current financial year-to-date RM'000
x) Provision of management and support services by the Group to GENT Group.	576	2,157
xi) Rental charges by Genting Development Sdn Bhd to the Group.	331	1,322
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.	2,502	10,008
xiii) Rental charges for premises by the Group to Warisan Timah Holdings Sdn Bhd.	629	2,358
xiv) Provision of water supply services by an entity connected with shareholder of BB Entertainment Ltd ("BBEL") to the Group.	750	2,553
xv) Provision of maintenance services by entities connected with shareholder of BBEL to the Group.	4,852	11,619
xvi) Rental charges for office space by the Group to GENHK Group.	1,401	3,502
xvii) Provision of construction services by an entity connected with shareholder of BBEL to the Group.	152	2,942
xviii) Purchase of rooms by the Group from an entity connected with shareholder of BBEL.	152	2,408
xix) Licensing fee for the use of Internet Gaming System platform in the United Kingdom charged by RWI Group to the Group.	256	1,098
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.	-	1,092
xxii) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENHK Group.	342	1,735
xxiii) Disposal of two pieces of leasehold land at Segambut by the Group to GENP Group.	-	65,759
xxiv) Disposal of GENHK shares to Golden Hope Limited.	1,738,258	1,738,258

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 31 December 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
Financial assets				
Financial asset at fair value through profit or loss	10,799	-	-	10,799
Available-for-sale financial assets	-	550,000	102,892	652,892
Derivative financial instruments	-	3,064	-	3,064
	10,799	553,064	102,892	666,755

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.

During the current financial year, the fair value of the Group's unquoted equity investment of RM100.8 million that was classified as available-for-sale financial assets was transferred from Level 2 to Level 3.

GENTING MALAYSIA BERHAD
ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FINANCIAL YEAR ENDED
31 DECEMBER 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 %	FINANCIAL YEAR ENDED 31 DECEMBER		Var %
	4Q2016 RM'Mil	4Q2015 RM'Mil		3Q2016 RM'Mil	2016 RM'Mil		2015 RM'Mil		
Revenue									
Leisure & Hospitality									
- Malaysia	1,507.7	1,480.8	2%	1,461.3	3%	5,623.2	5,576.6	1%	
- United Kingdom	403.2	430.4	-6%	380.0	6%	1,816.3	1,350.2	35%	
- United States of America and Bahamas	341.3	350.9	-3%	321.6	6%	1,365.0	1,288.2	6%	
	2,252.2	2,262.1	0%	2,162.9	4%	8,804.5	8,215.0	7%	
Property	15.7	18.9	-17%	16.2	-3%	67.5	73.9	-9%	
Investments & others	15.0	10.9	38%	20.6	-27%	59.6	107.0	-44%	
	2,282.9	2,291.9	0%	2,199.7	4%	8,931.6	8,395.9	6%	
Adjusted EBITDA									
Leisure & Hospitality									
- Malaysia	521.5	503.9	3%	497.3	5%	1,942.4	1,930.8	1%	
- United Kingdom	26.8	24.3	10%	42.1	-36%	260.4	(124.2)	>100%	
- United States of America and Bahamas	92.3	23.2	>100%	24.2	>100%	191.5	112.8	70%	
	640.6	551.4	16%	563.6	14%	2,394.3	1,919.4	25%	
Property	0.3	3.3	-91%	3.9	-92%	11.0	20.5	-46%	
Investments & others	102.7	(33.4)	>100%	15.2	>100%	27.5	366.5	-92%	
	743.6	521.3	43%	582.7	28%	2,432.8	2,306.4	5%	
Property, plant and equipment written off	(16.5)	(3.7)	->100%	(0.9)	->100%	(21.0)	(10.0)	->100%	
Impairment losses	(5.0)	(27.3)	82%	(5.4)	7%	(10.6)	(27.3)	61%	
Net (loss)/gain on disposal of property, plant and equipment	(0.1)	-	NC	43.3	->100%	37.2	(0.5)	>100%	
Pre-opening expenses	(14.8)	(25.7)	42%	(13.2)	-12%	(49.5)	(85.6)	42%	
Reversal of previously recognised impairment losses	-	-	NC	49.2	NC	49.2	24.3	>100%	
Gain on disposal of available-for-sale financial assets	1,272.9	-	NC	-	NC	1,272.9	3.7	>100%	
Others	-	52.4	NC	15.0	NC	15.0	(56.0)	>100%	
EBITDA	1,980.1	517.0	>100%	670.7	>100%	3,726.0	2,155.0	73%	
Depreciation and amortisation	(238.6)	(186.4)	-28%	(196.3)	-22%	(800.7)	(684.1)	-17%	
Interest income	72.6	40.1	81%	63.5	14%	235.7	95.0	>100%	
Finance costs	(17.3)	(12.8)	-35%	(18.3)	5%	(70.4)	(35.9)	-96%	
Profit before taxation	1,796.8	357.9	>100%	519.6	>100%	3,090.6	1,530.0	>100%	

NC: Not comparable

1) Review of Performance (Cont'd)

a) Quarter ended 31 December 2016 ("4Q 2016") compared with quarter ended 31 December 2015 ("4Q 2015")

The Group's revenue in 4Q 2016 was RM2,282.9 million, remained relatively unchanged as compared to RM2,291.9 million in 4Q 2015.

The lower revenue was mainly attributable to:

1. decrease in revenue from the casino business in United Kingdom ("UK") by RM27.2 million, mainly due to unfavourable foreign exchange movement of GBP against RM during 4Q 2016. This was mitigated by higher volume of business from its non-premium players business as well as higher contribution from Resorts World Birmingham; and
2. decrease in revenue from the leisure and hospitality business in United States of America ("US") and Bahamas by RM9.6 million, mainly due to lower volume of business and lower hold percentage from the operations of Resorts World Bimini in Bahamas ("Bimini operations"); mitigated by
3. an increase in revenue from the leisure and hospitality business in Malaysia by RM26.9 million, mainly contributed by higher business volume from the mid to premium segment of the business.

The Group's adjusted EBITDA in 4Q 2016 was at RM743.6 million compared with RM521.3 million in 4Q 2015, an increase of 43%. The higher adjusted EBITDA was mainly attributable to:

1. an adjusted EBITDA of RM102.7 million in 4Q 2016 from the "investments and others" segment. This was mainly related to foreign exchange gains on the Group's USD denominated assets as a result of the strengthening of USD against RM. The Group recorded an adjusted loss before interest, tax, depreciation and amortisation ("LBITDA") of RM33.4 million in the same quarter last year;
2. an increase in EBITDA from the leisure and hospitality business in US and Bahamas by RM69.1 million mainly due to net reversal of expenses over accrued in the previous periods offset by overall lower revenue; and
3. an increase in adjusted EBITDA from the leisure and hospitality business in Malaysia by RM17.6 million, mainly due to higher revenue and lower cost relating to the premium players business.

The Group's profit before taxation of RM1,796.8 million in 4Q 2016 was higher compared with RM357.9 million in 4Q 2015. The increase in profit before taxation was mainly due to:

1. recognition of one-off gain of RM1,272.9 million from the disposal of the Group's investment in Genting Hong Kong Limited ("GENHK");
2. higher adjusted EBITDA as mentioned above;
3. higher interest income by RM32.5 million mainly from the Group's foreign currency denominated investments; offset by
4. higher depreciation and amortisation by RM52.2 million, mainly from Malaysia operations due to the commencement of operations of certain facilities under the Genting Integrated Tourism Plan ("GITP") in 4Q 2016 and the accelerated depreciation recorded following the proposed closure of the indoor theme park.

1) Review of Performance (Cont'd)

b) Financial year ended 31 December 2016 ("FY 2016") compared with financial year ended 31 December 2015 ("FY 2015")

The Group's revenue in FY 2016 was RM8,931.6 million, an increase of 6% compared with RM8,395.9 million in FY 2015.

The higher revenue was mainly attributable to:

1. an increase in revenue from the casino business in the UK by RM466.1 million, mainly due to better hold percentage from the High End Markets, higher volume of business of its non-premium players business and higher contribution from Resorts World Birmingham;
2. an increase in revenue from the leisure and hospitality business in the US and Bahamas by RM76.8 million, mainly contributed by higher volume of business from Resorts World Casino New York City ("RWNYC operations"). The favourable foreign exchange movement of USD against RM has also contributed to higher revenue for this segment, offset by the lower revenue recorded by Bimini operations due to cessation of Bimini SuperFast cruise ferry operations in January 2016; and
3. an increase in revenue from the leisure and hospitality business in Malaysia by RM46.6 million, mainly contributed by higher volume of business from the mid to premium players business.

The Group's adjusted EBITDA in FY 2016 was RM2,432.8 million compared with RM2,306.4 million in FY 2015, an increase of 5%. The higher adjusted EBITDA was mainly attributable to:

1. an adjusted EBITDA of RM260.4 million was recorded from the casino business in the UK in FY 2016 as opposed to an adjusted LBITDA of RM124.2 million in FY 2015. This was mainly contributed by higher revenue and lower bad debt written off;
2. an increase in adjusted EBITDA from the leisure and hospitality business in the US and Bahamas in FY 2016 by RM78.7 million mainly due to overall higher revenue and net reversal of expenses over accrued in the previous periods offset by higher operating expenses relating to premium players business for Bimini operations; offset by
3. a decrease in adjusted EBITDA from the investment and others segment by RM339.0 million. The Group recorded lower foreign exchange gains on the Group's USD denominated assets as compared to FY 2015.

The Group's profit before taxation of RM3,090.6 million in FY 2016 increased significantly by 102% as compared with RM1,530.0 million in FY 2015. The higher profit before taxation was mainly due to:

1. recognition of one-off gain of RM1,272.9 million from the disposal of the Group's investment in GENHK;
2. higher interest income by RM140.7 million mainly from the Group's foreign currency denominated investments;
3. deferred expenses written off in respect of Bimini operations of RM137.1 million in FY 2015. This was offset by the recognition of gains of RM52.4 million and RM28.7 million in FY 2015 arising from acquisition of business and waiver of a debt respectively; and
4. higher adjusted EBITDA as mentioned above; offset by
5. higher depreciation and amortisation charges by RM116.6 million, mainly from Malaysia and UK operations as a result of the commencement of operations of certain facilities under GITP in 4Q 2016 and Resorts World Birmingham in 4Q 2015.

2) Material Changes in Profit before Taxation for the Current Quarter (“4Q 2016”) compared with the Immediate Preceding Quarter (“3Q 2016”)

Profit before taxation for 4Q 2016 was RM1,796.8 million compared to 3Q 2016 of RM519.6 million. The higher profit before taxation was mainly due to:

1. recognition of one-off gain of RM1,272.9 million from the disposal of the Group’s investment in GENHK;
2. an increase in adjusted EBITDA from the “investment and others” segment by RM87.5 million. The Group recorded higher foreign exchange gains on the Group’s USD denominated assets as a result of the strengthening of USD against RM during 4Q 2016;
3. an increase in adjusted EBITDA from the leisure and hospitality business in the US and Bahamas by RM68.1 million mainly due to overall higher revenue and net reversal of expenses over accrued in the previous periods; and
4. an increase in adjusted EBITDA from the leisure and hospitality business in Malaysia by RM24.2 million, mainly due to higher revenue; offset by
5. higher depreciation and amortisation by RM42.3 million, mainly from Malaysia operations due to the commencement of operations of certain facilities under GITP in 4Q 2016 and the accelerated depreciation recorded following the proposed closure of the indoor theme park; and
6. a decrease in adjusted EBITDA from the casino business in the UK by RM15.3 million mainly due to higher payroll costs mitigated by higher revenue in 4Q 2016 as compared to 3Q 2016.

3) Prospects

The global economy is expected to improve in 2017 but at an uneven pace across major economies. The challenges for global growth are mainly due to uncertainties surrounding the policy decisions and geopolitical development in certain advanced economies. In Malaysia, domestic demand is expected to continue to be the key driver of growth for the economy.

Some of the gaming operators in Macau had recently reported improved performance. Nevertheless, the regional gaming market is expected to face continuing challenges in the Asian premium players business. In 2016, both Macau and Singapore reported growth in international tourist arrivals. Similarly, Malaysia had also seen higher tourist arrivals in 2016. The outlook for the regional and domestic tourism is expected to remain positive in 2017.

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

In Malaysia, the Group remains focused on the development of GITP, with some offerings opened last year. The remaining attractions and facilities under the GITP will open progressively in 2017. Meanwhile, the Group will continue to improve on overall operational efficiencies and service delivery, as well as to optimise yield management and database marketing efforts to grow volume of business and visitations.

In the UK, the non-premium players business has continued to perform commendably. The Group remains committed to further strengthening its position in this segment and improving its business efficiency. While the premium players business remains a volatile segment, it has delivered encouraging results on a full year basis following the revised strategies adopted to reposition this part of the business. Emphasis will be placed on stabilising the operations and growing the business at Resorts World Birmingham as well as the online operation.

In the US, RWNYS has maintained its position as the market leader in terms of gaming revenue in the Northeast US region despite growing regional competition, and has successfully achieved sustained business growth. The Group will continue to step up its direct marketing efforts to increase visitations and frequency of play. In the Bahamas, the Group will focus on implementing targeted marketing initiatives to attract higher level of visitations and volume of business at the resort.

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 financial year ended 31 December 2016 are as follows:

	Current quarter ended 31 December 2016	Financial year ended 31 December 2016
	RM'000	RM'000
Current taxation		
Malaysian income tax (credit)/charge	(27,342)	121,551
Foreign income tax charge	27,322	66,102
	(20)	187,653
Deferred tax charge	137,602	149,713
	137,582	337,366
Prior period taxation		
Income tax under/(over) provided	39	(47,471)
	137,621	289,895

The effective tax rates of the Group for the current quarter and financial year ended 31 December 2016 are lower than the statutory tax rate mainly due to income not subject to tax and tax incentives, offset by non-deductible expenses and current period deferred tax assets not recognised.

6) **Status of Corporate Proposals Announced**

There was no corporate proposals announced but not completed as at 16 February 2017.

7) **Group Borrowings**

The details of the Group's borrowings as at 31 December 2016 are as set out below:

	<u>Secured/Unsecured</u>	<u>Foreign Currency</u>	<u>RM Equivalent</u>
		<u>'000</u>	<u>'000</u>
Short term borrowings	Secured	USD44,577	199,549
	Unsecured	GBP164,769	903,877
Long term borrowings	Secured	USD184,514	825,978
	Unsecured	Not applicable	2,397,168

8) *Outstanding derivatives*

As at 31 December 2016, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

Types of Derivative	Contract/Notional Value RM'000	Fair Value Assets/(Liabilities) RM'000
<u>Interest Rate Swaps</u> GBP - Less than 1 year	362,058	(4,006)
<u>Foreign Currency Exchange Forward</u> USD - Less than 1 year	22,383	3,064

During the financial year ended 31 December 2016, the Group had entered into foreign currency exchange forward 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:

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

9) *Fair Value Changes of Financial Liabilities*

As at 31 December 2016, 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 16 February 2017.

11) *Dividend Proposed or Declared*

- a) (i) The Board of Directors ("Board") has declared a special single-tier dividend of 7.3 sen per ordinary share;
- (ii) The special single-tier dividend shall be payable on 28 March 2017;
- (iii) Entitlement to the special single-tier dividend:

A Depositor shall qualify for entitlement to the special single-tier dividend only in respect of:

- Shares transferred into Depositor's Securities Account before 4.00 p.m on 10 March 2017 in respect of ordinary transfer; and
- Shares bought on Bursa Securities on a cum entitlement basis according to the Main Market Listing Requirement of Bursa Securities.

11) Dividend Proposed or Declared (Cont'd)

- b) (i) A final single-tier dividend for the current financial year ended 31 December 2016 has been recommended by the Board for approval by shareholders;
- (ii) The recommended final single-tier dividend, if approved, shall amount to 6.2 sen per ordinary share;
- (iii) The final single-tier dividend paid in respect of the previous financial year ended 31 December 2015 amounted to 4.3 sen per ordinary share of 10 sen each;
- (iv) The date of payment of the recommended final single-tier dividend shall be determined by the Board and announced at a later date.
- c) Total single-tier dividend for the current financial year ended 31 December 2016, including the above recommended final single-tier dividend, if approved, would amount to 16.5 sen per ordinary share, comprising an interim single-tier dividend of 3.0 sen per ordinary share, a special single-tier dividend of 7.3 sen per ordinary share and a proposed final single-tier dividend of 6.2 sen per ordinary share.

12) Profit before Taxation

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

	Current quarter ended <u>31 December</u> <u>2016</u> <u>RM'000</u>	Financial year ended <u>31 December</u> <u>2016</u> <u>RM'000</u>
<u>Charges:</u>		
Depreciation and amortisation	238,636	800,684
Impairment losses	4,982	10,591
Property, plant and equipment written off	16,509	20,978
Net loss on disposal of property, plant and equipment	100	-
Finance costs:		
- Interest on borrowings	43,424	168,318
- Other finance costs	2,615	15,866
- Less: capitalised costs	(28,571)	(92,639)
- Less: interest income earned	(90)	(21,080)
Finance costs charged to income statements	17,378	70,465
<u>Credits:</u>		
Reversal of previously recognised impairment losses	-	49,181
Net gain on disposal of property, plant and equipment	-	37,176
Net foreign currency exchange gains	113,171	37,878
Gain on disposal of available-for-sale financial assets	1,272,927	1,272,927
Interest income	72,622	235,721
Investment income	6,165	27,564

13) Earnings per share ("EPS")

- (a) The earnings used as the numerator in calculating basic and diluted EPS for the current quarter and financial year ended 31 December 2016 are as follows:

	Current quarter ended 31 December 2016 RM'000	Financial year ended 31 December 2016 RM'000
Profit for the financial period/year attributable to equity holders of the Company (used as numerator for the computation of basic and diluted EPS)	<u>1,686,334</u>	<u>2,880,078</u>

- (b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted EPS for the current quarter and financial year ended 31 December 2016 are as follows:

	Current quarter ended 31 December 2016 Number of Shares ('000)	Financial year ended 31 December 2016 Number of Shares ('000)
Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of basic EPS)	5,657,026	5,656,770
Adjustment for dilutive effect of Employee Share Scheme	<u>15,253</u>	<u>15,253</u>
Adjusted weighted average number of ordinary shares in issue (used as denominator for the computation of diluted EPS)	<u>5,672,279</u>	<u>5,672,023</u>

(*) The weighted average number of ordinary shares of RM0.10 each in issue during the current quarter and financial year ended 31 December 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 31 December 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:

	As at the end of current financial year RM'000	As at the end of last financial year RM'000
Total retained profits of Genting Malaysia Berhad and its subsidiaries:		
- Realised	16,946,138	14,189,547
- Unrealised	<u>(601,510)</u>	<u>(370,359)</u>
	16,344,628	13,819,188
Total share of accumulated losses from joint ventures:		
- Realised	<u>(10,456)</u>	<u>(10,456)</u>
	16,334,172	13,808,732
Add: Consolidation adjustments	<u>473,875</u>	<u>539,786</u>
Total Group retained profits as per consolidated accounts	<u>16,808,047</u>	<u>14,348,518</u>

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 Financial Statements

The condensed consolidated financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 23 February 2017.