



#### FOURTH QUARTERLY REPORT

Quarterly report on consolidated results for the financial year ended 31 December 2017. The figures for the cumulative period for the year ended 31 December 2017 have been audited.

#### **CONDENSED CONSOLIDATED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	UNAUDITED INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Fourth quarter ended 31 December		Financial year ended 31 December	
	<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>2,544,008</b>	2,282,941	<b>9,328,709</b>	8,931,617
Cost of sales	<b>(1,912,789)</b>	(1,689,716)	<b>(7,135,510)</b>	(6,449,017)
<b>Gross profit</b>	<b>631,219</b>	593,225	<b>2,193,199</b>	2,482,600
Other income	<b>168,870</b>	1,434,045	<b>545,239</b>	1,792,088
Other expenses	<b>(288,850)</b>	(208,143)	<b>(1,250,686)</b>	(1,152,221)
Profit from operations before impairment losses	<b>511,239</b>	1,819,127	<b>1,487,752</b>	3,122,467
Reversal of previously recognised impairment losses	-	-	-	49,181
Impairment losses	-	(4,982)	<b>(54,599)</b>	(10,591)
<b>Profit from operations</b>	<b>511,239</b>	1,814,145	<b>1,433,153</b>	3,161,057
Finance costs	<b>(33,918)</b>	(17,378)	<b>(114,895)</b>	(70,465)
<b>Profit before taxation</b>	<b>477,321</b>	1,796,767	<b>1,318,258</b>	3,090,592
Taxation	<b>(47,001)</b>	(137,621)	<b>(247,220)</b>	(289,895)
<b>Profit for the financial period/year</b>	<b>430,320</b>	1,659,146	<b>1,071,038</b>	2,800,697
<b>Profit attributable to:</b>				
Equity holders of the Company	<b>449,387</b>	1,686,334	<b>1,159,697</b>	2,880,078
Non-controlling interests	<b>(19,067)</b>	(27,188)	<b>(88,659)</b>	(79,381)
	<b>430,320</b>	1,659,146	<b>1,071,038</b>	2,800,697
<b>Earnings per share attributable to equity holders of the Company:</b>				
Basic earnings per share (sen)	<b>7.94</b>	29.81	<b>20.48</b>	50.91
Diluted earnings per share (sen)	<b>7.91</b>	29.73	<b>20.42</b>	50.78

*(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 FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	UNAUDITED INDIVIDUAL QUARTER		CUMULATIVE PERIOD	
	Fourth quarter ended 31 December		Financial year ended 31 December	
	<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/year</b>	<b>430,320</b>	1,659,146	<b>1,071,038</b>	2,800,697
<b>Other comprehensive income/(loss)</b>				
Item that will not be reclassified subsequently to profit or loss:				
Actuarial gain/(loss) on retirement benefit liability	<b>4,962</b>	(13,088)	<b>4,962</b>	(13,088)
Items that will be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value loss	-	-	-	(265,222)
- Reclassification to profit or loss upon disposal	-	(812,512)	-	(812,512)
Cash flow hedges				
- Fair value gain	<b>758</b>	3,414	<b>739</b>	3,267
Foreign currency exchange differences	<b>(352,316)</b>	341,488	<b>(736,174)</b>	(649,289)
<b>Other comprehensive loss, net of tax</b>	<b>(346,596)</b>	(480,698)	<b>(730,473)</b>	(1,736,844)
<b>Total comprehensive income for the financial period/year</b>	<b>83,724</b>	1,178,448	<b>340,565</b>	1,063,853
<b>Total comprehensive income/(loss) attributable to:</b>				
Equity holders of the Company	<b>97,439</b>	1,211,109	<b>414,133</b>	1,153,466
Non-controlling interests	<b>(13,715)</b>	(32,661)	<b>(73,568)</b>	(89,613)
	<b>83,724</b>	1,178,448	<b>340,565</b>	1,063,853

*(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 31 DECEMBER 2017**

	As at 31.12.2017 RM'000	As at 31.12.2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	13,835,384	12,158,625
Land held for property development	184,672	184,672
Investment properties	2,178,833	2,317,873
Intangible assets	4,654,464	5,036,343
Available-for-sale financial assets	144,964	102,892
Other non-current assets	1,871,678	1,842,383
Deferred tax assets	39,324	122,415
	<u>22,909,319</u>	<u>21,765,203</u>
<b>Current assets</b>		
Inventories	111,508	98,221
Trade and other receivables	684,206	566,850
Amounts due from other related companies	2,084	9,493
Financial asset at fair value through profit or loss	7,443	10,799
Available-for-sale financial assets	120,000	550,000
Derivative financial instruments	-	3,064
Restricted cash	71,634	35,053
Cash and cash equivalents	5,996,559	4,855,700
	<u>6,993,434</u>	<u>6,129,180</u>
Assets classified as held for sale	65,670	-
	<u>7,059,104</u>	<u>6,129,180</u>
<b>TOTAL ASSETS</b>	<u>29,968,423</u>	<u>27,894,383</u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to equity holders of the Company</b>		
Share capital	1,764,424	593,804
Reserves	18,503,523	20,228,241
Treasury shares	(911,258)	(911,258)
Shares held for employee share scheme	(21,678)	(45,769)
	<u>19,335,011</u>	<u>19,865,018</u>
<b>Non-controlling interests</b>	(193,221)	(119,653)
<b>TOTAL EQUITY</b>	<u>19,141,790</u>	<u>19,745,365</u>
<b>Non-current liabilities</b>		
Other long term liabilities	267,524	220,337
Long term borrowings	6,590,808	3,223,146
Deferred tax liabilities	716,346	673,771
	<u>7,574,678</u>	<u>4,117,254</u>
<b>Current liabilities</b>		
Trade and other payables	2,664,598	2,738,495
Amount due to holding company	21,615	19,886
Amounts due to other related companies	156,960	162,031
Short term borrowings	309,461	1,103,426
Derivative financial instruments	-	4,006
Taxation	40,139	3,920
	<u>3,192,773</u>	<u>4,031,764</u>
Liabilities classified as held for sale	59,182	-
	<u>3,251,955</u>	<u>4,031,764</u>
<b>TOTAL LIABILITIES</b>	<u>10,826,633</u>	<u>8,149,018</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u>29,968,423</u>	<u>27,894,383</u>
<b>NET ASSETS PER SHARE (RM)</b>	<u>3.41</u>	<u>3.51</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 FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	Attributable to equity holders of the Company									
	Share Capital	Share Premium	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
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 year	-	-	-	-	-	-	1,159,697	1,159,697	(88,659)	1,071,038
Other comprehensive income/(loss)	-	-	739	(751,265)	-	-	4,962	(745,564)	15,091	(730,473)
Total comprehensive income/(loss) for the financial year	-	-	739	(751,265)	-	-	1,164,659	414,133	(73,568)	340,565
Transactions with owners:										
Performance-based employee share scheme	-	-	-	46,473	-	-	-	46,473	-	46,473
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)
Interim single-tier dividend declared for the year ended 31 December 2017	-	-	-	-	-	-	(226,524)	(226,524)	-	(226,524)
Total transactions with owners	-	-	-	22,382	-	24,091	(990,613)	(944,140)	-	(944,140)
At 31 December 2017	1,764,424	-	-	1,521,430	(911,258)	(21,678)	16,982,093	19,335,011	(193,221)	19,141,790

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 FINANCIAL YEAR ENDED 31 DECEMBER 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 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 2016.)*

**GENTING MALAYSIA BERHAD**  
**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	Financial year ended 31 December	
	2017 RM'000	2016 RM'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,318,258	3,090,592
Adjustments for:		
Depreciation and amortisation	939,926	800,684
Property, plant and equipment written off	8,607	20,978
Net gain on disposal of property, plant and equipment	(30,417)	(37,176)
Finance costs	114,895	70,465
Interest income	(304,337)	(235,721)
Investment income	(15,577)	(27,564)
Reversal of previously recognised impairment losses	-	(49,181)
Impairment losses	54,599	10,591
Employee share grant scheme expenses	46,473	43,154
(Reversal of provision)/provision for onerous lease	(277)	62,565
Provision for retirement gratuities	40,242	23,825
(Reversal of impairment losses)/impairment losses on receivables	(422)	80,064
Net exchange loss/(gain) – unrealised	119,036	(44,435)
Gain on disposal of available-for-sale financial assets	-	(1,272,927)
Other non-cash items and adjustments	2,256	(2,242)
	<b>975,004</b>	<b>(556,920)</b>
<b>Operating profit before working capital changes</b>	<b>2,293,262</b>	<b>2,533,672</b>
Net change in current assets	34,181	19,961
Net change in current liabilities	100,953	115,432
	<b>135,134</b>	<b>135,393</b>
<b>Cash generated from operations</b>	<b>2,428,396</b>	<b>2,669,065</b>
Net tax paid	(175,795)	(252,438)
Retirement gratuities paid	(2,928)	(2,809)
Onerous lease paid	(94,793)	(4,497)
	<b>(273,516)</b>	<b>(259,744)</b>
<b>Net Cash Flow From Operating Activities</b>	<b>2,154,880</b>	<b>2,409,321</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(2,659,021)	(3,117,284)
Purchase of investment properties	(51,038)	(253)
Proceeds from disposal of property, plant and equipment	12,775	334,077
Purchase of intangible assets	-	(7,373)
Purchase of investments	(120,402)	(483,282)
Proceeds from disposal of available-for-sale financial assets	430,000	1,738,258
Proceeds from redemption of unquoted preference shares in a Malaysian corporation	-	100,000
Interest received	103,939	91,993
Other investing activities	3,100	37,167
<b>Net Cash Flow From Investing Activities</b>	<b>(2,280,647)</b>	<b>(1,306,697)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Buy-back of shares	-	(4,551)
Repayment of borrowings and transaction costs	(2,339,821)	(1,732,623)
Proceeds from bank borrowings and issuance of medium term notes	5,009,709	1,531,390
Restricted cash	(1,444)	44,775
Dividend paid	(990,613)	(413,012)
Finance costs paid	(235,953)	(162,508)
<b>Net Cash Flow From Financing Activities</b>	<b>1,441,878</b>	<b>(736,529)</b>
<b>NET MOVEMENT IN CASH AND CASH EQUIVALENTS</b>	<b>1,316,111</b>	<b>366,095</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<b>4,855,700</b>	<b>4,518,966</b>
<b>EFFECT OF CURRENCY TRANSLATION</b>	<b>(175,252)</b>	<b>(29,361)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>5,996,559</b>	<b>4,855,700</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank balances and deposits	3,186,738	1,947,683
Money market instruments	2,809,821	2,908,017
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b>5,996,559</b>	<b>4,855,700</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.)*

**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 2017 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 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 financial year ended 31 December 2017.

**d) *Material Changes in Estimates***

The Group conducts a regular review of the estimated useful lives of its assets in line with its business operations. This has resulted in a reduction in the depreciation and amortisation expense of its property, plant and equipment by RM91.2 million during the current year ended 31 December 2017.

Other than the above, 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 comprised 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 material issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the financial year ended 31 December 2017.

**f) Dividend Paid**

Dividend paid during the financial year ended 31 December 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
Interim single-tier dividend for the year ended 31 December 2017 paid on 4 October 2017 4.0 sen per ordinary share	226,524
	<u>990,613</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/(losses) before interest, tax, depreciation and amortisation ("EBITDA/(LBITDA)"). 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, assets written off, reversal of previously recognised impairment losses and impairment losses.

Segment analysis for the financial year ended 31 December 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 and Egypt 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	5,869,475	1,893,438	1,435,187	117,795	193,816	9,509,711
Inter segment	(34,292)	-	-	(13,211)	(133,499)	(181,002)
External	<u>5,835,183</u>	<u>1,893,438</u>	<u>1,435,187</u>	<u>104,584</u>	<u>60,317</u>	<u>9,328,709</u>
<b>Adjusted EBITDA</b>	<u>1,804,492</u>	<u>231,009</u>	<u>231,952</u>	<u>54,437</u>	<u>(114,424)</u>	<u>2,207,466</u>
Main foreign currency	RM	GBP	USD	RM/USD		
Exchange ratio of 1 unit of foreign currency to RM		5.5369	4.3007	4.3007		

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

	<b>RM'000</b>
Adjusted EBITDA for reportable segments	2,207,466
Pre-opening expenses	(80,527)
Property, plant and equipment written off	(8,607)
Net gain on disposal of property, plant and equipment	30,417
Impairment losses	(54,599)
Others	(25,408)
<b>EBITDA</b>	<u>2,068,742</u>
Depreciation and amortisation	(939,926)
Interest income	304,337
Finance costs	(114,895)
<b>Profit before taxation</b>	<u>1,318,258</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 and Egypt 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>	10,907,825	4,649,123	5,134,534	2,443,873	1,582,786	24,718,141
<b>Segment Liabilities</b>	2,053,654	473,079	411,236	41,127	131,601	3,110,697
Main foreign currency	RM	GBP	USD	RM/USD		
Exchange ratio of 1 unit of foreign currency to RM		5.4568	4.0800	4.0800		
						<b>RM'000</b>

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

Segment assets	24,718,141
Interest bearing instruments	4,928,811
Unallocated corporate assets	255,801
Assets classified as held for sale	65,670
<b>Total assets</b>	<b>29,968,423</b>

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

Segment liabilities	3,110,697
Interest bearing instruments	6,900,269
Unallocated corporate liabilities	756,485
Liabilities classified as held for sale	59,182
<b>Total liabilities</b>	<b>10,826,633</b>

**h) Property, Plant and Equipment**

During the financial year ended 31 December 2017, acquisitions (including capitalised interest) of property, plant and equipment by the Group were RM2,822.1 million.

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

There was no material event subsequent to the end of the current financial year ended 31 December 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 financial year ended 31 December 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.

## ***l) Capital Commitments***

Authorised capital commitments not provided for in the financial statements as at 31 December 2017 are as follows:

	<b>RM'000</b>
Contracted	1,774,966
Not contracted	6,192,135
	<u>7,967,101</u>
Analysed as follows:	
- Property, plant and equipment	<u>7,967,101</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 2017 are as follows:

	<b>Current quarter RM'000</b>	<b>Current financial year 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.	128,599	432,706
ii) Licensing fee for the use of "Genting", "Resorts World" and "Awana" logo charged by GENT to the Group.	58,561	206,856
iii) Licensing fee for the use of "Resorts World" and "Genting" intellectual property outside Malaysia charged by GENT Group to the Group.	259	1,037
iv) Provision of management and support services by GENT Group to the Group.	2,574	8,201
v) Rental charges and related services by the Group to GENT Group.	1,668	6,654
vi) 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.	17,351	75,414
vii) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENT Group.	2,265	7,767
viii) Provision of management and support services by the Group to GENT Group.	533	2,217
ix) Provision of management and consultancy services on theme park and resort development operations by International Resort Management Services Pte Ltd to the Company.	1,665	9,988
x) Rental charges for premises by the Group to Warisan Timah Holdings Sdn Bhd.	549	2,209
xi) Provision of water supply services by an entity connected with shareholder of BB Entertainment Ltd ("BBEL") to the Group.	594	3,232
xii) Rental charges for office space by the Group to GENHK Group.	1,752	5,412
xiii) Provision of maintenance and construction services by an entity connected with shareholder of BBEL to the Group.	4,833	26,302
xiv) Licensing fee for the use of gaming software and system charged by RWI Group to the Group.	1,050	3,260

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

	Current quarter RM'000	Current financial year RM'000
xv) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENHK Group.	267	1,121
xvi) Rental income for rooftop of a car park building from Genting Highlands Premium Outlets Sdn Bhd ("GHPO").	-	4,200
xvii) Purchase of electronic table games by the Group from RWI Group.	-	6,753
xviii) Provision of utilities, maintenance, security and construction management services by the Group to GHPO.	2,905	4,453
xix) Disposal of the Group's 100% equity interest in E-Genting Sdn Bhd to RWI Group.	-	3,000

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
<b>Financial assets</b>				
Financial asset at fair value through profit or loss	7,443	-	-	7,443
Available-for-sale financial assets	-	120,000	144,964	264,964
	<u>7,443</u>	<u>120,000</u>	<u>144,964</u>	<u>272,407</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 YEAR ENDED**  
**31 DECEMBER 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 compared with the corresponding periods last year

The results of the Group are tabulated below:

	INDIVIDUAL QUARTER		Var		FINANCIAL YEAR ENDED 31 DECEMBER		Var	
	4Q2017 RM'Mil	4Q2016 RM'Mil	RM'Mil	%	2017 RM'Mil	2016 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%
	<b>2,498.1</b>	<b>2,252.2</b>	<b>245.9</b>	<b>11%</b>	<b>9,163.8</b>	<b>8,804.5</b>	<b>359.3</b>	<b>4%</b>
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%
	<b>2,544.0</b>	<b>2,282.9</b>	<b>261.1</b>	<b>11%</b>	<b>9,328.7</b>	<b>8,931.6</b>	<b>397.1</b>	<b>4%</b>
<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%
	<b>699.1</b>	<b>636.0</b>	<b>63.1</b>	<b>10%</b>	<b>2,267.4</b>	<b>2,378.7</b>	<b>-111.3</b>	<b>-5%</b>
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%
	<b>669.6</b>	<b>743.6</b>	<b>-74.0</b>	<b>-10%</b>	<b>2,207.4</b>	<b>2,432.8</b>	<b>-225.4</b>	<b>-9%</b>
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%
	<b>671.2</b>	<b>1,980.1</b>	<b>-1,308.9</b>	<b>-66%</b>	<b>2,068.7</b>	<b>3,726.0</b>	<b>-1,657.3</b>	<b>-44%</b>
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>	<b>477.3</b>	<b>1,796.8</b>	<b>-1,319.5</b>	<b>-73%</b>	<b>1,318.2</b>	<b>3,090.6</b>	<b>-1,772.4</b>	<b>-57%</b>

NC : Not comparable

## 1) 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 4Q2017 RM'Mil</b>	<b>PRECEDING QUARTER 3Q2017 RM'Mil</b>	<b>Var</b>	
			<b>RM'Mil</b>	<b>%</b>
<b>Revenue</b>				
Leisure & Hospitality				
- Malaysia	1,693.4	1,352.9	340.5	25%
- United Kingdom and Egypt	498.6	516.3	-17.7	-3%
- United States of America and Bahamas	306.1	363.2	-57.1	-16%
	<b>2,498.1</b>	2,232.4	265.7	12%
Property	30.5	23.8	6.7	28%
Investments & others	15.4	13.1	2.3	18%
	<b>2,544.0</b>	<b>2,269.3</b>	274.7	12%
<b>Adjusted EBITDA</b>				
Leisure & Hospitality				
- Malaysia	597.2	336.0	261.2	78%
- United Kingdom and Egypt	63.8	53.8	10.0	19%
- United States of America and Bahamas	38.1	59.6	-21.5	-36%
	<b>699.1</b>	449.4	249.7	56%
Property	11.9	13.0	-1.1	-8%
Investments & others	(41.4)	(24.5)	-16.9	-69%
	<b>669.6</b>	437.9	231.7	53%
Pre-opening expenses	(21.4)	(19.5)	-1.9	-10%
Property, plant and equipment written off	(5.0)	(0.8)	-4.2	->100%
Net gain on disposal of property, plant and equipment	29.1	0.7	28.4	>100%
Impairment losses	-	(19.6)	19.6	NC
Others	(1.1)	0.4	-1.5	->100%
<b>EBITDA</b>	<b>671.2</b>	399.1	272.1	68%
Depreciation and amortisation	(242.4)	(195.9)	-46.5	-24%
Interest income	82.4	77.7	4.7	6%
Finance costs	(33.9)	(31.1)	-2.8	-9%
<b>Profit before taxation</b>	<b>477.3</b>	249.8	227.5	91%

NC: Not comparable

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

### a) Quarter ended 31 December 2017 ("4Q 2017") compared with quarter ended 31 December 2016 ("4Q 2016")

The Group's revenue in 4Q 2017 was RM2,544.0 million, an increase of 11% compared with RM2,282.9 million in 4Q 2016.

The higher revenue for this quarter was mainly attributable to:

1. an increase in revenue from the leisure and hospitality business in Malaysia by RM185.7 million, mainly contributed by overall higher business volume from the mass market as well as from the mid to premium segments of the business. The opening of new attractions at SkyAvenue has contributed significantly to the increase in revenue; and
2. an increase in revenue from the casino businesses in United Kingdom ("UK") and Egypt by RM95.4 million or 24%, mainly contributed by higher hold percentage and higher volume of business from its premium gaming segment.

The Group's adjusted EBITDA in 4Q 2017 was at RM669.6 million compared with RM743.6 million in 4Q 2016, a decrease of 10%. The lower adjusted EBITDA was mainly attributable to:

1. an adjusted loss before interest, tax, depreciation and amortisation ("LBITDA") of RM41.4 million was recorded in 4Q 2017 from the "investments and others" segment as compared to adjusted EBITDA of RM102.7 million in 4Q 2016, mainly due to foreign exchange translation losses on the Group's USD denominated assets due to the strengthening of RM against USD at year end; and
2. a decrease in adjusted EBITDA from the leisure and hospitality business in US and Bahamas by RM49.6 million, mainly due to lower revenue from Resorts World Casino New York City ("RWNYC") operations and a net reversal of expenses over accrued in the previous periods recorded in 4Q 2016. This was mitigated by
3. an increase in adjusted EBITDA from the leisure and hospitality business in Malaysia by RM75.7 million, mainly contributed by higher revenue, offset by higher costs incurred for the new facilities under Genting Integrated Tourism Plan ("GITP"); and
4. an increase in adjusted EBITDA from the casino businesses in UK and Egypt by RM37.0 million, mainly due to higher revenue and lower payroll and related costs, offset by higher bad debt written off.

The Group's profit before taxation of RM477.3 million in 4Q 2017, decreased by 73% as compared with RM1,796.8 million in 4Q 2016. The decrease 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") in 4Q 2016; and
2. lower adjusted EBITDA as mentioned above. This was mitigated by
3. higher net gain on disposal of property, plant and equipment by RM29.2 million arising mainly from disposal of a property in the UK.

**b) Financial year ended 31 December 2017 (“FY 2017”) compared with financial year ended 31 December 2016 (“FY 2016”)**

The Group’s revenue in FY 2017 was RM9,328.7 million, an increase of 4% compared with RM8,931.6 million in FY 2016.

The increase was mainly attributable to:

1. higher revenue from the leisure and hospitality business in Malaysia by RM212.0 million, mainly contributed by higher revenue from the mass market following the opening of new facilities under GITP since December 2016. This was offset by lower revenue from the mid to premium segments of the business because of a lower hold percentage although the volume of business was significantly higher;
2. higher revenue from the casino businesses in UK and Egypt by RM77.1 million or 4%, mainly contributed by higher hold percentage and higher volume of business from its premium gaming segment; and
3. higher revenue from the leisure and hospitality business in US and Bahamas by RM70.2 million or 5%, mainly contributed by an improved commission structure with the New York state authority on RWNYC’s gaming operations as well as the strengthening of USD against RM during the current financial year. This was offset by lower revenue from Resorts World Bimini in Bahamas (“Bimini operations”) due to lower volume of business and hold percentage.

The Group’s adjusted EBITDA in FY 2017 was RM2,207.4 million as compared to RM2,432.8 million in FY 2016, a decrease of 9%. The lower adjusted EBITDA was mainly attributable to:

1. an adjusted LBITDA of RM114.4 million was recorded in FY 2017 from the “investments and others” segment, as compared to an adjusted EBITDA of RM27.5 million in FY 2016. The adjusted LBITDA in FY 2017 was mainly related to foreign exchange translation losses on the Group’s USD denominated assets due to the strengthening of RM against USD at year end;
2. a decrease in adjusted EBITDA from the leisure and hospitality business in Malaysia by RM137.9 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; and
3. a decrease in adjusted EBITDA from the casino businesses in UK and Egypt by RM29.4 million mainly due to higher operating costs and net bad debt written off, 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 RM56.0 million, mainly due to higher revenue from RWNYC operations and lower operating loss from Bimini operations as a result of costs rationalisation initiatives. This was offset by a net reversal of expenses over accrued in the previous periods recorded in FY 2016.

The Group’s profit before taxation of RM1,318.2 million in FY 2017 was lower by 57% compared with RM3,090.6 million in FY 2016. The lower 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 in FY 2016;
2. lower adjusted EBITDA as mentioned above; and
3. higher depreciation and amortisation by RM139.2 million, mainly from Malaysia operations due to the commencement of operations of certain facilities under GITP since end of 2016.

## **2) Material Changes in Profit before Taxation for the Current Quarter (“4Q 2017”) compared with the Immediate Preceding Quarter (“3Q 2017”)**

Profit before taxation for 4Q 2017 was RM477.3 million compared to 3Q 2017 of RM249.8 million. The higher profit before taxation by RM227.5 million or 91% was mainly due to:

1. higher adjusted EBITDA from the leisure and hospitality business in Malaysia by RM261.2 million due to improved hold percentage from the mid to premium segments of the business coupled with higher business volume from the mass market during the quarter; and
2. higher net gain on disposal of property, plant and equipment by RM28.4 million arising mainly from disposal of a property in the UK. This was offset by
3. higher depreciation and amortisation by RM46.5 million, mainly from Malaysia operations due to the cumulative impact of revision in useful lives of property, plant and equipment recorded in 3Q 2017.

## **3) Prospects**

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.

## **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 2017 are as follows:

	<b>Current quarter ended 31 December 2017 RM'000</b>	<b>Financial year ended 31 December 2017 RM'000</b>
Current taxation		
Malaysian income tax charge	31,692	95,709
Foreign income tax charge	(27,022)	65,510
	<u>4,670</u>	<u>161,219</u>
Deferred tax charge	78,140	125,299
	<u>82,810</u>	<u>286,518</u>
Prior period taxation		
Income tax over provided	(35,809)	(39,298)
	<u>47,001</u>	<u>247,220</u>

The effective tax rates of the Group for the current quarter and financial year ended 31 December 2017 are 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 20 February 2018.

## 7) Group Borrowings

The details of the Group's borrowings as at 31 December 2017 are as set out below:

	As at 31.12.2017			As at 31.12.2016
	Secured/ Unsecured	Foreign Currency '000	RM Equivalent '000	RM Equivalent '000
Short term borrowings	Secured	USD	-	199,549
	Secured	GBP	14,711	-
	Unsecured	GBP	42,000	903,877
				<u>309,461</u>
Long term borrowings	Secured	USD	278,644	825,978
	Secured	GBP	84,081	-
	Unsecured	RM	N/A	2,397,168
				<u>6,590,808</u>
Total borrowings	Secured	USD	278,644	1,025,527
	Secured	GBP	98,792	-
	Unsecured	GBP	42,000	903,877
	Unsecured	RM	N/A	2,397,168
				<u>6,900,269</u>
				<u>4,326,572</u>

## 8) Outstanding derivatives

There are no outstanding derivatives as at 31 December 2017.

**9) Fair Value Changes of Financial Liabilities**

As at 31 December 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 20 February 2018.

**11) Dividend Proposed or Declared**

- a) (i) The Board of Directors (“Board”) has declared a special single-tier dividend of 8.0 sen per ordinary share;
- (ii) The special single-tier dividend shall be payable on 30 March 2018;
- (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 14 March 2018 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.
- b) (i) A final single-tier dividend for the current financial year ended 31 December 2017 has been recommended by the Board for approval by shareholders;
- (ii) The recommended final single-tier dividend, if approved, shall amount to 5.0 sen per ordinary share;
- (iii) The final single-tier dividend paid in respect of the previous financial year ended 31 December 2016 amounted to 6.2 sen per ordinary share;
- (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 2017, including the above recommended final single-tier dividend, if approved, would amount to 17.0 sen per ordinary share, comprising an interim single-tier dividend of 4.0 sen per ordinary share, a special single-tier dividend of 8.0 sen per ordinary share and a proposed final single-tier dividend of 5.0 sen per ordinary share.

## 12) Profit before Taxation

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

	<b>Current quarter ended 31 December 2017</b>	<b>Financial year ended 31 December 2017</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
<b><u>Charges:</u></b>		
Depreciation and amortisation	242,430	939,926
Impairment losses	-	54,599
Net foreign currency exchange losses	33,490	111,984
Property, plant and equipment written off	5,009	8,607
Finance costs:		
- Interest on borrowings	73,755	269,011
- Other finance costs	5,204	19,875
- Less: capitalised costs	(32,151)	(121,665)
- Less: interest income earned	(12,890)	(52,326)
Finance costs charged to income statements	33,918	114,895
<b><u>Credits:</u></b>		
Net gain on disposal of property, plant and equipment	29,068	30,417
Gain on disposal of a subsidiary	-	2,830
Interest income	82,409	304,337
Investment income	2,404	15,577

## 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 2017 are as follows:

	<b>Current quarter ended 31 December 2017</b>	<b>Financial year ended 31 December 2017</b>
	<b><u>RM'000</u></b>	<b><u>RM'000</u></b>
Profit for the financial period/year attributable to equity holders of the Company (used as numerator for the computation of basic and diluted EPS)	449,387	1,159,697

- (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 2017 are as follows:

	<b>Current quarter ended 31 December 2017</b>	<b>Financial year ended 31 December 2017</b>
	<b><u>Number of Shares ('000)</u></b>	<b><u>Number of Shares ('000)</u></b>
Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of basic EPS)	5,663,115	5,661,900
Adjustment for dilutive effect of Employee Share Scheme	17,965	17,965
Adjusted weighted average number of ordinary shares in issue (used as denominator for the computation of diluted EPS)	5,681,080	5,679,865

(\*) The weighted average number of ordinary shares in issue during the current quarter and financial year ended 31 December 2017 excludes the weighted average treasury shares held by the Company and the shares held for employee share scheme.

**14) 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.

**15) 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 27 February 2018.