

SECOND QUARTERLY REPORT

Quarterly report on consolidated results for the six months ended 30 June 2020. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	Second quarter ended 30 June		Six months ended 30 June	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	114,910	2,601,502	2,070,778	5,337,082
Cost of sales	(790,235)	(1,941,372)	(2,426,793)	(3,994,715)
Gross (loss)/profit	(675,325)	660,130	(356,015)	1,342,367
Other income	45,458	81,099	120,723	274,747
Other expenses	(209,964)	(205,172)	(500,138)	(716,554)
Other gains/(losses)	7,311	1,796	(11,978)	5,534
(Loss)/profit from operations before impairment losses	(832,520)	537,853	(747,408)	906,094
Impairment losses	(14,820)	(2,990)	(361,131)	(20,824)
(Loss)/profit from operations	(847,340)	534,863	(1,108,539)	885,270
Finance costs	(118,530)	(58,619)	(203,872)	(126,394)
Share of results in an associate	(78,621)	-	(178,729)	-
(Loss)/profit before taxation	(1,044,491)	476,244	(1,491,140)	758,876
Taxation	121,313	(73,128)	114,046	(102,614)
(Loss)/profit for the financial period	(923,178)	403,116	(1,377,094)	656,262
(Loss)/profit attributable to:				
Equity holders of the Company	(900,421)	416,482	(1,318,378)	684,771
Non-controlling interests	(22,757)	(13,366)	(58,716)	(28,509)
	(923,178)	403,116	(1,377,094)	656,262
(Loss)/earnings per share attributable to equity holders of the Company:				
Basic (loss)/earnings per share (sen)	(15.93)	7.37	(23.32)	12.11
Diluted (loss)/earnings per share (sen)	(15.93)	7.36	(23.32)	12.10

(The Condensed Consolidated Income Statement should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2019.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2020

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	Second quarter ended 30 June		Six months ended 30 June	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
(Loss)/profit for the financial period	(923,178)	403,116	(1,377,094)	656,262
Other comprehensive (loss)/income				
Items that will not be reclassified subsequently to profit or loss:				
Changes in the fair value of equity investments at fair value through other comprehensive income	(53,165)	-	(53,165)	-
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges				
- Fair value loss	(808)	(674)	(3,228)	(3,527)
Foreign currency exchange differences				
- Exchange differences on translation of foreign operations	(85,068)	60,533	200,038	(78,633)
- Reclassification to profit or loss upon disposal of a subsidiary	-	-	-	(2,627)
	(85,068)	60,533	200,038	(81,260)
Other comprehensive (loss)/income, net of tax	(139,041)	59,859	143,645	(84,787)
Total comprehensive (loss)/income for the financial period	(1,062,219)	462,975	(1,233,449)	571,475
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(1,042,607)	481,242	(1,163,052)	597,504
Non-controlling interests	(19,612)	(18,267)	(70,397)	(26,029)
	(1,062,219)	462,975	(1,233,449)	571,475

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2019.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	UNAUDITED As at 30.06.2020 RM'000	As at 31.12.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,455,520	16,620,869
Land held for property development	184,596	184,596
Investment properties	1,945,053	1,895,587
Intangible assets	4,423,287	4,472,829
Right-of-use assets	790,478	871,984
Associate	662,623	629,465
Financial assets at fair value through other comprehensive income	66,334	115,929
Financial assets at fair value through profit or loss	126,229	122,747
Other non-current assets	63,567	74,036
Deferred tax assets	406,713	262,110
	<u>25,124,400</u>	<u>25,250,152</u>
Current assets		
Inventories	127,422	123,293
Trade and other receivables	673,501	632,135
Amount due from holding company	5,737	-
Amounts due from related companies	26,709	1,715
Financial assets at fair value through profit or loss	509,882	776,650
Restricted cash	19,984	52,438
Cash and cash equivalents	5,983,150	6,476,398
	<u>7,346,385</u>	<u>8,062,629</u>
TOTAL ASSETS	<u>32,470,785</u>	<u>33,312,781</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,764,424	1,764,424
Reserves	15,757,618	17,731,307
Treasury shares	(987,934)	(998,094)
	<u>16,534,108</u>	<u>18,497,637</u>
Non-controlling interests	<u>(398,004)</u>	<u>(327,607)</u>
TOTAL EQUITY	<u>16,136,104</u>	<u>18,170,030</u>
Non-current liabilities		
Other long term liabilities	323,872	337,546
Long term borrowings	9,352,737	8,483,550
Amount due to a related company	15,845	15,430
Lease liabilities	735,571	779,078
Deferred tax liabilities	756,853	796,728
Derivative financial instruments	4,561	3,006
	<u>11,189,439</u>	<u>10,415,338</u>
Current liabilities		
Trade and other payables	2,651,737	2,978,463
Amount due to holding company	-	19,883
Amounts due to related companies	19,218	59,185
Amount due to an associate	6,732	20,000
Short term borrowings	2,065,420	1,523,957
Lease liabilities	81,207	90,592
Derivative financial instruments	3,770	2,192
Taxation	34,496	33,141
Dividend payable	282,662	-
	<u>5,145,242</u>	<u>4,727,413</u>
TOTAL LIABILITIES	<u>16,334,681</u>	<u>15,142,751</u>
TOTAL EQUITY AND LIABILITIES	<u>32,470,785</u>	<u>33,312,781</u>
NET ASSETS PER SHARE (RM)	<u>2.92</u>	<u>3.27</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 2019.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Attributable to equity holders of the Company						Non-controlling Interests	Total Equity	
	Share Capital	Fair Value Reserve	Cash Flow Hedges Reserve	Other Reserves	Treasury Shares	Retained Earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 1 January 2020	1,764,424	(30,733)	(5,172)	1,560,855	(998,094)	16,206,357	18,497,637	(327,607)	18,170,030
Loss for the financial period	-	-	-	-	-	(1,318,378)	(1,318,378)	(58,716)	(1,377,094)
Other comprehensive (loss)/income	-	(53,165)	(3,228)	211,719	-	-	155,326	(11,681)	143,645
Total comprehensive (loss)/income for the financial period	-	(53,165)	(3,228)	211,719	-	(1,318,378)	(1,163,052)	(70,397)	(1,233,449)
Transactions with owners:									
Buy-back of shares	-	-	-	-	(30,145)	-	(30,145)	-	(30,145)
Performance-based employee share scheme	-	-	-	20,438	-	-	20,438	-	20,438
Employee share scheme shares vested to employees	-	-	-	(40,305)	40,305	-	-	-	-
Transfer of employee share scheme shares purchase price difference on shares vested	-	-	-	(10,492)	-	10,492	-	-	-
Appropriation:									
Special single-tier dividend declared for the financial year ended 31 December 2019	-	-	-	-	-	(508,108)	(508,108)	-	(508,108)
Final single-tier dividend declared for the financial year ended 31 December 2019	-	-	-	-	-	(282,662)	(282,662)	-	(282,662)
Total transactions with owners	-	-	-	(30,359)	10,160	(780,278)	(800,477)	-	(800,477)
At 30 June 2020	1,764,424	(83,898)	(8,400)	1,742,215	(987,934)	14,107,701	16,534,108	(398,004)	16,136,104

(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 2019.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)
FOR THE SIX MONTHS ENDED 30 JUNE 2019

Attributable to equity holders of the Company

	Share Capital RM'000	Fair Value Reserve RM'000	Cash Flow Hedges Reserve RM'000	Other Reserves RM'000	Treasury Shares RM'000	Retained Earnings RM'000	Total RM'000	Non- controlling Interests RM'000	Total Equity RM'000
Balance at 1 January 2019	1,764,424	(30,733)	(2,513)	1,616,429	(999,062)	15,868,923	18,217,468	(267,400)	17,950,068
Profit/(loss) for the financial period	-	-	-	-	-	684,771	684,771	(28,509)	656,262
Other comprehensive (loss)/income	-	-	(3,527)	(83,740)	-	-	(87,267)	2,480	(84,787)
Total comprehensive (loss)/income for the financial period	-	-	(3,527)	(83,740)	-	684,771	597,504	(26,029)	571,475
Transactions with owners:									
Buy-back of shares	-	-	-	-	(40,089)	-	(40,089)	-	(40,089)
Performance-based employee share scheme	-	-	-	21,688	-	-	21,688	-	21,688
Employee share scheme shares vested to employees	-	-	-	(41,057)	41,057	-	-	-	-
Transfer of employee share scheme shares purchase price difference on shares vested	-	-	-	(11,396)	-	11,396	-	-	-
Appropriation:									
Special single-tier dividend declared for the financial year ended 31 December 2018	-	-	-	-	-	(451,853)	(451,853)	-	(451,853)
Final single-tier dividend declared for the financial year ended 31 December 2018	-	-	-	-	-	(282,682)	(282,682)	-	(282,682)
Total transactions with owners	-	-	-	(30,765)	968	(723,139)	(752,936)	-	(752,936)
At 30 June 2019	1,764,424	(30,733)	(6,040)	1,501,924	(998,094)	15,830,555	18,062,036	(293,429)	17,768,607

(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 2019.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2020

	UNAUDITED	
	Six months ended 30 June	
	2020	2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(1,491,140)	758,876
Adjustments for:		
Depreciation and amortisation	562,416	517,548
Net loss on disposal of property, plant and equipment	763	3,713
Finance costs	203,872	126,394
Interest income	(62,094)	(59,306)
Investment income	(12,074)	(8,670)
Dividend income	(2,479)	(3,000)
Impairment losses	361,131	20,824
Employee share grant scheme expenses	20,438	21,688
(Reversal of)/provision for termination related costs	(50)	138,016
Gain on disposal of a subsidiary	-	(123,825)
Share of results in an associate	178,729	-
Net exchange loss – unrealised	14,677	3,031
Other non-cash items and adjustments	(18,451)	25,344
	1,246,878	661,757
Operating (loss)/profit before working capital changes	(244,262)	1,420,633
Net change in current assets	(60,870)	70,900
Net change in current liabilities	(317,991)	(181,925)
	(378,861)	(111,025)
Cash (used in)/generated from operations	(623,123)	1,309,608
Net tax paid	(51,344)	(74,435)
Retirement gratuities paid	(5,422)	(9,453)
	(56,766)	(83,888)
Net Cash Flow From Operating Activities	(679,889)	1,225,720
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(548,044)	(1,579,735)
Proceeds from disposal of property, plant and equipment	521	26,742
Purchase of investments	-	(216,770)
Proceeds from disposal of a subsidiary	-	177,795
Proceeds from disposal of financial assets at fair value through profit or loss	278,556	-
Interest received	58,159	96,381
Investment in an associate	(192,081)	-
Other investing activities	55,939	60,840
Net Cash Flow From Investing Activities	(346,950)	(1,434,747)
CASH FLOWS FROM FINANCING ACTIVITIES		
Buy-back of shares	(30,145)	(40,089)
Repayment of borrowings and payment of transaction costs	(42,464)	(275,528)
Proceeds from bank borrowings	1,392,511	241,888
Repayment of lease liabilities	(66,484)	(37,885)
Dividend paid	(508,108)	(451,853)
Finance costs paid	(234,936)	(231,015)
Net Cash Flow From Financing Activities	510,374	(794,482)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(516,465)	(1,003,509)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	6,476,398	7,999,679
EFFECT OF CURRENCY TRANSLATION	23,217	(18,743)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	5,983,150	6,977,427
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	3,552,227	3,285,644
Money market instruments	2,430,923	3,691,783
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	5,983,150	6,977,427

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2019.)

GENTING MALAYSIA BERHAD
NOTES TO THE INTERIM FINANCIAL REPORT – SECOND QUARTER ENDED 30 JUNE 2020

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 2020 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 2019. 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 2019 except for the adoption of amendments to standards that are mandatory for the Group for the financial year beginning 1 January 2020:

Amendments to References to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors
Amendments to MFRS 7	Financial Instruments: Disclosures
Amendments to MFRS 9	Financial Instruments
Amendments to MFRS 139	Financial Instruments: Recognition and Measurement

The adoption of these amendments did not have any material impact on the interim financial report 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

The unusual items included in the interim financial information for the six months ended 30 June 2020 related to the impairment losses on the Group’s investments. The Group has carried out an impairment review on the non-financial assets with indication of impairment in view of the impact of Coronavirus Disease 2019 (“COVID-19”) on the business activities, in accordance with MFRS 136 “Impairment of Assets”. Impairment loss is recognised when the carrying amount of the asset, at the point of review, exceeds its recoverable amount. An impairment loss can be reversed, to the extent of the previously recognised impairment losses for the same asset, if the recoverable amount determined at the subsequent review exceeds the carrying amount.

Consequently, the Group recorded a total impairment loss of RM361.1 million during the six months ended 30 June 2020 as a result of the economic slowdown following the unprecedented phenomenon of COVID-19 pandemic, as detailed below:

- i) An impairment loss of RM223.3 million relating to the assets of Resorts World Birmingham;
- ii) An impairment loss of RM71.3 million relating to certain casino licences and assets in the United Kingdom; and
- iii) An impairment loss of RM66.5 million relating to the assets of Resorts World Bimini.

Other than the above, 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 2020.

d) Material Changes in Estimates

There were no material changes in estimates of amounts reported in prior financial years.

e) Changes in Debt and Equity Securities

Purchase of shares pursuant to Section 127 of the Companies Act 2016

During the six months ended 30 June 2020, the Company had acquired 12.0 million ordinary shares from the open market for a cash consideration of RM30.1 million. The share buy-back was made pursuant to the approval obtained from the Company's shareholders at the Company's Annual General Meeting held on 22 June 2020. The repurchased shares are held as treasury shares in accordance with the requirements of Section 127(4) of the Companies Act 2016.

During the six months ended 30 June 2020, 11.6 million treasury shares amounting to RM40.3 million have been transferred to the Eligible Employees under the Employee Share Grant Scheme pursuant to Section 127(7)(c) of the Companies Act 2016.

Other than the above, there were no material issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the six months ended 30 June 2020.

f) Dividend Paid

Dividend paid during the six months ended 30 June 2020 is as follows:

	RM'Mil
Special single-tier dividend for the year ended 31 December 2019 paid on 7 April 2020	
9.0 sen per ordinary share	<u>508.1</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 gain or loss on disposal of assets, assets written off, impairment loss or reversal of previously recognised impairment loss, pre-operating expenses and other non-recurring items.

The Group is organised into the following main business segments:

Leisure & Hospitality - this segment comprises integrated resort activities which include gaming, hotels, food and beverages ("F&B"), theme parks, retail, entertainment attractions, tours and travel related services and other supporting services.

Properties - this segment is involved in property developments, property investment and management.

All other immaterial business segments including investment in equities, training services, reinsurance services, utilities services, yacht charter services and information technology related services are aggregated and disclosed under "Investments & Others" as they are not of sufficient size to be reported separately.

g) Segment Information (Cont'd)

Segment analysis for the six months ended 30 June 2020 is set out below:

	<u>Leisure & Hospitality</u>			<u>Total</u> RM'Mil	<u>Property</u>	<u>Investments</u> <u>& Others</u>	<u>Total</u>
	<u>Malaysia</u> RM'Mil	<u>United Kingdom and Egypt</u> RM'Mil	<u>United States of America and Bahamas</u> RM'Mil		RM'Mil	RM'Mil	RM'Mil
<u>Revenue</u>							
Total revenue	1,310.4	404.4	289.1	2,003.9	44.9	95.9	2,144.7
Inter segment	(3.1)	-	-	(3.1)	(4.8)	(66.0)	(73.9)
External	1,307.3	404.4	289.1	2,000.8	40.1	29.9	2,070.8
<u>Adjusted EBITDA/(LBITDA)</u>	116.5	(81.1)	(161.7)	(126.3)	16.8	(21.3)	(130.8)
Main foreign currency	RM	GBP	USD		RM/USD		
Exchange ratio of 1 unit of foreign currency to RM		5.3596	4.2532		4.2532		

During the six months ended 30 June 2020, revenue from the leisure & hospitality segment of RM2,000.8 million comprised gaming revenue and non-gaming revenue of RM1,485.0 million and RM515.8 million respectively. Non-gaming revenue included hotel room revenue which is recognised when services are rendered to the customers over their stay at the hotel, F&B revenue which is recognised when the services are rendered to the customers and rental income which is recognised on a straight-line basis over the lease term.

A reconciliation of adjusted LBITDA to loss before taxation is provided as follows:

Adjusted LBITDA for reportable segments	RM'Mil
	(130.8)
Pre-operating expenses	(40.8)
Net loss on disposal of property, plant and equipment	(0.8)
Impairment losses	(361.1)
Redundancy costs	(71.5)
Others	(3.2)
LBITDA	(608.2)
Depreciation and amortisation	(562.4)
Interest income	62.1
Finance costs	(203.9)
Share of results in an associate	(178.7)
Loss before taxation	(1,491.1)

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

	<u>Leisure & Hospitality</u>			<u>Total</u> RM'Mil	<u>Property</u>	<u>Investments</u> <u>& Others</u>	<u>Total</u>
	Malaysia RM'Mil	United Kingdom and Egypt RM'Mil	United States of America and Bahamas RM'Mil		RM'Mil	RM'Mil	RM'Mil
Segment Assets	11,439.9	5,368.8	6,635.5	23,444.2	2,274.1	1,858.9	27,577.2
Segment Liabilities	1,827.4	1,209.5	621.7	3,658.6	134.0	50.0	3,842.6
Main foreign currency	RM	GBP	USD		RM/USD		
Exchange ratio of 1 unit of foreign currency to RM		5.2561	4.2825		4.2825		

RM'Mil

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

Segment assets	27,577.2
Interest bearing instruments	3,630.1
Associate	662.6
Unallocated corporate assets	600.9
Total assets	32,470.8

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

Segment liabilities	3,842.6
Interest bearing instruments	11,418.1
Unallocated corporate liabilities	1,074.0
Total liabilities	16,334.7

h) **Property, Plant and Equipment**

During the six months ended 30 June 2020, acquisitions (including capitalised interest) of property, plant and equipment by the Group were RM507.8 million.

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

There were no other material events subsequent to the end of the current financial period ended 30 June 2020 that have 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 2020.

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 2019.

l) Capital Commitments

Authorised capital commitments not provided for in the financial statements as at 30 June 2020 are as follows:

	RM'Mil
Contracted	1,334.6
Not contracted	2,234.8
	<u>3,569.4</u>
Analysed as follows:	
- Property, plant and equipment	<u>3,569.4</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 2020 are as follows:

	Current quarter RM'000	Current financial year-to-date RM'000
i) Provision of technical know-how and management expertise in the resort's operations by Genting Berhad ("GENT") Group to the Group.	2,694	81,890
ii) Licensing fee for the use of "Genting", "Resorts World" and "Awana" logo charged by GENT to the Group.	2,670	44,651
iii) Licensing fee for the use of "Resorts World" and "Genting" intellectual property outside Malaysia charged by GENT Group to the Group.	7	214
iv) Provision of management and support services by GENT Group to the Group.	2,274	4,589
v) Income from rental and related services provided to GENT Group.	1,435	2,980
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.	7	15,450
vii) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENT Group.	1,593	3,278
viii) Provision of management and support services by the Group to GENT Group.	227	535
ix) Income from rental of premises to Warisan Timah Holdings Sdn Bhd.	410	979
x) Provision of water supply services by an entity connected with shareholder of BB Entertainment Ltd ("BBEL") to the Group.	307	668
xi) Income from rental of office space to Genting Hong Kong Limited ("GENHK") Group.	1,505	3,265
xii) Provision of maintenance and construction services by an entity connected with shareholder of BBEL to the Group.	7,023	11,833
xiii) Licensing fee for the use of gaming software and system charged by RWI Group to the Group.	670	1,861
xiv) Provision of utilities, maintenance and security services by the Group to Genting Highlands Premium Outlets Sdn Bhd.	316	877
xv) Provision of onboard entertainment services by GENHK Group to the Group.	216	2,042
xvi) Provision of crewing, technical support and administrative support services by GENHK Group to the Group.	2,550	2,550
xvii) Provision of support and management services by the Group to Empire Resorts, Inc.	1,199	2,406
xviii) Provision of support services for software program by GENT Group to the Group.	474	1,006
xix) Subscription of Series G Preferred Stock of Empire Resorts, Inc. by the Group.	64,185	172,535

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 2020, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
	RM'Mil	RM'Mil	RM'Mil	RM'Mil
Financial assets				
Financial assets at fair value through profit or loss	4.2	505.7	126.2	636.1
Financial assets at fair value through other comprehensive income	-	-	66.3	66.3
	<u>4.2</u>	<u>505.7</u>	<u>192.5</u>	<u>702.4</u>
Financial liability				
Derivative financial instruments	-	8.3	-	8.3

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 31 December 2019.

GENTING MALAYSIA BERHAD
ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FINANCIAL PERIOD ENDED
30 JUNE 2020

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			
	2Q2020	2Q2019	Var		2020	2019	Var	
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	RM'Mil	%
Revenue								
Leisure & Hospitality								
- Malaysia	82.2	1,756.1	-1,673.9	-95%	1,307.3	3,665.6	-2,358.3	-64%
- United Kingdom and Egypt	33.2	420.1	-386.9	-92%	404.4	839.4	-435.0	-52%
- United States of America and Bahamas	(31.6)	378.1	-409.7	->100%	289.1	745.1	-456.0	-61%
	83.8	2,554.3	-2,470.5	-97%	2,000.8	5,250.1	-3,249.3	-62%
Property	16.9	23.6	-6.7	-28%	40.1	50.3	-10.2	-20%
Investments & others	14.2	23.6	-9.4	-40%	29.9	36.7	-6.8	-19%
	114.9	2,601.5	-2,486.6	-96%	2,070.8	5,337.1	-3,266.3	-61%
Adjusted (LBITDA)/EBITDA								
Leisure & Hospitality								
- Malaysia	(214.7)	540.0	-754.7	->100%	116.5	1,095.6	-979.1	-89%
- United Kingdom and Egypt	(103.9)	45.1	-149.0	->100%	(81.1)	86.1	-167.2	->100%
- United States of America and Bahamas	(176.4)	102.6	-279.0	->100%	(161.7)	168.6	-330.3	->100%
	(495.0)	687.7	-1,182.7	->100%	(126.3)	1,350.3	-1,476.6	->100%
Property	6.5	12.3	-5.8	-47%	16.8	27.2	-10.4	-38%
Investments & others	2.3	11.5	-9.2	-80%	(21.3)	18.1	-39.4	->100%
Adjusted (LBITDA)/EBITDA	(486.2)	711.5	-1,197.7	->100%	(130.8)	1,395.6	-1,526.4	->100%
Pre-operating expenses	(21.2)	65.9	-87.1	->100%	(40.8)	(144.7)	103.9	72%
Net loss on disposal of property, plant and equipment	(0.3)	-	-0.3	NC	(0.8)	(3.7)	2.9	78%
Impairment losses	(14.8)	(3.0)	-11.8	->100%	(361.1)	(20.8)	-340.3	->100%
Gain on disposal of a subsidiary	-	-	-	-	-	123.8	-123.8	NC
Redundancy costs	(71.5)	-	-71.5	NC	(71.5)	-	-71.5	NC
Others	0.6	(6.1)	6.7	>100%	(3.2)	(6.8)	3.6	53%
(LBITDA)/EBITDA	(593.4)	768.3	-1,361.7	->100%	(608.2)	1,343.4	-1,951.6	->100%
Depreciation and amortisation	(279.6)	(260.9)	-18.7	-7%	(562.4)	(517.5)	-44.9	-9%
Interest income	25.7	27.4	-1.7	-6%	62.1	59.3	2.8	5%
Finance costs	(118.6)	(58.6)	-60.0	->100%	(203.9)	(126.4)	-77.5	-61%
Share of results in an associate	(78.6)	-	-78.6	NC	(178.7)	-	-178.7	NC
(Loss)/profit before taxation	(1,044.5)	476.2	-1,520.7	->100%	(1,491.1)	758.8	-2,249.9	->100%

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:

	INDIVIDUAL QUARTER 2Q2020 RM'Mil	PRECEDING QUARTER 1Q2020 RM'Mil	Var	
			RM'Mil	%
Revenue				
Leisure & Hospitality				
- Malaysia	82.2	1,225.1	-1,142.9	-93%
- United Kingdom and Egypt	33.2	371.2	-338.0	-91%
- United States of America and Bahamas	(31.6)	320.7	-352.3	->100%
	83.8	1,917.0	-1,833.2	-96%
Property	16.9	23.2	-6.3	-27%
Investments & others	14.2	15.7	-1.5	-10%
	114.9	1,955.9	-1,841.0	-94%
Adjusted (LBITDA)/EBITDA				
Leisure & Hospitality				
- Malaysia	(214.7)	331.2	-545.9	->100%
- United Kingdom and Egypt	(103.9)	22.8	-126.7	->100%
- United States of America and Bahamas	(176.4)	14.7	-191.1	->100%
	(495.0)	368.7	-863.7	->100%
Property	6.5	10.3	-3.8	-37%
Investments & others	2.3	(23.6)	25.9	>100%
	(486.2)	355.4	-841.6	->100%
Pre-operating expenses	(21.2)	(19.6)	-1.6	-8%
Net loss on disposal of property, plant and equipment	(0.3)	(0.5)	0.2	40%
Impairment losses	(14.8)	(346.3)	331.5	96%
Redundancy costs	(71.5)	-	-71.5	NC
Others	0.6	(3.8)	4.4	>100%
LBITDA	(593.4)	(14.8)	-578.6	->100%
Depreciation and amortisation	(279.6)	(282.8)	3.2	1%
Interest income	25.7	36.4	-10.7	-29%
Finance costs	(118.6)	(85.3)	-33.3	-39%
Share of results in an associate	(78.6)	(100.1)	21.5	21%
Loss before taxation	(1,044.5)	(446.6)	-597.9	->100%

NC: Not comparable

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

a) **Quarter ended 30 June 2020 (“2Q 2020”) compared with quarter ended 30 June 2019 (“2Q 2019”)**

The Group's revenue in 2Q 2020 was RM114.9 million, a decrease of 96% from RM2,601.5 million in 2Q 2019. The Group's leisure and hospitality segment recorded lower revenue in 2Q 2020 as a result of the temporary closure of the Group's resort operations worldwide since mid-March 2020 in compliance with the respective government's directives amid the outbreak of the COVID-19 pandemic. Several properties have resumed operations with limited capacity since mid-June 2020.

The decrease in revenue for this quarter was mainly due to:

1. lower revenue from the leisure and hospitality business in Malaysia by RM1,673.9 million or 95% mainly due to the decline in overall volume of business from gaming and non-gaming segments as a result of the temporary closure of the operations since 18 March 2020. Resorts World Genting (“RWG”) has resumed operations with limited capacity since 19 June 2020;
2. reduction in revenue from the leisure and hospitality businesses in the United States of America (“US”) and Bahamas, mainly due to temporary closure of the resort operations in the US and Bahamas throughout 2Q 2020 and a change in accounting estimate on revenue recognition of RM38.4 million relating to Resorts World Casino New York City (“RWNYC”); and
3. lower revenue from the leisure and hospitality businesses in the United Kingdom (“UK”) and Egypt by RM386.9 million or 92%, largely due to the temporary suspension of the land-based casino operations throughout 2Q 2020.

The Group reported adjusted LBITDA of RM486.2 million in 2Q 2020 as compared to adjusted EBITDA of RM711.5 million in 2Q 2019, mainly due to:

1. adjusted LBITDA of RM214.7 million from the leisure and hospitality business in Malaysia as compared to adjusted EBITDA of RM540.0 million in 2Q 2019. This was mainly due to the lower revenue, mitigated by a reduction in payroll costs as a result of lower headcount;
2. adjusted LBITDA of RM176.4 million from the leisure and hospitality businesses in the US and Bahamas as compared to adjusted EBITDA of RM102.6 million in 2Q 2019. This was mainly due to the lower revenue, mitigated by lower payroll costs and operating expenses at RWNYC due to its temporary closure; and
3. adjusted LBITDA of RM103.9 million from the leisure and hospitality businesses in the UK and Egypt as compared to adjusted EBITDA of RM45.1 million in 2Q 2019. This was primarily attributable to the lower revenue and higher debts provision, mitigated by lower payroll costs and operating expenses from the temporary closure of the land-based casino operations.

The Group reported loss before taxation of RM1,044.5 million in 2Q 2020 as compared to profit before taxation of RM476.2 million in 2Q 2019, mainly due to:

1. adjusted LBITDA as mentioned above;
2. reversal of pre-operating expenses of RM65.9 million in 2Q 2019, mainly due to the reversal of provision of termination related costs of RM60.2 million in respect of the outdoor theme park at RWG following the finalisation of claims from certain contractors by the Company;
3. the Group's share of losses in an associate, Empire Resorts, Inc (“Empire”) of RM78.6 million during the quarter. The loss was mainly due to Empire's financing costs as well as depreciation and amortisation. The Group's share of Empire's operating loss was RM26.1 million, as Empire's operating performance was adversely impacted by the temporary closure of Resorts World Catskills (“RWC”) since mid-March 2020; and
4. redundancy costs of RM71.5 million incurred in 2Q 2020 as a result of the recalibration of the Group's operating structure and rightsizing of its workforce following the temporary closure of the resort operations worldwide.

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

b) **Financial period for the six months ended 30 June 2020 (“1H 2020”) compared with six months ended 30 June 2019 (“1H 2019”)**

The Group's revenue in 1H 2020 was RM2,070.8 million, a decrease of 61% from RM5,337.1 million in 1H 2019. The Group's leisure and hospitality segment recorded lower revenue due to the unprecedented disruptions to the Group's business activities amid the COVID-19 outbreak. The decrease was mainly due to:

1. lower revenue from the leisure and hospitality business in Malaysia by RM2,358.3 million or 64%, mainly due to the temporary closure of the operations since 18 March 2020. RWG has resumed operations with limited capacity since 19 June 2020. Furthermore, Malaysia operations registered an exceptionally high hold percentage from the mid to premium players segment in 1H 2019;
2. lower revenue from the leisure and hospitality businesses in the US and Bahamas by RM456.0 million or 61%, primarily due to the decline in business volume following the temporary closure of the resort operations in the US and Bahamas since mid-March 2020; and
3. lower revenue from the leisure and hospitality businesses in the UK and Egypt by RM435.0 million or 52%, mainly due to the temporary suspension of the land-based casino operations.

The Group reported adjusted LBITDA of RM130.8 million in 1H 2020 as compared to adjusted EBITDA of RM1,395.6 million in 1H 2019. This was mainly due to:

1. lower adjusted EBITDA from the leisure and hospitality business in Malaysia by RM979.1 million, primarily due to the lower revenue mitigated by a reduction in payroll costs as a result of lower headcount; and
2. adjusted LBITDA of RM161.7 million and RM81.1 million from the leisure and hospitality businesses in the US and Bahamas as well as UK and Egypt respectively, mainly due to the lower revenue as a result of temporary closure.

The Group reported loss before taxation of RM1,491.1 million in 1H 2020 as compared to profit before taxation of RM758.8 million in 1H 2019, mainly due to:

1. adjusted LBITDA as mentioned above;
2. impairment losses of RM361.1 million as mentioned in Part 1(c) above;
3. recognition of a gain of RM123.8 million from the disposal of a subsidiary in the UK during 1H 2019; and
4. the Group's share of Empire's losses of RM178.7 million in 1H 2020 was mainly due to costs associated with the refinancing of Empire's loans as well as depreciation and amortisation, whilst the Group's share of Empire's operating loss was RM39.6 million.

2) **Material Changes in Loss before Taxation for the Current Quarter (“2Q 2020”) compared with the Immediate Preceding Quarter (“1Q 2020”)**

Loss before taxation for 2Q 2020 of RM1,044.5 million as compared to RM446.6 million in 1Q 2020, an increase of RM597.9 million, mainly due to temporary closure of the Group's resort operations worldwide since mid-March 2020 and redundancy costs of RM71.5 million incurred in 2Q 2020; mitigated by impairment losses of RM346.3 million recorded in 1Q 2020.

3) **Prospects**

The global economy is expected to contract this year as the COVID-19 pandemic caused severe disruptions to economic activity worldwide. In addition, escalating geopolitical and trade tensions adds downward pressure and uncertainties to the global economy. In Malaysia, the gradual and progressive reopening of the economy since early May has enabled the recovery of economic activities.

The tourism, leisure and hospitality and gaming industries are among the sectors hardest hit by the pandemic. As the COVID-19 situation continues to evolve, pandemic-related fears and uncertainty may result in the slow recovery of this sector.

In Malaysia, the Group is heartened by the positive reception to the phased reopening of RWG. The Group will continue leveraging domestic demand to drive traffic growth and revenue whilst actively managing its cost base. Meanwhile, the Group is focused on the completion of the outdoor theme park which is targeted to open in mid-2021.

In the UK, a majority of the Group's land-based gaming operations have recommenced since 15 August 2020. Given the unprecedented challenges, the Group will continue to be nimble in its approach at managing its cost structure to align with the new operating environment. Retail shopping outlets at Resorts World Birmingham and the Group's interactive business continue to operate in line with expectations.

In the US, RWNYC and RWC remain temporarily shuttered until further notice. In the Bahamas, operations at Resorts World Bimini reopened on 2 July 2020 but have been suspended since 25 July 2020 amid renewed concerns from local authorities surrounding the pandemic. The Group will continue to proactively manage its operating cost structure as it navigates through the dynamic situation in the US and Bahamas. In the meantime, development work for the expansion project at RWNYC is currently underway and the Group is working towards the completion of the first phase of the new 400-room hotel, which is expected to open by the first quarter of 2021.

The Group maintains a cautious stance on the near-term prospects of the leisure and hospitality industry. Whilst the Group is encouraged by the resumption of its business in Malaysia and the UK, uncertainties surrounding the full impact of the pandemic on the Group's operations and financial performance remain. The Board wishes to caution that the Group expects its financial results for the financial year ending 31 December 2020 to be adversely impacted.

4) **Variance of Actual Profit from Forecast Profit**

The Group did not issue any profit forecast or profit guarantee for the financial year.

5) **Taxation**

Taxation (credit)/charges for the current quarter and six months ended 30 June 2020 are as follows:

	Current quarter ended 30 June 2020 RM'000	Six months ended 30 June 2020 RM'000
Current taxation		
Malaysian income tax (credit)/charge	(7,926)	5,935
Foreign income tax (credit)/charge	(10,937)	1,065
	<u>(18,863)</u>	<u>7,000</u>
Deferred tax credit	(149,740)	(168,336)
	<u>(168,603)</u>	<u>(161,336)</u>
Prior period taxation		
Income tax under provided	47,290	47,290
	<u>(121,313)</u>	<u>(114,046)</u>

The effective tax rates of the Group for the current quarter and six months ended 30 June 2020 is lower than the statutory tax rate mainly due to non-deductible expenses and current period tax losses and deductible temporary differences not recognised.

6) Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed as at 20 August 2020.

7) Group Borrowings

The details of the Group's borrowings as at 30 June 2020 are as set out below:

	As at 30.06.2020			As at 31.12.2019	
	Secured/ Unsecured	Foreign Currency 'Mil		RM Equivalent 'Mil	RM Equivalent 'Mil
Short term borrowings	Secured	USD	15.0	64.2	-
	Secured	GBP	105.1	552.5	79.8
	Unsecured	USD	50.0	214.2	208.1
	Unsecured	RM	N/A	1,234.5	1,236.1
				2,065.4	1,524.0
Long term borrowings	Secured	USD	500.5	2,143.4	1,284.4
	Secured	GBP	54.7	287.5	292.3
	Unsecured	USD	99.7	426.8	412.4
	Unsecured	RM	N/A	6,495.0	6,494.4
				9,352.7	8,483.5
Total borrowings	Secured	USD		2,207.6	1,284.4
	Secured	GBP		840.0	372.1
	Unsecured	USD		641.0	620.5
	Unsecured	RM		7,729.5	7,730.5
				11,418.1	10,007.5

8) Outstanding Derivatives

As at 30 June 2020, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

Types of Derivative	Contract/Notional Value RM'000	Fair Value Liabilities RM'000
<u>Interest Rate Swaps</u>		
GBP		
- Less than 1 year	78,842	3,770
- More than 1 year	289,087	4,561
		8,331

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 2019:

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

9) Fair Value Changes of Financial Liabilities

As at 30 June 2020, 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 August 2020.

11) Dividend Proposed or Declared

- (a) (i) An interim single-tier dividend of 6.00 sen per ordinary share in respect of the financial year ending 31 December 2020 has been declared by the Directors.
- (ii) The interim single-tier dividend declared and paid for the previous year's corresponding period was 6.00 sen per ordinary share.
- (iii) The interim single-tier dividend shall be payable on 29 September 2020.
- (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 4.30 p.m. on 11 September 2020 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 2020 is 6.00 sen per ordinary share.

12) Loss before Taxation

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

	Current quarter ended 30 June 2020 RM'000	Six months ended 30 June 2020 RM'000
<u>Charges:</u>		
Depreciation and amortisation	279,573	562,416
Net loss on disposal of property, plant and equipment	245	763
Impairment losses	14,820	361,131
Net foreign currency exchange losses	-	14,308
Finance costs:		
- Interest on borrowings	118,664	237,834
- Other finance costs	14,287	28,421
- Less: capitalised costs	(14,421)	(62,383)
Finance costs charged to income statements	118,530	203,872
Redundancy costs	71,445	71,445
<u>Credits:</u>		
Net foreign currency exchange gain	3,110	-
Interest income	25,714	62,094
Investment income	6,459	12,074
Dividend income	1,246	2,479

13) Loss per share

- (a) The loss used as the numerator in calculating basic and diluted loss per share for the current quarter and six months ended 30 June 2020 are as follows:

	Current quarter ended 30 June 2020 RM'000	Current financial year-to-date ended 30 June 2020 RM'000
Loss for the financial period attributable to equity holders of the Company (used as numerator for the computation of basic and diluted loss per share)	<u>(900,421)</u>	<u>(1,318,378)</u>

- (b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share for the current quarter and six months ended 30 June 2020 are as follows:

	Current quarter ended 30 June 2020 Number of Shares ('000)	Current financial year-to-date ended 30 June 2020 Number of Shares ('000)
Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of basic loss per share)	5,653,236	5,653,117
Adjustment for dilutive effect of Employee Share Scheme (**)	<u>-</u>	<u>-</u>
Adjusted weighted average number of ordinary shares in issue (used as denominator for the computation of diluted loss per share)	<u>5,653,236</u>	<u>5,653,117</u>

(*) *The weighted average number of ordinary shares in issue during the current quarter and six months ended 30 June 2020 excludes the weighted average treasury shares held by the Company.*

(**) *The calculation of diluted loss per share for the current quarter and six months ended 30 June 2020 did not take into account the Employee Share Scheme of the Company as it had an anti-dilutive effect on the basic loss per share. Therefore, the diluted loss per share is the same as basic loss per share.*

14) Disclosure of Audit Report Qualification and Status of Matters Raised

The audit report of the Group's annual financial statements for the financial year ended 31 December 2019 was not qualified.

15) 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 27 August 2020.