



**GENTING**

**MALAYSIA**

**GENTING MALAYSIA BERHAD**  
**(58019-U)**

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**PRESS RELEASE**

**For Immediate Release**

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**GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE  
FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2017**

**KUALA LUMPUR, 27 February 2018** – Genting Malaysia Berhad (Group) today announced its financial results for the fourth quarter (4Q17) and financial year ended 31 December 2017 (FY17).

The Group recorded a 11% increase in total revenue to RM2,544.0 million in 4Q17. However, the adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) declined by 10% to RM669.6 million. During the quarter, profit before tax (PBT) and net profit decreased to RM477.3 million and RM430.3 million respectively.

In FY17, the Group's total revenue grew by 4% to RM9,328.7 million. However, adjusted EBITDA decreased by 9% to RM2,207.4 million. The Group saw a decrease in PBT and net profit during the year by 57% and 62% respectively to RM1,318.2 million and RM1,071.0 million in the absence of a one-off gain from the disposal of shares in Genting Hong Kong Limited recognised last year. Excluding the one-off gain, the Group's PBT and net profit would have declined by 27% and 30% respectively.

**4Q17 Results**

The Malaysian leisure and hospitality business recorded higher revenue and adjusted EBITDA in 4Q17. This was mainly contributed by overall higher volume of business which was significantly aided by the opening of new attractions and facilities under the Genting Integrated Tourism Plan (GITP). However, adjusted EBITDA was impacted by additional operating costs from the ramping up of new facilities under GITP.

Despite the ongoing GITP development works at the resort, RWG welcomed 6.7 million visitors in 4Q17, representing a significant 34% growth from the same period last year. Occupancy rate at RWG's hotels was higher at 97%. Meanwhile, the Group has also introduced the new Crockfords Hotel during this period. The Group looks forward with great anticipation to the roll out of the Twentieth Century Fox World Theme Park and the new Skytropolis indoor theme park this year. With these additions which complement the existing attractions and facilities at RWG, guests can enjoy a wholesome world class experience at the resort.

The Group's operations in the United Kingdom (UK) and Egypt recorded higher revenue of RM498.6 million in 4Q17, mainly contributed by higher hold percentage and higher volume of business from the premium gaming segment. The adjusted EBITDA also improved significantly mainly driven by higher revenue and lower operating costs.

In the United States of America (US) and Bahamas, the Group's operations reported lower revenue and adjusted EBITDA of RM306.1 million and RM38.1 million respectively in 4Q17. This was mainly due to lower revenue from the operations at Resorts World Casino New York City (RWNYC). Additionally, there were lower expenses recorded in 4Q16 as a result of a net reversal of over-accrued expenses. Meanwhile, the Bimini operations continue to see narrowing losses driven by lower operating costs as a result of ongoing cost rationalisation initiatives.

The Group's overall adjusted EBITDA includes the impact of foreign exchange translation losses on the Group's USD denominated assets in 4Q17. Excluding the effects of the foreign exchange translation, the Group's overall adjusted EBITDA would have increased by 12% to RM703.1 million.

## **FY17 Results**

In FY17, the Malaysian leisure and hospitality business recorded revenue growth of 4% to RM5,835.2 million, mainly attributable to overall higher volume of business following the opening of new attractions and facilities under GITP since December 2016. This has largely contributed to overall higher revenues at the resort. However, the adjusted EBITDA declined by 7% to RM1,804.5 million, primarily due to lower hold percentage in the mid to premium players segment. Additionally, there were higher costs associated with the premium players business and new facilities under GITP.

In the UK and Egypt, the Group reported higher revenue of RM1,893.4 million, mainly attributable to higher hold percentage and higher volume of business in the premium players segment. However, the adjusted EBITDA was impacted by higher operating costs and bad debts written off during the period.

In the US and Bahamas, the Group recorded higher revenue of RM1,435.2 million, primarily from favourable foreign exchange movement and improved revenue contribution from RWNYC as a result of an improved commission structure with the New York state authority on RWNYC's operations. The Group's adjusted EBITDA also saw a significant increase in FY17 to RM231.9 million, contributed by higher revenue from RWNYC and lower operating losses from the operations in Bimini as a result of the ongoing cost rationalisation efforts at the resort.

The Group has an investment in the promissory notes issued by the Mashpee Wampanoag Tribe (the Tribe) to finance the Tribe's development of an integrated gaming resort in Taunton, Massachusetts, USA. As at 31 December 2017, the Group's total investment (including accrued interest) amounted to USD388.3 million (or equivalent to RM1.58 billion). The development of the project is currently stalled pending further court developments and/or actions by relevant governmental authorities. To-date, the U.S. Federal Government has not made a decision regarding the Tribe's rights to trust land and is expected to provide an update in coming months.

In view of the above, the Group has assessed and determined that there is no impact to the recoverability on its investment as well as to the Group's consolidated earnings and net assets for FY17. Notwithstanding this, the Group will continue to work with the Tribe to review all options available for its investment. Meanwhile, the Group continues to be supportive of the Tribe's endeavour to protect its land base and their associated development rights.

In FY17, the Group's overall adjusted EBITDA includes the impact of foreign exchange translation losses on the Group's USD denominated assets. Excluding the effects of the foreign exchange translation, the Group's overall adjusted EBITDA would have decreased by 3% from last year.

The Board of Directors (Board) has declared a special single-tier dividend of 8.0 sen per ordinary share. The Board has also recommended a final single-tier dividend of 5.0 sen per ordinary share. If approved, total dividend for FY17 would amount to 17.0 sen per ordinary share. This represents a 3% increase from the previous year.

## Outlook

The global economy is expected to continue on its growth trajectory, primarily driven by sustained global economic and industrial activities in certain advanced economies and emerging markets. In Malaysia, economic expansion is expected to continue with domestic demand remaining the key source of growth.

International tourism outlook is expected to remain positive. Meanwhile, the regional gaming market continues to show signs of positive recovery, with gaming operators in Macau and Singapore having recently reported improved performances.

The Group remains optimistic on the opportunities and growth potential of the leisure and hospitality industry.

In Malaysia, the development of the GTP remains the focus of the Group as it prepares to roll out the new Skytropolis indoor theme park and the highly anticipated Twentieth Century Fox World Theme Park. With the introduction of new attractions and facilities at RWG, the Group will enhance strategic marketing efforts to grow and expand into regional markets. Meanwhile, the Group will intensify database marketing to optimise yield management and improve the overall operational efficiencies and service delivery at RWG. The completion of the GTP expansion will elevate RWG's position as a premier integrated resort and destination of choice in the region.

In the UK, the Group's strategy of reducing short-term volatility in the premium players segment continues to be effective in delivering sustainable performance. The Group will continue its focus on strengthening its position in the non-premium players segment by growing its market share as well as improving business efficiency. Meanwhile, Resorts World Birmingham expects to see further improvements in visitation and business volumes. The Group remains committed on stabilising operations at the resort as well as its online operations in the UK.

In the US, RWNYC maintained its position as market leader in terms of gaming revenue in the Northeast US. The Group will continue to boost its direct marketing efforts to drive visitation and frequency of play at the property. Meanwhile, the Group remains focused on the USD400 million expansion at RWNYC, which will include the construction of a new 400-room hotel, additional gaming space, F&B outlets as well as new retail and entertainment offerings. Upon completion by end of 2019, this development is expected to turn RWNYC into a first-class integrated resort with a multitude of non-gaming amenities. The Group will also leverage on the newly renovated Hilton Miami Downtown to grow business volumes at the property. In the Bahamas, the Group remains committed to its ongoing cost rationalisation initiatives and will continue intensifying its marketing efforts in the leisure market to drive visitation and volume of business at the resort.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD  SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Variance		FINANCIAL YEAR ENDED 31 DECEMBER		Variance	
	4Q2017	4Q2016	4Q17 vs 4Q16		2017	2016	FY17 vs FY16	
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	RM'Mil	%
<b>Revenue</b>								
Leisure & Hospitality								
- Malaysia	1,693.4	1,507.7	185.7	12%	5,835.2	5,623.2	212.0	4%
- United Kingdom and Egypt	498.6	403.2	95.4	24%	1,893.4	1,816.3	77.1	4%
- United States of America and Bahamas	306.1	341.3	-35.2	-10%	1,435.2	1,365.0	70.2	5%
	<u>2,498.1</u>	<u>2,252.2</u>	<u>245.9</u>	<u>11%</u>	<u>9,163.8</u>	<u>8,804.5</u>	<u>359.3</u>	<u>4%</u>
Property	30.5	15.7	14.8	94%	104.6	67.5	37.1	55%
Investments & others	15.4	15.0	0.4	3%	60.3	59.6	0.7	1%
	<u>2,544.0</u>	<u>2,282.9</u>	<u>261.1</u>	<u>11%</u>	<u>9,328.7</u>	<u>8,931.6</u>	<u>397.1</u>	<u>4%</u>
<b>Adjusted EBITDA</b>								
Leisure & Hospitality								
- Malaysia	597.2	521.5	75.7	15%	1,804.5	1,942.4	-137.9	-7%
- United Kingdom and Egypt	63.8	26.8	37.0	>100%	231.0	260.4	-29.4	-11%
- United States of America and Bahamas	38.1	87.7	-49.6	-57%	231.9	175.9	56.0	32%
	<u>699.1</u>	<u>636.0</u>	<u>63.1</u>	<u>10%</u>	<u>2,267.4</u>	<u>2,378.7</u>	<u>-111.3</u>	<u>-5%</u>
Property	11.9	4.9	7.0	>100%	54.4	26.6	27.8	>100%
Investments & others	(41.4)	102.7	-144.1	->100%	(114.4)	27.5	-141.9	->100%
	<u>669.6</u>	<u>743.6</u>	<u>-74.0</u>	<u>-10%</u>	<u>2,207.4</u>	<u>2,432.8</u>	<u>-225.4</u>	<u>-9%</u>
Pre-opening expenses	(21.4)	(14.8)	-6.6	-45%	(80.5)	(49.5)	-31.0	-63%
Property, plant and equipment written off	(5.0)	(16.5)	11.5	70%	(8.6)	(21.0)	12.4	59%
Net gain/(loss) on disposal of property, plant and equipment	29.1	(0.1)	29.2	>100%	30.4	37.2	-6.8	-18%
Reversal of previously recognised impairment losses	-	-	-	-	-	49.2	-49.2	NC
Impairment losses	-	(5.0)	5.0	NC	(54.6)	(10.6)	-44.0	->100%
Gain on disposal of available-for-sale financial assets	-	1,272.9	-1,272.9	NC	-	1,272.9	-1,272.9	NC
Others	(1.1)	-	-1.1	NC	(25.4)	15.0	-40.4	->100%
	<u>671.2</u>	<u>1,980.1</u>	<u>-1,308.9</u>	<u>-66%</u>	<u>2,068.7</u>	<u>3,726.0</u>	<u>-1,657.3</u>	<u>-44%</u>
Depreciation and amortisation	(242.4)	(238.6)	-3.8	-2%	(939.9)	(800.7)	-139.2	-17%
Interest income	82.4	72.6	9.8	13%	304.3	235.7	68.6	29%
Finance costs	(33.9)	(17.3)	-16.6	-96%	(114.9)	(70.4)	-44.5	-63%
<b>Profit before taxation</b>	<u>477.3</u>	<u>1,796.8</u>	<u>-1,319.5</u>	<u>-73%</u>	<u>1,318.2</u>	<u>3,090.6</u>	<u>-1,772.4</u>	<u>-57%</u>
<b>Taxation</b>	<u>(47.0)</u>	<u>(137.6)</u>	<u>90.6</u>	<u>66%</u>	<u>(247.2)</u>	<u>(289.9)</u>	<u>42.7</u>	<u>15%</u>
<b>Profit for the financial period</b>	<u>430.3</u>	<u>1,659.2</u>	<u>-1,228.9</u>	<u>-74%</u>	<u>1,071.0</u>	<u>2,800.7</u>	<u>-1,729.7</u>	<u>-62%</u>
<b>Basic earnings per share (sen)</b>	<u>7.94</u>	<u>29.81</u>	<u>-21.9</u>	<u>-73%</u>	<u>20.48</u>	<u>50.91</u>	<u>-30.4</u>	<u>-60%</u>
<b>Diluted earnings per share (sen)</b>	<u>7.91</u>	<u>29.73</u>	<u>-21.8</u>	<u>-73%</u>	<u>20.42</u>	<u>50.78</u>	<u>-30.4</u>	<u>-60%</u>

NC : Not comparable

## **About Genting Malaysia**

Genting Malaysia is one of the leading leisure and hospitality corporations in the world. Listed on Bursa Malaysia with approximately RM30 billion in market capitalisation, Genting Malaysia owns and operates major properties including Resorts World Genting (RWG), Resorts World Casino New York City (RWNYC), Resorts World Bimini, Crockfords Cairo in Egypt and over 40 casinos, including Resorts World Birmingham, in the United Kingdom.

Resorts World Genting is a premier leisure and entertainment resort in Malaysia. It is equipped with over 10,500 rooms spread across 7 hotels, theme parks and entertainment attractions, dining and retail outlets, international shows and business convention facilities. The Group has embarked on a 10-year master plan to reinvigorate and transform RWG under the Genting Integrated Tourism Plan (GITP). Genting Malaysia has introduced various new facilities and attractions under the GITP which enables guests to enjoy a truly wholesome and world class experience at the resort. This includes the First World Hotel Tower 3, the new Awana SkyWay cable car system, the newly refurbished Theme Park Hotel, the new Crockfords Hotel as well as new attractions in the SkyAvenue entertainment complex. The opening of the Genting Highlands Premium Outlet (a property of Genting Simon Sdn Bhd, a joint venture between Genting Plantations Berhad and Simon Property Group) at the midhill also complements the new and existing offerings at RWG. Other attractions and facilities under the GITP, which includes the world's first Twentieth Century Fox World Theme Park and the new Skytropolis indoor theme park, are expected to unfold later this year.

In Malaysia, Genting Malaysia also owns and operates Resorts World Kijal in Terengganu and Resorts World Langkawi on Langkawi island.

In the United Kingdom, Genting Malaysia is one of the largest casino operators with 42 operating casinos. It operates 6 casinos in London and 36 casinos outside of London. The Group also operates an online operation to provide customers a seamless multi-channel experience. Genting Malaysia also operates Resorts World Birmingham, the first integrated leisure complex in the UK, offering gaming and entertainment facilities, retail and dining outlets and a 178-room four-star hotel. In the Middle East, Crockfords Cairo, an exclusive casino situated inside The Nile Ritz-Carlton Hotel in Cairo, is the Group's first venture into the region.

In the United States of America, Genting Malaysia operates RWNYC, the first and only video gaming machine facility in New York City, at the site of Aqueduct Racetrack. As a premier entertainment hub, Resorts World Casino New York City offers the ultimate gaming and entertainment experience, with electronic gaming machines, shows, events and culinary delights. The Group also owns a 30-acre prime freehold waterfront site in Miami, which includes the newly renovated 527-room Hilton Miami Downtown.

In the Bahamas, the Group operates Resorts World Bimini, which features a casino, villas, other accommodations, restaurants and bars, resort amenities and the largest yacht and marina complex in the Bahamas.

Genting Malaysia is a member of the Genting Group, one of Asia's leading and best-managed multinationals. The Genting Group is led by Tan Sri Lim Kok Thay, a visionary entrepreneur who has established Resorts World branded properties in Malaysia, Singapore, the Philippines, the United States, the Bahamas and the United Kingdom, as well as spearheading global investments in oil palm plantations, power generation, oil & gas, property development, cruise, biotechnology and other industries.

For more information, visit <http://www.gentingmalaysia.com> or contact [ir.genm@genting.com](mailto:ir.genm@genting.com).

For information on the major properties of Genting Malaysia

Resorts World Genting, visit [www.rwgenting.com](http://www.rwgenting.com)

Genting Casinos UK Limited, visit [www.gentingcasinos.co.uk](http://www.gentingcasinos.co.uk)

Resorts World Casino New York City, visit [www.rwnewyork.com](http://www.rwnewyork.com)

Resorts World Birmingham, visit [www.resortsworldbirmingham.co.uk](http://www.resortsworldbirmingham.co.uk)

Resorts World Bimini, visit [www.rwbimini.com](http://www.rwbimini.com)

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