



**SECOND QUARTERLY REPORT**

Quarterly report on consolidated results for the six months ended 30 June 2017. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT  
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	<b>UNAUDITED INDIVIDUAL QUARTER</b>		<b>UNAUDITED CUMULATIVE PERIOD</b>	
	<b>Second quarter ended 30 June</b>		<b>Six months ended 30 June</b>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
<b>Revenue</b>	<b>2,291,583</b>	2,234,605	<b>4,515,401</b>	4,448,959
Cost of sales	<b>(1,762,663)</b>	(1,553,897)	<b>(3,446,764)</b>	(3,168,964)
<b>Gross profit</b>	<b>528,920</b>	680,708	<b>1,068,637</b>	1,279,995
Other income	<b>123,179</b>	102,161	<b>253,702</b>	198,214
Other expenses	<b>(337,737)</b>	(250,292)	<b>(644,565)</b>	(668,992)
Profit from operations before impairment losses	<b>314,362</b>	532,577	<b>677,774</b>	809,217
Impairment losses	<b>(36,776)</b>	-	<b>(36,776)</b>	(228)
<b>Profit from operations</b>	<b>277,586</b>	532,577	<b>640,998</b>	808,989
Finance costs	<b>(30,798)</b>	(20,523)	<b>(49,884)</b>	(34,819)
<b>Profit before taxation</b>	<b>246,788</b>	512,054	<b>591,114</b>	774,170
Taxation	<b>(73,212)</b>	(46,789)	<b>(122,652)</b>	(164,774)
<b>Profit for the financial period</b>	<b>173,576</b>	465,265	<b>468,462</b>	609,396
<b>Profit attributable to:</b>				
Equity holders of the Company	<b>193,423</b>	476,444	<b>516,938</b>	638,011
Non-controlling interests	<b>(19,847)</b>	(11,179)	<b>(48,476)</b>	(28,615)
	<b>173,576</b>	465,265	<b>468,462</b>	609,396
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic earnings per share (sen)	<b>3.42</b>	8.42	<b>9.13</b>	11.28
Diluted earnings per share (sen)	<b>3.41</b>	8.41	<b>9.12</b>	11.27

*(The Condensed Consolidated Income Statement should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2016.)*

**GENTING MALAYSIA BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	Second quarter ended 30 June		Six months ended 30 June	
	<u>2017</u> <u>RM'000</u>	<u>2016</u> <u>RM'000</u>	<u>2017</u> <u>RM'000</u>	<u>2016</u> <u>RM'000</u>
<b>Profit for the financial period</b>	<b>173,576</b>	465,265	<b>468,462</b>	609,396
<b>Other comprehensive (loss)/income</b>				
Items that will be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value loss	-	(145,159)	-	(173,079)
Cash flow hedges				
- Fair value gain/(loss)	<b>974</b>	631	<b>(1,151)</b>	(557)
Foreign currency exchange differences	<b>(277,518)</b>	124,403	<b>(346,707)</b>	(1,101,677)
<b>Other comprehensive loss, net of tax</b>	<b>(276,544)</b>	(20,125)	<b>(347,858)</b>	(1,275,313)
<b>Total comprehensive (loss)/income for the financial period</b>	<b>(102,968)</b>	445,140	<b>120,604</b>	(665,917)
<b>Total comprehensive (loss)/income attributable to:</b>				
Equity holders of the Company	<b>(87,813)</b>	458,064	<b>162,996</b>	(634,164)
Non-controlling interests	<b>(15,155)</b>	(12,924)	<b>(42,392)</b>	(31,753)
	<b>(102,968)</b>	445,140	<b>120,604</b>	(665,917)

*(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2016.)*

**GENTING MALAYSIA BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

	<b>UNAUDITED</b>	As at
	<b>As at</b>	31.12.2016
	<b>30.06.2017</b>	RM'000
	<b>RM'000</b>	RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	13,043,844	12,158,625
Land held for property development	184,672	184,672
Investment properties	2,248,528	2,317,873
Intangible assets	4,845,037	5,036,343
Available-for-sale financial assets	98,648	102,892
Other non-current assets	1,737,784	1,842,383
Deferred tax assets	91,513	122,415
	<u>22,250,026</u>	<u>21,765,203</u>
<b>Current assets</b>		
Inventories	109,450	98,221
Trade and other receivables	560,428	566,850
Amounts due from other related companies	7,545	9,493
Financial asset at fair value through profit or loss	9,000	10,799
Available-for-sale financial assets	340,048	550,000
Derivative financial instruments	-	3,064
Restricted cash	53,826	35,053
Cash and cash equivalents	6,468,544	4,855,700
	<u>7,548,841</u>	<u>6,129,180</u>
<b>TOTAL ASSETS</b>	<u><b>29,798,867</b></u>	<u><b>27,894,383</b></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	1,764,424	593,804
Reserves	18,456,487	20,228,241
Treasury shares	(911,258)	(911,258)
Shares held for employee share scheme	(21,678)	(45,769)
	<u>19,287,975</u>	<u>19,865,018</u>
<b>Non-controlling interests</b>	<u>(162,045)</u>	<u>(119,653)</u>
<b>TOTAL EQUITY</b>	<u><b>19,125,930</b></u>	<u><b>19,745,365</b></u>
<b>Non-current liabilities</b>		
Other long term liabilities	219,423	220,337
Long term borrowings	6,196,501	3,223,146
Deferred tax liabilities	668,367	673,771
	<u>7,084,291</u>	<u>4,117,254</u>
<b>Current liabilities</b>		
Trade and other payables	2,454,761	2,738,495
Amount due to holding company	19,805	19,886
Amounts due to other related companies	118,545	162,031
Short term borrowings	979,802	1,103,426
Derivative financial instruments	2,072	4,006
Taxation	13,661	3,920
	<u>3,588,646</u>	<u>4,031,764</u>
<b>TOTAL LIABILITIES</b>	<u><b>10,672,937</b></u>	<u><b>8,149,018</b></u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><b>29,798,867</b></u>	<u><b>27,894,383</b></u>
<b>NET ASSETS PER SHARE (RM)</b>	<u><b>3.41</b></u>	<u><b>3.51</b></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 2016.)*

**GENTING MALAYSIA BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	Attributable to equity holders of the Company									
	Share Capital RM'000	Share Premium 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 2017	593,804	1,170,620	(739)	2,250,313	(911,258)	(45,769)	16,808,047	19,865,018	(119,653)	19,745,365
Transfer of share premium (see Note below)	1,170,620	(1,170,620)	-	-	-	-	-	-	-	-
Profit/(Loss) for the financial period	-	-	-	-	-	-	516,938	516,938	(48,476)	468,462
Other comprehensive (loss)/income	-	-	(1,151)	(352,791)	-	-	-	(353,942)	6,084	(347,858)
Total comprehensive (loss)/income for the financial period	-	-	(1,151)	(352,791)	-	-	516,938	162,996	(42,392)	120,604
Transactions with owners:										
Performance-based employee share scheme	-	-	-	24,050	-	-	-	24,050	-	24,050
Employee share scheme shares vested to employees	-	-	-	(24,091)	-	24,091	-	-	-	-
Appropriation:										
Special single-tier dividend declared for the year ended 31 December 2016	-	-	-	-	-	-	(412,976)	(412,976)	-	(412,976)
Final single-tier dividend declared for the year ended 31 December 2016	-	-	-	-	-	-	(351,113)	(351,113)	-	(351,113)
Total transactions with owners	-	-	-	(41)	-	24,091	(764,089)	(740,039)	-	(740,039)
At 30 June 2017	1,764,424	-	(1,890)	1,897,481	(911,258)	(21,678)	16,560,896	19,287,975	(162,045)	19,125,930

Note

With the Companies Act 2016 ("the Act") that came into effect on 31 January 2017, the credit standing in the share premium account of RM1,170.6 million has been transferred to share capital account. Pursuant to subsection 618(3) of the Act, the Group may exercise its right to use the amount standing to the credit of its share premium within 24 months after the commencement of the Act. The Board of Directors will make a decision thereon before 31 January 2019. The balance of RM1,764.4 million in share capital represents 5,938.0 million ordinary shares.

*(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 2016.)*

**GENTING MALAYSIA BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2017**

	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
Profit/(Loss) for the financial period	-	-	-	-	-	-	-	638,011	638,011	(28,615)	609,396
Other comprehensive loss	-	-	(173,079)	(557)	(1,098,539)	-	-	-	(1,272,175)	(3,138)	(1,275,313)
Total comprehensive (loss)/income for the financial 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 that do not result in a loss of control	-	-	-	-	-	-	-	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 2016.)*

**GENTING MALAYSIA BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2017**

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

**CASH FLOWS FROM OPERATING ACTIVITIES**

	2017 RM'000	2016 RM'000
Profit before taxation	591,114	774,170
Adjustments for:		
Depreciation and amortisation	501,567	365,761
Property, plant and equipment written off	2,791	3,633
Net (gain)/loss on disposal of property, plant and equipment	(598)	6,046
Finance costs	49,884	34,819
Interest income	(144,204)	(99,573)
Investment income	(9,284)	(14,841)
Impairment losses	36,776	228
Employee share grant scheme expenses	24,050	19,709
Fair value loss on derivative financial instruments	-	721
Net exchange loss – unrealised	57,549	96,981
Other non-cash items and adjustments	(631)	10,537
<b>Operating profit before working capital changes</b>	<b>1,109,014</b>	<b>1,198,191</b>
Net change in current assets	(1,014)	(132,746)
Net change in current liabilities	(53,679)	131,089
<b>Cash generated from operations</b>	<b>1,054,321</b>	<b>1,196,534</b>
Net tax paid	(77,249)	(139,412)
Retirement gratuities paid	(1,700)	(1,422)
Onerous lease paid	(92,042)	(2,432)
Other net operating payments	-	(205)
<b>Net Cash Flow From Operating Activities</b>	<b>883,330</b>	<b>1,053,063</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(1,458,125)	(1,496,605)
Proceeds from disposal of property, plant and equipment	1,475	292,771
Purchase of intangible assets	-	(5,929)
Purchase of investments	(32,653)	(341,738)
Proceeds from disposal of available-for-sale financial assets	210,000	-
Proceeds from redemption of unquoted preference shares in a Malaysian corporation	-	100,000
Other investing activities	49,959	66,923
<b>Net Cash Flow From Investing Activities</b>	<b>(1,229,344)</b>	<b>(1,384,578)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Buy-back of shares	-	(2,147)
Repayment of borrowings and transaction costs	(1,569,600)	(1,135,945)
Proceeds from bank borrowings and issuance of medium term notes	4,464,690	1,326,364
Restricted cash	1,184	43,876
Dividend paid	(764,089)	-
Finance costs paid	(89,321)	(81,092)
<b>Net Cash Flow From Financing Activities</b>	<b>2,042,864</b>	<b>151,056</b>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>1,696,850</b>	<b>(180,459)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD</b>	<b>4,855,700</b>	<b>4,518,966</b>
<b>EFFECT OF CURRENCY TRANSLATION</b>	<b>(84,006)</b>	<b>(86,984)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>6,468,544</b>	<b>4,251,523</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and deposits	2,435,572	2,224,401
Money market instruments	4,032,972	2,027,122
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD</b>	<b>6,468,544</b>	<b>4,251,523</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 2016.)*

**GENTING MALAYSIA BERHAD**  
**NOTES TO THE INTERIM FINANCIAL REPORT – SECOND QUARTER ENDED 30 JUNE 2017**

**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 2017 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 2016. 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 2016 except for the adoption of amendments that are mandatory for the Group for the financial year beginning 1 January 2017:

Amendments to MFRS 107	Statement of Cash Flows
Amendments to MFRS 112	Income Taxes

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 2017.

**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**

**Issuance of Medium Term Notes (“MTN”)**

On 31 March 2017, GENM Capital Berhad, a wholly-owned subsidiary of Genting Malaysia Berhad (“the Company”), issued RM2.6 billion in nominal value of MTNs for working capital and funding of the development of Genting Integrated Tourism Plan. The issuance comprises RM1.25 billion 5-year MTN at coupon rate of 4.78% per annum, RM1.1 billion 10-year MTN at coupon rate of 4.98% per annum and RM0.25 billion 15-year MTN at coupon rate of 5.20% per annum under its MTN Programme which is guaranteed by the Company. The coupon is payable semi-annually.

Other than the above, there were no issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the six months ended 30 June 2017.

**f) Dividend Paid**

Dividend paid during the six months ended 30 June 2017 is as follows:

	<b>RM'000</b>
Special single-tier dividend for the year ended 31 December 2016 paid on 28 March 2017 7.3 sen per ordinary share	412,976
Final single-tier dividend for the year ended 31 December 2016 paid on 21 June 2017 6.2 sen per ordinary share	351,113
	<u>764,089</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 pre-opening expenses, gain or loss on disposal of assets and assets written off.

Segment analysis for the six months ended 30 June 2017 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	2,793,662	878,476	765,909	56,947	92,974	4,587,968
Inter segment	(4,737)	-	-	(6,649)	(61,181)	(72,567)
External	<u>2,788,925</u>	<u>878,476</u>	<u>765,909</u>	<u>50,298</u>	<u>31,793</u>	<u>4,515,401</u>
<b>Adjusted EBITDA</b>	<u>871,256</u>	<u>113,425</u>	<u>134,251</u>	<u>29,468</u>	<u>(48,519)</u>	<u>1,099,881</u>
Main foreign currency	RM	GBP	USD	RM/USD		
Exchange ratio of 1 unit of foreign currency to RM		5.5223	4.3912	4.3912		

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

Adjusted EBITDA for reportable segments	<b>RM'000</b> 1,099,881
Property, plant and equipment written off	(2,791)
Net gain on disposal of property, plant and equipment	598
Pre-opening expenses	(39,612)
Impairment losses	(36,776)
Others	(22,939)
<b>EBITDA</b>	<u>998,361</u>
Depreciation and amortisation	(501,567)
Interest income	144,204
Finance costs	(49,884)
<b>Profit before taxation</b>	<u>591,114</u>



**g) Segment Information (Cont'd)**

	<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>Segment Assets</b>	10,009,855	4,752,710	5,267,527	2,562,502	1,166,612	23,759,206
<b>Segment Liabilities</b>	1,898,142	451,817	329,333	33,971	101,343	2,814,606
Main foreign currency	RM	GBP	USD	RM/USD		
Exchange ratio of 1 unit of foreign currency to RM		5.4593	4.2880	4.2880		

A reconciliation of segment assets to total assets is as follows:

	<b>RM'000</b>
Segment assets	23,759,206
Interest bearing instruments	5,842,594
Unallocated corporate assets	197,067
<b>Total assets</b>	<u>29,798,867</u>

A reconciliation of segment liabilities to total liabilities is as follows:

Segment liabilities	2,814,606
Interest bearing instruments	7,176,303
Unallocated corporate liabilities	682,028
<b>Total liabilities</b>	<u>10,672,937</u>

**h) Property, Plant and Equipment**

During the six months ended 30 June 2017, acquisitions (including capitalised interest) of property, plant and equipment by the Group were RM1,267.8 million.

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

There was no material event subsequent to the end of the current financial period ended 30 June 2017 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 2017.

**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 2016.

## **I) Capital Commitments**

Authorised capital commitments not provided for in the financial statements as at 30 June 2017 are as follows:

	<b>RM'000</b>
Contracted	2,215,075
Not contracted	6,587,456
	<u>8,802,531</u>
Analysed as follows:	
- Property, plant and equipment	8,507,228
- Investments	295,303
	<u>8,802,531</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 2017 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.	105,356	210,264
ii) Licensing fee for the use of "Genting", "Resorts World" and "Awana" logo charged by GENT to the Group.	51,484	98,478
iii) Licensing fee for the use of "Resorts World" and "Genting" intellectual property outside Malaysia charged by GENT Group to the Group.	286	530
iv) Provision of management and support services by GENT Group to the Group.	1,997	4,056
v) Rental charges and related services by the Group to GENT Group.	964	1,910
vi) Rental charges and related services by the Group to Genting Plantations Berhad ("GENP") Group.	673	1,346
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.	19,896	39,356
viii) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENT Group.	1,004	2,031
ix) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENP Group.	1,026	1,882
x) Provision of management and support services by the Group to GENT Group.	565	1,135
xi) Rental charges by Genting Development Sdn Bhd to the Group.	430	727
xii) Provision of management and consultancy services on theme park and resort development operations by International Resort Management Services Pte Ltd to the Company.	2,499	4,998
xiii) Rental charges for premises by the Group to Warisan Timah Holdings Sdn Bhd.	563	1,117
xiv) Provision of water supply services by an entity connected with shareholder of BB Entertainment Ltd ("BBEL") to the Group.	971	1,515
xv) Provision of maintenance services by entities connected with shareholder of BBEL to the Group.	6,598	9,008
xvi) Rental charges for office space by the Group to GENHK Group.	1,114	1,879
xvii) Provision of construction services by an entity connected with shareholder of BBEL to the Group.	6,400	6,471

**m) Significant Related Party Transactions (Cont'd)**

	<b>Current quarter RM'000</b>	<b>Current financial year-to- date RM'000</b>
xviii) Purchase of rooms by the Group from an entity connected with shareholder of BBEL.	349	658
xix) Licensing fee for the use of Internet Gaming System platform in the United Kingdom charged by RWI Group to the Group.	278	543
xx) Provision of aviation related services by the Group to GENHK Group.	-	346
xxi) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENHK Group.	296	722
xxii) Rental income for rooftop of a car park building from Genting Highlands Premium Outlets Sdn Bhd.	-	4,200
xxiii) Purchase of electronic table games by the Group from RWI Group.	6,753	6,753

**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 2017, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

	<b>Level 1 RM'000</b>	<b>Level 2 RM'000</b>	<b>Level 3 RM'000</b>	<b>Total RM'000</b>
<b>Financial assets</b>				
Financial asset at fair value through profit or loss	9,000	-	-	9,000
Available-for-sale financial assets	-	340,048	98,648	438,696
	<u>9,000</u>	<u>340,048</u>	<u>98,648</u>	<u>447,696</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 2016.

**GENTING MALAYSIA BERHAD**  
**ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FINANCIAL PERIOD ENDED**  
**30 JUNE 2017**

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

**1) Review of Performance**

Financial review for the current quarter and financial year to date compared with the corresponding periods last year

The results of the Group are tabulated below:

	INDIVIDUAL QUARTER				SIX MONTHS ENDED 30 JUNE			
	2Q2017	2Q2016	Var		2017	2016	Var	
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	RM'Mil	%
<b>Revenue</b>								
Leisure & Hospitality								
- Malaysia	1,445.0	1,349.1	95.9	7%	2,788.9	2,654.2	134.7	5%
- United Kingdom	411.2	504.2	-93.0	-18%	878.5	1,033.1	-154.6	-15%
- United States of America and Bahamas	384.9	351.6	33.3	9%	765.9	702.0	63.9	9%
	2,241.1	2,204.9	36.2	2%	4,433.3	4,389.3	44.0	1%
Property	30.6	17.8	12.8	72%	50.3	35.6	14.7	41%
Investments & others	19.9	11.9	8.0	67%	31.8	24.0	7.8	33%
	2,291.6	2,234.6	57.0	3%	4,515.4	4,448.9	66.5	1%
<b>Adjusted EBITDA</b>								
Leisure & Hospitality								
- Malaysia	434.3	472.1	-37.8	-8%	871.3	923.6	-52.3	-6%
- United Kingdom	35.7	92.8	-57.1	-62%	113.4	191.5	-78.1	-41%
- United States of America and Bahamas	92.8	47.8	45.0	94%	134.2	67.0	67.2	>100%
	562.8	612.7	-49.9	-8%	1,118.9	1,182.1	-63.2	-5%
Property	20.2	9.2	11.0	>100%	29.5	14.8	14.7	99%
Investments & others	(47.9)	40.3	-88.2	->100%	(48.5)	(90.4)	41.9	46%
	535.1	662.2	-127.1	-19%	1,099.9	1,106.5	-6.6	-1%
Pre-opening expenses	(22.5)	(10.8)	-11.7	->100%	(39.6)	(21.5)	-18.1	-84%
Property, plant and equipment written off	(1.9)	(1.9)	-	-	(2.8)	(3.6)	0.8	22%
Net gain/(loss) on disposal of property, plant and equipment	0.4	0.1	0.3	>100%	0.6	(6.0)	6.6	>100%
Impairment losses	(36.8)	-	-36.8	NC	(36.8)	(0.2)	-36.6	->100%
Others	(16.9)	-	-16.9	NC	(22.9)	-	-22.9	NC
<b>EBITDA</b>	<b>457.4</b>	<b>649.6</b>	<b>-192.2</b>	<b>-30%</b>	<b>998.4</b>	<b>1,075.2</b>	<b>-76.8</b>	<b>-7%</b>
Depreciation and amortisation	(253.3)	(177.7)	-75.6	-43%	(501.6)	(365.8)	-135.8	-37%
Interest income	73.5	60.7	12.8	21%	144.2	99.6	44.6	45%
Finance costs	(30.8)	(20.5)	-10.3	-50%	(49.9)	(34.8)	-15.1	-43%
<b>Profit before taxation</b>	<b>246.8</b>	<b>512.1</b>	<b>-265.3</b>	<b>-52%</b>	<b>591.1</b>	<b>774.2</b>	<b>-183.1</b>	<b>-24%</b>

NC : Not comparable

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

Financial review for the current quarter compared with the immediate preceding quarter

The results of the Group are tabulated below:

	<b>INDIVIDUAL QUARTER 2Q2017 RM'Mil</b>	<b>PRECEDING QUARTER 1Q2017 RM'Mil</b>	<b>Var</b>	
			<b>RM'Mil</b>	<b>%</b>
<b>Revenue</b>				
Leisure & Hospitality				
- Malaysia	1,445.0	1,343.9	101.1	8%
- United Kingdom	411.2	467.3	-56.1	-12%
- United States of America and Bahamas	384.9	381.0	3.9	1%
	<b>2,241.1</b>	2,192.2	48.9	2%
Property	30.6	19.7	10.9	55%
Investments & others	19.9	11.9	8.0	67%
	<b>2,291.6</b>	<b>2,223.8</b>	67.8	3%
<b>Adjusted EBITDA</b>				
Leisure & Hospitality				
- Malaysia	434.3	437.0	-2.7	-1%
- United Kingdom	35.7	77.7	-42.0	-54%
- United States of America and Bahamas	92.8	41.4	51.4	>100%
	<b>562.8</b>	556.1	6.7	1%
Property	20.2	9.3	10.9	>100%
Investments & others	(47.9)	(0.6)	-47.3	->100%
	<b>535.1</b>	564.8	-29.7	-5%
Pre-opening expenses	(22.5)	(17.1)	-5.4	-32%
Property, plant and equipment written off	(1.9)	(0.9)	-1.0	->100%
Net gain on disposal of property, plant and equipment	0.4	0.2	0.2	100%
Impairment losses	(36.8)	-	-36.8	NC
Others	(16.9)	(6.0)	-10.9	->100%
<b>EBITDA</b>	<b>457.4</b>	541.0	-83.6	-15%
Depreciation and amortisation	(253.3)	(248.3)	-5.0	-2%
Interest income	73.5	70.7	2.8	4%
Finance costs	(30.8)	(19.1)	-11.7	-61%
<b>Profit before taxation</b>	<b>246.8</b>	<b>344.3</b>	-97.5	-28%

NC: Not comparable

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

### a) Quarter ended 30 June 2017 ("2Q 2017") compared with quarter ended 30 June 2016 ("2Q 2016")

The Group's revenue in 2Q 2017 was RM2,291.6 million, an increase of 3% compared with RM2,234.6 million in 2Q 2016.

The higher revenue for this quarter was mainly attributable to:

1. increase in revenue from the leisure and hospitality business in Malaysia by RM95.9 million, mainly contributed by higher volume of business from the mass market as well as mid to premium segments of the business, offset by a lower hold percentage. The opening of new attractions at SkyPlaza in March 2017 has contributed to higher volume of business from the mass market; and
2. increase in revenue from the leisure and hospitality business in United States of America ("US") and Bahamas by RM33.3 million, mainly due to strengthening of USD against RM. An improved commission structure with the New York state authority on Resorts World Casino New York City ("RWNYC")'s gaming operations offset by lower revenue from Resorts World Bimini ("Bimini operations") also contributed to the higher revenue. This was offset by
3. a decrease in revenue from the casino business in United Kingdom ("UK") by RM93.0 million or 18%, mainly due to overall lower volume of business and lower hold percentage from its premium gaming segment, as well as weakening of GBP against RM. Excluding the impact of foreign exchange movement, revenue from the casino business in UK decreased by 15%.

The Group's adjusted EBITDA in 2Q 2017 was at RM535.1 million compared with RM662.2 million in 2Q 2016, a decrease of 19%. The lower adjusted EBITDA was mainly attributable to:

1. an adjusted loss before interest, tax, depreciation and amortisation ("LBITDA") of RM47.9 million was recorded in 2Q 2017 from the "investments and others" segment, as compared to an adjusted EBITDA of RM40.3 million in the same quarter last year. The LBITDA in 2Q 2017 was mainly related to foreign exchange losses on the Group's USD denominated assets as a result of the strengthening of RM against USD;
2. a decrease in adjusted EBITDA from the casino business in UK by RM57.1 million, mainly due to lower revenue; and
3. a decrease in adjusted EBITDA from the leisure and hospitality business in Malaysia by RM37.8 million, mainly due to higher cost relating to the premium players business and higher operating costs incurred for the new facilities under Genting Integrated Tourism Plan ("GITP"), mitigated by higher revenue. This was mitigated by
4. an increase in adjusted EBITDA from the leisure and hospitality business in US and Bahamas by RM45.0 million mainly due to higher revenue from RWNYC operations and lower LBITDA from the Bimini operations as a result of lower operating costs.

The Group's profit before taxation of RM246.8 million in 2Q 2017 decreased by 52% as compared with RM512.1 million in 2Q 2016. The decrease in profit before taxation was mainly due to:

1. lower adjusted EBITDA as mentioned above;
2. higher depreciation and amortisation by RM75.6 million, mainly from Malaysia operations due to the commencement of operations of certain facilities under GITP since end of 2016; and
3. impairment of certain assets relating to the Bimini operations totaling RM36.8 million and project bid costs written off of RM16.9 million.

**b) Financial period for the six months ended 30 June 2017 (“1H 2017”) compared with six months ended 30 June 2016 (“1H 2016”)**

The Group’s revenue in 1H 2017 was RM4,515.4 million, an increase of 1% compared with RM4,448.9 million in 1H 2016.

The increase was mainly attributable to:

1. higher revenue from the leisure and hospitality business in Malaysia by RM134.7 million, mainly contributed by overall higher volume of business from the mass market and mid to premium segments of the business. The partial opening of new facilities under GITP since December 2016 has also contributed significantly to the increase in revenue; and
2. higher revenue from the leisure and hospitality business in the US and Bahamas by RM63.9 million or 9%, mainly due to the strengthening of USD against RM. Excluding this impact, revenues would have increased by 2% as a result of improved commission structure with the New York state authority on RWNYS’s gaming operations, offset by lower revenue from Bimini operations. This was offset by
3. lower revenue from the casino business in the UK by RM154.6 million or 15%, mainly due to lower hold percentage and lower volume of business from the premium gaming segment, as well as the weakening of GBP against RM. Excluding the impact of foreign exchange movement, revenue from the casino business in UK decreased by 9%.

The Group’s adjusted EBITDA in 1H 2017 was RM1,099.9 million as compared to RM1,106.5 million in 1H 2016, a decrease of 1%. The lower adjusted EBITDA was mainly attributable to:

1. a decrease in adjusted EBITDA from the casino business in UK by RM78.1 million, mainly due to lower revenue mitigated by higher bad debts recovery; and
2. a decrease in adjusted EBITDA from the leisure and hospitality business in Malaysia by RM52.3 million mainly due to higher cost relating to the premium players business and higher operating costs incurred for the new facilities under GITP, mitigated by higher revenue. This was mitigated by;
3. an increase in adjusted EBITDA from the leisure and hospitality business in US and Bahamas by RM67.2 million, mainly due to higher revenue from RWNYS operations and lower operating costs following the cessation of Bimini SuperFast cruise ferry operations in the first quarter of the previous year; and
4. lower adjusted LBITDA by RM41.9 million was recorded from the “investments and others” segment in 1H 2017, mainly due to lower foreign exchange losses on the USD denominated assets as a result of the strengthening of USD against RM in the current period as compared to 1H 2016.

The Group’s profit before taxation of RM591.1 million in 1H 2017 was lower by 24% compared with RM774.2 million in 1H 2016. The lower profit before taxation was mainly due to:

1. higher depreciation and amortisation by RM135.8 million, mainly from Malaysia operations due to the commencement of operations of certain facilities under GITP since end of 2016 and the accelerated depreciation recorded following the closure of the indoor theme park;
2. impairment of certain assets relating to the Bimini operations totaling RM36.8 million and project bid costs written off of RM22.9 million;
3. higher pre-opening expenses by RM18.1 million in relation to GITP; and
4. lower adjusted EBITDA as mentioned above; mitigated by
5. higher interest income by RM44.6 million mainly from the Group’s foreign currency denominated investment.

**2) Material Changes in Profit before Taxation for the Current Quarter (“2Q 2017”) compared with the Immediate Preceding Quarter (“1Q 2017”)**

Profit before taxation for 2Q 2017 was RM246.8 million compared to 1Q 2017 of RM344.3 million. The lower profit before taxation was mainly due to:

1. higher adjusted LBITDA from the “investments and others” segment by RM47.3 million, mainly due to higher foreign exchange losses on the USD denominated assets as a result of the strengthening of RM against USD in the current quarter;
2. lower adjusted EBITDA from the casino business in UK by RM42.0 million mainly due to lower revenue; and
3. impairment of certain assets relating to the Bimini operations totaling RM36.8 million; mitigated by
4. higher adjusted EBITDA from the leisure and hospitality business in the US and Bahamas by RM51.4 million mainly due to lower operating loss from the Bimini operations.

### **3) Prospects**

The global economy is expected to continue on its growth trajectory, driven by improving economic and industrial activity in emerging and developing economies. In Malaysia, economic growth is expected to strengthen, bolstered by robust exports and domestic demand.

The outlook for international tourism continues to be positive. Meanwhile, the operating environment for the regional gaming market continues to recover as gaming operators in Macau and Singapore have recently reported improved performances.

The Group remains cautious on the near term outlook of the leisure and hospitality industry, but remains optimistic on the growth potential of the industry in the longer term.

In Malaysia, the development of the GITP at Resorts World Genting (“RWG”) remains the focus of the Group. As the Group continues to ramp up pre-opening activities in preparation for the progressive roll out of the remaining attractions and facilities, the Group remains committed on enhancing service delivery as well as optimising yield management, database marketing efforts and overall operational efficiencies at RWG. Upon completion, these additions are expected to further enhance guest experience and elevate RWG’s position as the destination of choice in the region.

In the UK, the Group will continue its efforts to strengthen its position in the non-premium gaming segment of its casino business and further improve business efficiency. As for the international premium gaming segment, the Group remains cautious on the volatility implicit in this business. Resorts World Birmingham has continued to show improvement and plans to introduce new attractions such as virtual reality games are well under way. The Group’s online business has also continued to perform better as a result of improvements in product mix and targeted marketing. Nevertheless, the Group remains cautious around its future growth prospects due to the highly competitive nature of the UK online market.

In the US, RWNYC continued its growth path and remains the market leader in terms of gaming revenue in the Northeast US region amid growing regional competition. Recently, RWNYC broke ground on a USD400 million expansion, which includes the construction of a new hotel, F&B outlets, retail and entertainment facilities. This expansion is expected to turn the site into a world-class integrated resort destination. The Group will continue to fortify its direct marketing efforts to encourage increased visitation and frequency of play at the resort. In the Bahamas, the Group will continue its cost rationalisation initiatives in addition to implementing revised marketing strategies to drive increased visitation to 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 six months ended 30 June 2017 are as follows:

	<b>Current quarter ended 30 June 2017</b>	<b>Six months ended 30 June 2017</b>
	<b>RM'000</b>	<b>RM'000</b>
Current taxation		
Malaysian income tax charge	26,569	51,505
Foreign income tax charge	35,555	47,850
	<u>62,124</u>	<u>99,355</u>
Deferred tax charge	12,173	23,695
	<u>74,297</u>	<u>123,050</u>
Prior period taxation		
Income tax over provided	(1,085)	(398)
	<u>73,212</u>	<u>122,652</u>

The effective tax rate of the Group for the current quarter ended 30 June 2017 is higher than the statutory tax rate mainly due to non-deductible expenses, mitigated by income not subject to tax and tax incentives.

The effective tax rate of the Group for the six months ended 30 June 2017 is lower than the statutory tax rate mainly due to income not subject to tax and tax incentives, offset by non-deductible expenses.

## 6) Status of Corporate Proposals Announced

There was no corporate proposals announced but not completed as at 17 August 2017.

## 7) Group Borrowings

The details of the Group's borrowings as at 30 June 2017 are as set out below:

	<b>As at 30.06.2017</b>				<b>As at 31.12.2016</b>
	<b>Secured/ Unsecured</b>	<b>Foreign Currency '000</b>		<b>RM Equivalent '000</b>	<b>RM Equivalent '000</b>
Short term borrowings	Secured	USD	21,757	93,296	199,549
	Unsecured	GBP	162,385	886,506	903,877
					979,802
Long term borrowings	Secured	USD	280,272	1,201,808	825,978
	Unsecured	RM	N/A	4,994,693	2,397,168
					6,196,501
Total borrowings	Secured	USD	302,029	1,295,104	1,025,527
	Unsecured	GBP	162,385	886,506	903,877
		RM	N/A	4,994,693	2,397,168
				7,176,303	4,326,572

## 8) **Outstanding derivatives**

As at 30 June 2017, 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 Liabilities RM'000</b>
<u>Interest Rate Swaps</u> GBP - Less than 1 year	360,312	2,072

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 2016:

- (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 30 June 2017, 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 17 August 2017.

## 11) **Dividend Proposed or Declared**

- (a) (i) An interim single-tier dividend of 4.00 sen per ordinary share in respect of the financial year ending 31 December 2017 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.
  - (iii) The interim single-tier dividend shall be payable on 4 October 2017.
  - (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 13 September 2017 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 2017 is 4.00 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>30 June 2017</u> <u>RM'000</u>	Six months ended <u>30 June 2017</u> <u>RM'000</u>
<b>Charges:</b>		
Depreciation and amortisation	253,241	501,567
Impairment losses	36,776	36,776
Net foreign currency exchange losses	40,737	51,939
Property, plant and equipment written off	1,904	2,791
Finance costs:		
- Interest on borrowings	74,315	119,153
- Other finance costs	8,416	10,706
- Less: capitalised costs	(30,411)	(58,189)
- Less: interest income earned	(21,522)	(21,786)
Finance costs charged to income statements	30,798	49,884
<b>Credits:</b>		
Net gain on disposal of property, plant and equipment	373	598
Interest income	73,456	144,204
Investment income	4,130	9,284

## 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 2017 are as follows:

	Current quarter ended <u>30 June 2017</u> <u>RM'000</u>	Current financial year-to-date ended <u>30 June 2017</u> <u>RM'000</u>
Profit for the financial period attributable to equity holders of the Company (used as numerator for the computation of basic and diluted EPS)	193,423	516,938

- (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 2017 are as follows:

	Current quarter ended <u>30 June 2017</u> <u>Number of Shares ('000)</u>	Current financial year-to-date ended <u>30 June 2017</u> <u>Number of Shares ('000)</u>
Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of basic EPS)	5,663,115	5,660,664
Adjustment for dilutive effect of Employee Share Scheme	9,017	9,017
Adjusted weighted average number of ordinary shares in issue (used as denominator for the computation of diluted EPS)	5,672,132	5,669,681

(\*) The weighted average number of ordinary shares in issue during the current quarter and six months ended 30 June 2017 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 2017, 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	16,570,410	16,946,138
- Unrealised	(604,412)	(601,510)
	<u>15,965,998</u>	<u>16,344,628</u>
Total share of accumulated losses from joint ventures:		
- Realised	(10,456)	(10,456)
	<u>15,955,542</u>	<u>16,334,172</u>
Add: Consolidation adjustments	605,354	473,875
Total Group retained profits as per consolidated accounts	<u><u>16,560,896</u></u>	<u><u>16,808,047</u></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 2016 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 24 August 2017.