

FIRST QUARTERLY REPORT

Quarterly report on consolidated results for the three months ended 31 March 2022. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2022**

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	First quarter ended 31 March		Three months ended 31 March	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	1,721,299	623,350	1,721,299	623,350
Cost of sales	(1,393,536)	(812,937)	(1,393,536)	(812,937)
Gross profit/(loss)	327,763	(189,587)	327,763	(189,587)
Other income	77,796	44,378	77,796	44,378
Other expenses	(286,602)	(265,344)	(286,602)	(265,344)
Other losses	(16,240)	(14,484)	(16,240)	(14,484)
Profit/(loss) from operations before impairment losses	102,717	(425,037)	102,717	(425,037)
Impairment losses	-	(7,285)	-	(7,285)
Profit/(loss) from operations	102,717	(432,322)	102,717	(432,322)
Finance costs	(169,538)	(81,991)	(169,538)	(81,991)
Share of results in an associate	(49,251)	(45,363)	(49,251)	(45,363)
Loss before taxation	(116,072)	(559,676)	(116,072)	(559,676)
Taxation	(31,791)	58,361	(31,791)	58,361
Loss for the financial period	(147,863)	(501,315)	(147,863)	(501,315)
Loss attributable to:				
Equity holders of the Company	(126,527)	(483,591)	(126,527)	(483,591)
Non-controlling interests	(21,336)	(17,724)	(21,336)	(17,724)
	(147,863)	(501,315)	(147,863)	(501,315)
Loss per share attributable to equity holders of the Company:				
Basic loss per share (sen)	(2.24)	(8.55)	(2.24)	(8.55)
Diluted loss per share (sen)	(2.24)	(8.55)	(2.24)	(8.55)

(The Condensed Consolidated Income Statement should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2021.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2022

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	First quarter ended 31 March		Three months ended 31 March	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Loss for the financial period	(147,863)	(501,315)	(147,863)	(501,315)
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges				
- Fair value gain	851	585	851	585
Foreign currency exchange differences				
- Exchange differences on translation of foreign operations	(30,539)	303,471	(30,539)	303,471
Other comprehensive (loss)/income, net of tax	(29,688)	304,056	(29,688)	304,056
Total comprehensive loss for the financial period	(177,551)	(197,259)	(177,551)	(197,259)
Total comprehensive loss attributable to:				
Equity holders of the Company	(151,040)	(166,248)	(151,040)	(166,248)
Non-controlling interests	(26,511)	(31,011)	(26,511)	(31,011)
	(177,551)	(197,259)	(177,551)	(197,259)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2021.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	UNAUDITED As at 31.03.2022 RM'000	As at 31.12.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	15,893,942	16,007,899
Land held for property development	180,518	180,518
Investment properties	1,897,719	1,835,592
Intangible assets	4,135,404	4,183,372
Right-of-use assets	640,288	670,421
Associate	1,652,252	1,685,494
Joint venture	42,958	42,958
Financial assets at fair value through other comprehensive income	65,177	64,572
Financial assets at fair value through profit or loss	127,608	130,384
Other non-current assets	49,169	49,161
Deferred tax assets	38,339	34,145
	<u>24,723,374</u>	<u>24,884,516</u>
Current assets		
Inventories	126,767	126,565
Trade and other receivables	757,260	717,317
Amounts due from related companies	14,162	3,506
Amounts due from an associate	40,339	36,883
Restricted cash	379	379
Cash and cash equivalents	2,611,926	4,641,026
	<u>3,550,833</u>	<u>5,525,676</u>
TOTAL ASSETS	<u>28,274,207</u>	<u>30,410,192</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,764,424	1,764,424
Reserves	12,305,155	13,005,122
Treasury shares	(944,409)	(985,868)
	<u>13,125,170</u>	<u>13,783,678</u>
Non-controlling interests	(557,627)	(531,116)
TOTAL EQUITY	<u>12,567,543</u>	<u>13,252,562</u>
Non-current liabilities		
Other long-term liabilities	188,344	193,919
Long term borrowings	11,325,558	12,650,177
Amount due to a related company	9,361	9,272
Lease liabilities	617,018	646,511
Deferred tax liabilities	628,553	611,811
	<u>12,768,834</u>	<u>14,111,690</u>
Current liabilities		
Trade and other payables	2,454,571	2,482,983
Amount due to holding company	10,226	6,831
Amounts due to related companies	42,497	46,736
Short term borrowings	326,327	385,566
Lease liabilities	85,816	104,118
Derivative financial instruments	383	1,259
Taxation	18,010	18,447
	<u>2,937,830</u>	<u>3,045,940</u>
TOTAL LIABILITIES	<u>15,706,664</u>	<u>17,157,630</u>
TOTAL EQUITY AND LIABILITIES	<u>28,274,207</u>	<u>30,410,192</u>
NET ASSETS PER SHARE (RM)	<u>2.32</u>	<u>2.44</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 2021.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2022

	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 2022	1,764,424	(83,898)	(919)	1,683,013	(985,868)	11,406,926	13,783,678	(531,116)	13,252,562
Loss for the financial period	-	-	-	-	-	(126,527)	(126,527)	(21,336)	(147,863)
Other comprehensive income/(loss)	-	-	851	(25,364)	-	-	(24,513)	(5,175)	(29,688)
Total comprehensive income/(loss) for the financial period	-	-	851	(25,364)	-	(126,527)	(151,040)	(26,511)	(177,551)
Transactions with owners:									
Performance-based employee share scheme	-	-	-	1,319	-	-	1,319	-	1,319
Employee share scheme shares vested to employees	-	-	-	(41,459)	41,459	-	-	-	-
Transfer of employee share scheme shares purchase price difference on shares vested	-	-	-	1,280	-	(1,280)	-	-	-
Appropriation:									
Special single-tier dividend declared for the financial year ended 31 December 2021	-	-	-	-	-	(508,787)	(508,787)	-	(508,787)
Total transactions with owners	-	-	-	(38,860)	41,459	(510,067)	(507,468)	-	(507,468)
At 31 March 2022	1,764,424	(83,898)	(68)	1,618,789	(944,409)	10,770,332	13,125,170	(557,627)	12,567,543

(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 2021.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)
FOR THE THREE MONTHS ENDED 31 MARCH 2021

	Attributable to equity holders of the Company						Non-controlling Interests RM'000	Total Equity RM'000	
	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
Balance at 1 January 2021	1,764,424	(83,898)	(6,939)	1,413,025	(987,934)	12,813,124	14,911,802	(411,180)	14,500,622
Loss for the financial period	-	-	-	-	-	(483,591)	(483,591)	(17,724)	(501,315)
Other comprehensive income/(loss)	-	-	585	316,758	-	-	317,343	(13,287)	304,056
Total comprehensive income/(loss) for the financial period	-	-	585	316,758	-	(483,591)	(166,248)	(31,011)	(197,259)
Transactions with owners:									
Buy-back of shares	-	-	-	-	(21,257)	-	(21,257)	-	(21,257)
Performance-based employee share scheme	-	-	-	5,243	-	-	5,243	-	5,243
Employee share scheme shares vested to employees	-	-	-	(23,323)	23,323	-	-	-	-
Transfer of employee share scheme shares purchase price difference on shares vested	-	-	-	(2,737)	-	2,737	-	-	-
Appropriation:									
Special single-tier dividend declared for the financial year ended 31 December 2020	-	-	-	-	-	(480,355)	(480,355)	-	(480,355)
Total transactions with owners	-	-	-	(20,817)	2,066	(477,618)	(496,369)	-	(496,369)
At 31 March 2021	1,764,424	(83,898)	(6,354)	1,708,966	(985,868)	11,851,915	14,249,185	(442,191)	13,806,994

(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 2021.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2022

	UNAUDITED	
	Three months ended	
	31 March	
	2022	2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(116,072)	(559,676)
Adjustments for:		
Depreciation and amortisation	296,635	268,614
Property, plant and equipment written off	538	548
Net loss/(gain) on disposal of property, plant and equipment	75	(167)
Finance costs	169,538	81,991
Interest income	(7,636)	(4,030)
Investment income	-	(8,278)
Dividend income	(1,541)	(1,541)
Impairment losses	-	7,285
Employee share grant scheme expenses	1,319	5,243
Share of results in an associate	49,251	45,363
Net exchange loss – unrealised	3,950	10,658
Income from capital award	(44,575)	(12,299)
Other non-cash items and adjustments	10,538	6,518
	478,092	399,905
Operating profit/(loss) before working capital changes	362,020	(159,771)
Net change in current assets	(64,195)	(3,034)
Net change in current liabilities	(24,975)	(186,987)
	(89,170)	(190,021)
Cash generated from/(used in) operations	272,850	(349,792)
Net tax refund/(paid)	661	(11,146)
Retirement gratuities paid	(2,170)	(785)
	(1,509)	(11,931)
Net Cash Flow From/(Used in) Operating Activities	271,341	(361,723)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of property, plant and equipment	(137,682)	(230,478)
Addition of investment properties	(16,258)	(9,481)
Proceeds from disposal of property, plant and equipment	2,532	804
Proceeds from disposal of financial assets at fair value through profit or loss	-	156,378
Proceeds from capital award	25,027	21,241
Interest received	6,880	3,163
Investment in an associate	-	(151,545)
Other investing activities	240	1,011
Net Cash Flow Used in Investing Activities	(119,261)	(208,907)
CASH FLOWS FROM FINANCING ACTIVITIES		
Buy-back of shares	-	(21,257)
Repayment of borrowings and payment of transaction costs	(1,452,027)	(2,223,340)
Proceeds from bank borrowings and issuance of senior notes	-	2,952,753
Repayment of lease liabilities	(44,078)	(20,921)
Restricted cash	-	(65,000)
Dividend paid	(508,787)	-
Finance costs paid	(176,970)	(171,214)
Net Cash Flow (Used in)/From Financing Activities	(2,181,862)	451,021
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(2,029,782)	(119,609)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	4,641,026	2,452,905
EFFECT OF CURRENCY TRANSLATION	682	36,920
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	2,611,926	2,370,216
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	2,313,985	1,909,721
Money market instruments	297,941	460,495
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	2,611,926	2,370,216

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2021.)

GENTING MALAYSIA BERHAD
NOTES TO THE INTERIM FINANCIAL REPORT – FIRST QUARTER ENDED 31 MARCH 2022

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 interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2021. The accounting policies, presentation 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 2021 except for the adoption of amendments to published standards for the Group for the financial year beginning 1 January 2022:

- Amendments to MFRS 3 “Reference to the Conceptual Framework”
- Amendments to MFRS 116 “Property, Plant and Equipment – Proceeds before Intended Use”
- Amendments to MFRS 137 “Onerous Contracts – Cost of Fulfilling a Contract”
- Annual Improvements to MFRS Standards 2018-2020

The adoption of these amendments to published standards and annual improvements 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

There were no unusual items affecting the assets, liabilities, equity, net income or cashflows of the Group for the three months ended 31 March 2022.

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

Redemption of Medium Term Notes (“MTN”)

On 28 January 2022, GENM Capital Berhad, a direct wholly-owned subsidiary of the Company, had early redeemed RM1.4 billion in nominal value of the RM2.6 billion in nominal value of MTNs issued on 11 July 2018 under the MTN programme.

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 March 2022.

f) Dividend Paid

Dividend paid during the three month ended 31 March 2022 is as follows:

	RM’Mil
Special single-tier dividend for the year ended 31 December 2021 paid on 31 March 2022	
9.0 sen per ordinary share	<u>508.8</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 three months ended 31 March 2022 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> RM'Mil
	<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	
<u>Revenue</u>							
Total revenue	921.1	395.3	357.9	1,674.3	24.2	57.5	1,756.0
Inter segment	(1.1)	-	-	(1.1)	(1.8)	(31.8)	(34.7)
External	920.0	395.3	357.9	1,673.2	22.4	25.7	1,721.3
<u>Adjusted EBITDA/(LBITDA)</u>	262.9	84.7	78.0	425.6	9.5	(20.7)	414.4
Main foreign currency	RM	GBP	USD		RM/USD		
Exchange ratio of 1 unit of foreign currency to RM		5.6301	4.1911		4.1911		

During the three months ended 31 March 2022, revenue from the leisure & hospitality segment of RM1,673.2 million comprised gaming revenue and non-gaming revenue of RM1,305.7 million and RM367.5 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 EBITDA to loss before taxation is provided as follows:

Adjusted EBITDA for reportable segments	RM'Mil 414.4
Pre-operating expenses	(20.6)
Property, plant and equipment written off	(0.5)
Others	(1.6)
EBITDA	391.7
Depreciation and amortisation	(296.6)
Interest income	7.6
Finance costs	(169.5)
Share of results in an associate	(49.3)
Loss before taxation	(116.1)

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	11,426.3	4,606.6	6,383.6	22,416.5	2,247.5	1,345.0	26,009.0
Segment Liabilities	1,692.3	1,077.5	491.4	3,261.2	102.3	44.7	3,408.2
Main foreign currency	RM	GBP	USD		RM/USD		
Exchange ratio of 1 unit of foreign currency to RM		5.5189	4.2060		4.2060		

RM'Mil

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

Segment assets	26,009.0
Interest bearing instruments	419.7
Associate	1,652.2
Joint venture	43.0
Unallocated corporate assets	150.3
Total assets	28,274.2

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

Segment liabilities	3,408.2
Interest bearing instruments	11,651.9
Unallocated corporate liabilities	646.6
Total liabilities	15,706.7

h) Property, Plant and Equipment

During the three months ended 31 March 2022, acquisitions (including capitalised interest) of property, plant and equipment by the Group were RM118.6 million.

i) Material Events Subsequent to the end of Financial Period

There were no other material events subsequent to the end of the current financial period ended 31 March 2022 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 three months ended 31 March 2022.

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 2021.

l) Capital Commitments

Authorised capital commitments not provided for in the financial statements as at 31 March 2022 are as follows:

	RM'Mil
Contracted	818.3
Not contracted	2,055.8
	<u>2,874.1</u>
Analysed as follows:	
- Property, plant and equipment	<u>2,874.1</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 three months ended 31 March 2022 are as follows:

	Current quarter RM'000
i) Licensing fee for the use of "Genting", "Resorts World" and "Awana" logo charged by Genting Berhad ("GENT") to the Group.	<u>30,919</u>
ii) Provision of management and support services by GENT Group to the Group.	<u>1,340</u>
iii) Income from rental and related services provided to GENT Group.	<u>1,529</u>
iv) 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.	<u>18,370</u>
v) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENT Group.	<u>1,882</u>
vi) Income from rental of premises to Warisan Timah Holdings Sdn Bhd, a company related to certain directors of the Company.	<u>445</u>
vii) Income from rental of office space to Genting Hong Kong Limited Group.	<u>1,570</u>
viii) Provision of maintenance and construction services by an entity connected with shareholder of BB Entertainment Ltd to the Group.	<u>1,443</u>
ix) Licensing fee for the use of gaming software and system charged by RWI Group to the Group.	<u>3,450</u>
x) Provision of support and management services by the Group to Empire Resorts, Inc.	<u>3,075</u>

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 March 2022, 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	-	-	127.6	127.6
Financial assets at fair value through other comprehensive income	-	-	65.2	65.2
	-	-	192.8	192.8
Financial liability				
Derivative financial instruments	-	0.4	-	0.4

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 31 December 2021.

GENTING MALAYSIA BERHAD
ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FINANCIAL PERIOD ENDED
31 MARCH 2022

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

1) Review of Performance

Financial review for the current quarter compared with the corresponding period and immediate preceding quarter

The results of the Group are tabulated below:

	INDIVIDUAL QUARTER				PRECEDING QUARTER			
	1Q2022	1Q2021	Var		4Q2021	Var		
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil		%
Revenue								
Leisure & Hospitality								
- Malaysia	920.0	299.0	621.0	>100%	961.9	-41.9		-4%
- United Kingdom and Egypt	395.3	40.2	355.1	>100%	433.2	-37.9		-9%
- United States of America and Bahamas	357.9	256.3	101.6	40%	350.7	7.2		2%
	1,673.2	595.5	1,077.7	>100%	1,745.8	-72.6		-4%
Property	22.4	17.8	4.6	26%	123.1	-100.7		-82%
Investments & others	25.7	10.0	15.7	>100%	20.3	5.4		27%
	1,721.3	623.3	1,098.0	>100%	1,889.2	-167.9		-9%
Adjusted EBITDA/(LBITDA)								
Leisure & Hospitality								
- Malaysia	262.9	(83.6)	346.5	>100%	358.1	-95.2		-27%
- United Kingdom and Egypt	84.7	(51.7)	136.4	>100%	178.8	-94.1		-53%
- United States of America and Bahamas	78.0	68.6	9.4	14%	116.7	-38.7		-33%
	425.6	(66.7)	492.3	>100%	653.6	-228.0		-35%
Property	9.5	(27.1)	36.6	>100%	104.7	-95.2		-91%
Investments & others	(20.7)	(16.6)	-4.1	-25%	(20.2)	-0.5		-2%
	414.4	(110.4)	524.8	>100%	738.1	-323.7		-44%
Pre-operating expenses	(20.6)	(37.9)	17.3	46%	(27.5)	6.9		25%
Property, plant and equipment written off	(0.5)	(0.5)	0.0	0%	(14.0)	13.5		96%
Impairment losses	-	(7.3)	7.3	NC	(209.4)	209.4		NC
Gain on disposal of subsidiaries	-	-	-	NC	119.8	-119.8		NC
Others	(1.6)	(11.6)	10.0	86%	(1.4)	-0.2		-14%
	391.7	(167.7)	559.4	>100%	605.6	-213.9		-35%
EBITDA/(LBITDA)								
Depreciation and amortisation	(296.6)	(268.6)	-28.0	-10%	(290.5)	-6.1		-2%
Interest income	7.6	4.0	3.6	90%	7.8	-0.2		-3%
Finance costs	(169.5)	(82.0)	-87.5	->100%	(103.9)	-65.6		-63%
Share of results in a joint venture	-	-	-	NC	0.1	-0.1		NC
Share of results in an associate	(49.3)	(45.4)	-3.9	-9%	(56.9)	7.6		13%
	(116.1)	(559.7)	443.6	79%	162.2	-278.3		->100%

NC: Not comparable

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

a) **Quarter ended 31 March 2022 (“1Q 2022”) compared with quarter ended 31 March 2021 (“1Q 2021”)**

The Group's revenue in 1Q 2022 was RM1,721.3 million, almost three times of the level reported in 1Q 2021. The increase in revenue for this quarter was mainly due to:

1. higher revenue from the leisure and hospitality business in Malaysia by RM621.0 million or more than three times of the level reported in 1Q 2021, mainly due to higher business volume from the gaming and non-gaming segments as a result of the easing of travel restrictions during 1Q 2022. Revenue for 1Q 2021 was impacted by the temporary closure of Resorts World Genting (“RWG”) for almost 1 month followed by the re-imposition of travel restrictions across the country caused by the adverse impact of COVID-19 pandemic;
2. higher revenue from the leisure and hospitality businesses in the United Kingdom (“UK”) and Egypt by RM355.1 million from RM40.2 million to RM395.3 million, mainly due to the nationwide lockdown in the UK with effect from early January 2021 as a result of COVID-19 pandemic, where all the land-based casinos and resort operations were temporarily closed during 1Q 2021. The Group's land-based casinos in the UK have re-opened since mid-May 2021; and
3. higher revenue from the leisure and hospitality businesses in the United States of America (“US”) and Bahamas by RM101.6 million or 40%, mainly due to the strong operating performance from Resorts World New York City (“RWNYC”) since the full lifting of COVID-19 restrictions in June 2021. In 1Q 2021, RWNYC operated with limited operating hours in compliance with a government directive.

The Group reported adjusted EBITDA of RM414.4 million in 1Q 2022 as compared to adjusted LBITDA of RM110.4 million in 1Q 2021, mainly due to:

1. adjusted EBITDA of RM262.9 million from the leisure and hospitality business in Malaysia compared with an adjusted LBITDA of RM83.6 million in 1Q 2021, mainly due to the higher revenue and higher debts recovery; and
2. adjusted EBITDA of RM84.7 million from the leisure and hospitality businesses in the UK and Egypt compared with an adjusted LBITDA of RM51.7 million in 1Q 2021. This was primarily due to higher revenue offset by higher payroll and related costs following the resumption of its operations since mid-May 2021.

The Group reported loss before taxation of RM116.1 million in 1Q 2022 compared with RM559.7 million in 1Q 2021, lower by 79%, mainly due to:

1. higher adjusted EBITDA as mentioned above; offset by
2. higher finance costs by RM87.5 million mainly due to higher average outstanding borrowings as well as finance costs incurred on certain qualifying projects which were completed during the period and are no longer capitalised.

2) **Material Changes in Loss before Taxation for the Current Quarter (“1Q 2022”) compared with Profit before Taxation for the Immediate Preceding Quarter (“4Q 2021”)**

The Group reported loss before taxation of RM116.1 million compared with profit before taxation of RM162.2 million in 4Q 2021, mainly due to:

1. lower adjusted EBITDA from the leisure and hospitality business in Malaysia by RM95.2 million mainly due to lower revenue as a result of lower hold percentage in the mid to medium players segments. This was mitigated by higher non-gaming revenue during 1Q 2022. The Group also reported higher payroll and related costs following the opening of Genting SkyWorlds and the increase in RWG's operating capacity in 1Q 2022;
2. lower adjusted EBITDA from the property segment by RM95.2 million due to the gain on disposal of land during 4Q 2021;

2) Material Changes in Loss before Taxation for the Current Quarter (“1Q 2022”) compared with Profit before Taxation for the Immediate Preceding Quarter (“4Q 2021”) (Cont’d)

The Group reported loss before taxation of RM116.1 million compared with profit before taxation of RM162.2 million in 4Q 2021, mainly due to (Cont’d):

3. lower adjusted EBITDA from the leisure and hospitality businesses in the UK and Egypt by RM94.1 million. This was primarily attributable to the recognition of RM109.4 million during 4Q 2021 in relation to the Group’s recovery of value added taxes paid in prior years on income from gaming machines following the establishment of a legal precedent;
4. recognition of gain on disposal of subsidiaries involved in the live online gaming solutions in 4Q 2021 of RM119.8 million; mitigated by
5. recognition of impairment losses of RM209.4 million in 4Q 2021 mainly relating to the assets of Resorts World Bimini.

3) Prospects

The growth of the global economy is expected to be challenging due to disruptions caused by geopolitical tensions, prolonged supply chain issues and inflationary pressures. Whilst economic recovery in Malaysia is expected to remain intact as the country transitions to the endemic phase of COVID-19, the challenges to the global economic environment could pose downside risks.

International tourism is expected to continue its gradual recovery although weakening economic sentiments may delay the return of confidence in global travel. Nevertheless, the progressive reopening of borders and continued easing of COVID-19 restrictions will improve optimism surrounding the tourism, leisure and hospitality industries, including the regional gaming sector.

Therefore, the Group is positive on the longer-term outlook of the leisure and hospitality industry.

In Malaysia, the Group will continue to focus on ramping up operations at RWG following further relaxation of COVID-19 restrictions in the country and the reopening of national borders since 1 April 2022. In view of the increasing visitor turnout at the resort, the Group will also place emphasis on maximising yield contributions by intensifying database analytics and targeted marketing efforts to grow key business segments. At the same time, the Group will continue to enhance overall operational efficiencies and service delivery to elevate the quality of guest experience at RWG.

In the UK, sustainability of the Group’s recovery momentum remains as the Group’s main priority on the back of the lifting of all COVID-19 travel restrictions in the country. While the Group is mindful of the challenges implicit in the current operating environment, the Group is confident that the operational improvements implemented in previous years, including enhancements to customer proposition and optimisation of the Group’s cost structure, will position the Group well for the year ahead.

In the US, the Group’s operations continue to be resilient and the Group remains focused on reinforcing its position as the leading gaming operator in the northeast US region amid an increasingly competitive landscape. Marketing efforts will be intensified to grow the Group’s US customer database, whilst leveraging RWNYS’s latest improved facilities and Empire’s expanded product offerings to drive business volume and overall returns on the Group’s US operations. Meanwhile, the development of Resorts World Hudson Valley, a new video gaming machine facility located in Orange County, New York is progressing well, and emphasis continues to be placed on its timely completion. In the Bahamas, the Group will continue executing various cross-marketing initiatives, in addition to capitalising on the various world-class amenities available at the resort, to drive visitation and spend at Resorts World Bimini.

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 charges for the current quarter ended 31 March 2022 are as follows:

	Current quarter ended 31 March 2022 RM'000
Current taxation	
Malaysian income tax charge	3,500
Foreign income tax charge	9,495
	<hr/> 12,995
Deferred tax charge	19,358
	<hr/> 32,353
Prior period taxation	
Income tax over provided	(562)
	<hr/> <hr/> 31,791

The effective tax rate of the Group for the current quarter ended 31 March 2022 is higher than the statutory tax rate mainly due to expenses not deductible for tax purposes and recognition of taxable temporary difference.

6) Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed as at 19 May 2022.

7) Group Borrowings

The details of the Group's borrowings as at 31 March 2022 are as set out below:

	As at 31.03.2022			As at 31.12.2021	
	Secured/ Unsecured	Foreign Currency 'Mil		RM Equivalent 'Mil	RM Equivalent 'Mil
Short term borrowings	Secured	GBP	39.9	220.1	221.1
	Unsecured	USD	20.3	85.3	60.7
	Unsecured	RM	N/A	20.9	103.7
				326.3	385.5
Long term borrowings	Secured	USD	168.0	706.7	698.9
	Unsecured	USD	1,610.1	6,772.2	6,704.8
	Unsecured	RM	N/A	3,846.7	5,246.6
				11,325.6	12,650.3
Total borrowings	Secured	USD		706.7	698.9
	Secured	GBP		220.1	221.1
	Unsecured	USD		6,857.5	6,765.5
	Unsecured	RM		3,867.6	5,350.3
				11,651.9	13,035.8

8) *Outstanding Derivatives*

As at 31 March 2022, 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	220,756	383

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 2021:

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

9) *Fair Value Changes of Financial Liabilities*

As at 31 March 2022, 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 19 May 2022.

11) *Dividend Proposed or Declared*

No dividend has been proposed or declared for the current quarter ended 31 March 2022.

12) *Loss before Taxation*

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

	Current quarter ended 31 March 2022 RM'000
<u>Charges:</u>	
Depreciation and amortisation	296,635
Property, plant and equipment written off	538
Net foreign currency exchange losses	11,922
Net loss on disposal of property, plant and equipment	75
Finance costs:	
- Interest on borrowings	120,907
- Other finance costs	65,105
- Less: capitalised costs	(16,474)
Finance costs charged to income statements	169,538

12) Loss before Taxation (Cont'd)

Loss before taxation has been determined after inclusion of the following charges and credits (cont'd):

	Current quarter ended 31 March 2022 RM'000
Credits:	
Interest income	7,636
Income from capital award	44,575
	<hr/>

13) Loss per share

- (a) The loss used as the numerator in calculating basic and diluted loss per share for the current quarter ended 31 March 2022 are as follows:

	Current quarter ended 31 March 2022 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)	<hr/> (126,527) <hr/>

- (b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share for the current quarter ended 31 March 2022 are as follows:

	Current quarter ended 31 March 2022 Number of Shares ('000)
Weighted average number of ordinary shares in issue* (used as denominator for the computation of basic loss per share)	5,654,395
Adjustment for dilutive effect of Employee Share Scheme	<hr/> -**
Adjusted weighted average number of ordinary shares in issue (used as denominator for the computation of diluted loss per share)	<hr/> <hr/> 5,654,395

* The weighted average number of ordinary shares in issue during the current quarter ended 31 March 2022 excludes the weighted average treasury shares held by the Company.

** The calculation of diluted loss per share for the current quarter ended 31 March 2022 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 2021 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 26 May 2022.