

SECOND QUARTERLY REPORT

Quarterly report on consolidated results for the six months ended 30 June 2022. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2022**

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	Second quarter ended 30 June		Six months ended 30 June	
	<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	2,175,626	817,868	3,896,925	1,441,218
Cost of sales	(1,633,073)	(860,701)	(3,026,609)	(1,673,638)
Gross profit/(loss)	542,553	(42,833)	870,316	(232,420)
Other income	106,669	96,696	184,465	141,074
Other expenses	(318,013)	(257,809)	(604,615)	(523,153)
Other (losses)/gains - net	(33,261)	7,813	(49,501)	(6,671)
Profit/(loss) from operations before impairment losses	297,948	(196,133)	400,665	(621,170)
Impairment losses	(70,841)	(23,774)	(70,841)	(31,059)
Profit/(loss) from operations	227,107	(219,907)	329,824	(652,229)
Finance costs	(134,527)	(100,510)	(304,065)	(182,501)
Share of results in an associate	(41,916)	(50,618)	(91,167)	(95,981)
Share of results in a joint venture	(44)	-	(44)	-
Profit/(loss) before taxation	50,620	(371,035)	(65,452)	(930,711)
Taxation	(92,896)	4,319	(124,687)	62,680
Loss for the financial period	(42,276)	(366,716)	(190,139)	(868,031)
Loss attributable to:				
Equity holders of the Company	(10,852)	(348,113)	(137,379)	(831,704)
Non-controlling interests	(31,424)	(18,603)	(52,760)	(36,327)
	(42,276)	(366,716)	(190,139)	(868,031)
Loss per share attributable to equity holders of the Company:				
Basic loss per share (sen)	(0.19)	(6.16)	(2.43)	(14.71)
Diluted loss per share (sen)	(0.19)	(6.16)	(2.43)	(14.71)

(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 SIX MONTHS ENDED 30 JUNE 2022

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	Second quarter ended 30 June		Six months ended 30 June	
	<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	(42,276)	(366,716)	(190,139)	(868,031)
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges				
- Fair value changes	979	2,385	1,830	2,970
Net foreign currency exchange differences				
- Exchange differences on translation of foreign operations	45,545	54,343	15,006	357,814
- Reclassification to profit or loss upon disposal of a subsidiary	17	(29,287)	17	(29,287)
	45,562	25,056	15,023	328,527
Other comprehensive income, net of tax	46,541	27,441	16,853	331,497
Total comprehensive income/(loss) for the financial period	4,265	(339,275)	(173,286)	(536,534)
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	62,883	(319,219)	(88,157)	(485,467)
Non-controlling interests	(58,618)	(20,056)	(85,129)	(51,067)
	4,265	(339,275)	(173,286)	(536,534)

(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 30 JUNE 2022

	UNAUDITED As at 30.06.2022 RM'000	As at 31.12.2021 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	15,832,829	16,007,899
Land held for property development	192,432	180,518
Investment properties	2,050,712	1,835,592
Intangible assets	4,143,736	4,183,372
Right-of-use assets	606,295	670,421
Associate	1,688,834	1,685,494
Joint venture	42,915	42,958
Financial assets at fair value through other comprehensive income	68,212	64,572
Financial assets at fair value through profit or loss	129,062	130,384
Other non-current assets	51,871	49,161
Deferred tax assets	30,986	34,145
	<u>24,837,884</u>	<u>24,884,516</u>
Current assets		
Inventories	131,823	126,565
Trade and other receivables	773,442	717,317
Amounts due from related companies	4,793	3,506
Amounts due from an associate	46,741	36,883
Derivative financial instruments	634	-
Restricted cash	397	379
Cash and cash equivalents	2,971,548	4,641,026
	<u>3,929,378</u>	<u>5,525,676</u>
TOTAL ASSETS	<u>28,767,262</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	12,368,397	13,005,122
Treasury shares	(944,409)	(985,868)
	<u>13,188,412</u>	<u>13,783,678</u>
Non-controlling interests	<u>(616,245)</u>	<u>(531,116)</u>
TOTAL EQUITY	<u>12,572,167</u>	<u>13,252,562</u>
Non-current liabilities		
Other long-term liabilities	193,110	193,919
Long term borrowings	11,682,222	12,650,177
Amount due to a related company	9,808	9,272
Lease liabilities	583,535	646,511
Deferred tax liabilities	684,245	611,811
	<u>13,152,920</u>	<u>14,111,690</u>
Current liabilities		
Trade and other payables	2,543,317	2,482,983
Amount due to holding company	14,075	6,831
Amounts due to related companies	54,668	46,736
Short term borrowings	346,181	385,566
Lease liabilities	72,976	104,118
Derivative financial instruments	-	1,259
Taxation	10,958	18,447
	<u>3,042,175</u>	<u>3,045,940</u>
TOTAL LIABILITIES	<u>16,195,095</u>	<u>17,157,630</u>
TOTAL EQUITY AND LIABILITIES	<u>28,767,262</u>	<u>30,410,192</u>
NET ASSETS PER SHARE (RM)	<u>2.33</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 SIX MONTHS ENDED 30 JUNE 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	-	-	-	-	-	(137,379)	(137,379)	(52,760)	(190,139)
Other comprehensive income/(loss)	-	-	1,830	47,392	-	-	49,222	(32,369)	16,853
Total comprehensive income/(loss) for the financial period	-	-	1,830	47,392	-	(137,379)	(88,157)	(85,129)	(173,286)
Transactions with owners:									
Performance-based employee share scheme	-	-	-	1,678	-	-	1,678	-	1,678
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	-	-	-	(38,501)	41,459	(510,067)	(507,109)	-	(507,109)
At 30 June 2022	1,764,424	(83,898)	911	1,691,904	(944,409)	10,759,480	13,188,412	(616,245)	12,572,167

(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 SIX MONTHS ENDED 30 JUNE 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	-	-	-	-	-	(831,704)	(831,704)	(36,327)	(868,031)
Other comprehensive income/(loss)	-	-	2,970	343,267	-	-	346,237	(14,740)	331,497
Total comprehensive income/(loss) for the financial period	-	-	2,970	343,267	-	(831,704)	(485,467)	(51,067)	(536,534)
Transactions with owners:									
Buy-back of shares	-	-	-	-	(21,257)	-	(21,257)	-	(21,257)
Performance-based employee share scheme	-	-	-	8,086	-	-	8,086	-	8,086
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	-	-	-	(17,974)	2,066	(477,618)	(493,526)	-	(493,526)
At 30 June 2021	1,764,424	(83,898)	(3,969)	1,738,318	(985,868)	11,503,802	13,932,809	(462,247)	13,470,562

(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 SIX MONTHS ENDED 30 JUNE 2022

	UNAUDITED	
	Six months ended 30 June	
	2022	2021
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(65,452)	(930,711)
Adjustments for:		
Depreciation and amortisation	608,137	539,047
Finance costs	304,065	182,501
Interest income	(10,868)	(9,750)
Investment income	-	(8,639)
Dividend income	(3,099)	(3,099)
Impairment losses	70,841	31,059
Employee share grant scheme expenses	1,678	8,086
Gain on disposal of a subsidiary	(5,774)	(64,357)
Share of results in an associate	91,167	95,981
Net exchange loss – unrealised	21,103	12,647
Income from capital award	(90,916)	(10,089)
Other non-cash items and adjustments	29,837	16,781
	1,016,171	790,168
Operating profit/(loss) before working capital changes	950,719	(140,543)
Net change in current assets	(122,685)	30,725
Net change in current liabilities	89,308	(365,537)
	(33,377)	(334,812)
Cash generated from/(used in) operations	917,342	(475,355)
Net tax paid	(18,738)	(20,076)
Retirement gratuities paid	(3,924)	(2,612)
	(22,662)	(22,688)
Net Cash Flow From/(Used in) Operating Activities	894,680	(498,043)
CASH FLOWS FROM INVESTING ACTIVITIES		
Addition of property, plant and equipment	(254,118)	(421,437)
Addition of investment properties	(109,752)	(16,144)
Proceeds from disposal of property, plant and equipment	3,453	1,113
Proceeds from disposal of subsidiary	5,860	442,725
Proceeds from disposal of financial assets at fair value through profit or loss	-	356,378
Proceeds from capital award	54,479	48,653
Interest received	10,697	7,950
Investment in an associate	-	(151,545)
Other investing activities	(4,038)	19,325
Net Cash Flow (Used in)/From Investing Activities	(293,419)	287,018
CASH FLOWS FROM FINANCING ACTIVITIES		
Buy-back of shares	-	(21,257)
Repayment of borrowings and payment of transaction costs	(1,452,810)	(3,561,043)
Proceeds from bank borrowings and issuance of senior notes	-	7,071,869
Repayment of lease liabilities	(78,982)	(109,501)
Dividend paid	(508,787)	(480,355)
Finance costs paid	(277,531)	(195,111)
Net Cash Flow (Used in)/From Financing Activities	(2,318,110)	2,704,602
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(1,716,849)	2,493,577
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	4,641,026	2,452,905
EFFECT OF CURRENCY TRANSLATION	47,371	46,091
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	2,971,548	4,992,573
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	2,364,680	3,879,163
Money market instruments	606,868	1,113,410
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	2,971,548	4,992,573

(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.)

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 2022 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 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 six months ended 30 June 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 other material issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the six months ended 30 June 2022.

f) Dividend Paid

Dividend paid during the six months ended 30 June 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 six months ended 30 June 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>
	<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	2,236.9	776.5	775.1	3,788.5	47.9	142.3	3,978.7
Inter segment	(6.6)	-	-	(6.6)	(3.6)	(71.6)	(81.8)
External	2,230.3	776.5	775.1	3,781.9	44.3	70.7	3,896.9
<u>Adjusted EBITDA/(LBITDA)</u>	722.0	166.0	200.9	1,088.9	11.6	(66.6)	1,033.9
Main foreign currency	RM	GBP	USD		RM/USD		
Exchange ratio of 1 unit of foreign currency to RM		5.5573	4.2711		4.2711		

During the six months ended 30 June 2022, revenue from the leisure & hospitality segment of RM3,781.9 million comprised gaming revenue and non-gaming revenue of RM2,931.7 million and RM850.2 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 1,033.9
Pre-operating expenses	(37.5)
Property, plant and equipment written off	(1.4)
Impairment losses	(70.8)
Gain on disposal of a subsidiary	5.8
Others	(3.0)
EBITDA	927.0
Depreciation and amortisation	(608.1)
Interest income	10.9
Finance costs	(304.1)
Share of results in an associate	(91.2)
Loss before taxation	(65.5)

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	11,437.5	4,456.5	6,558.1	22,452.1	2,405.1	1,391.1	26,248.3
Segment Liabilities	1,764.9	1,018.3	506.0	3,289.2	120.7	61.6	3,471.5
Main foreign currency	RM	GBP	USD		RM/USD		
Exchange ratio of 1 unit of foreign currency to RM		5.3496	4.4068		4.4068		

RM'Mil

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

Segment assets	26,248.3
Interest bearing instruments	646.9
Associate	1,688.8
Joint venture	42.9
Unallocated corporate assets	140.4
Total assets	28,767.3

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

Segment liabilities	3,471.5
Interest bearing instruments	12,028.4
Unallocated corporate liabilities	695.2
Total liabilities	16,195.1

h) Property, Plant and Equipment

During the six months ended 30 June 2022, acquisitions (including capitalised interest) of property, plant and equipment by the Group were RM240.5 million.

i) Material Events Subsequent to the end of Financial Period

There were no material events subsequent to the end of the six months ended 30 June 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 six months ended 30 June 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 30 June 2022 are as follows:

	RM'Mil
Contracted	751.1
Not contracted	1,969.8
	<u>2,720.9</u>
Analysed as follows:	
- Property, plant and equipment	<u>2,720.9</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 2022 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.	104,694	164,469
ii) Licensing fee for the use of "Genting", "Resorts World" and "Awana" logo charged by GENT to the Group.	43,989	74,908
iii) Provision of management and support services by GENT Group to the Group.	1,366	2,706
iv) Income from rental and related services provided to GENT Group.	1,263	2,792
v) 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.	20,115	38,485
vi) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENT Group.	1,774	3,656
vii) Income from rental of premises to Warisan Timah Holdings Sdn Bhd, a company related to certain directors of the Company.	470	915
viii) Income from rental of office space to Genting Hong Kong Limited Group.	1,588	3,158
ix) Provision of maintenance and construction services by an entity connected with shareholder of BB Entertainment Ltd to the Group.	2,900	4,343
x) Licensing fee for the use of gaming software and system charged by RWI Group to the Group.	2,696	6,146
xi) Provision of support and management services by the Group to Empire Resorts, Inc.	3,545	6,620

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 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	-	-	129.1	129.1
Financial assets at fair value through other comprehensive income	-	-	68.2	68.2
Derivative financial instruments	-	0.6	-	0.6
	<u>-</u>	<u>0.6</u>	<u>197.3</u>	<u>197.9</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 2021.

GENTING MALAYSIA BERHAD
ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FINANCIAL PERIOD ENDED
30 JUNE 2022

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			
	2Q2022	2Q2021	Var		2022	2021	Var	
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	RM'Mil	%
Revenue								
Leisure & Hospitality								
- Malaysia	1,310.3	237.9	1,072.4	>100%	2,230.3	536.9	1,693.4	>100%
- United Kingdom and Egypt	381.2	185.3	195.9	>100%	776.5	225.5	551.0	>100%
- United States of America and Bahamas	417.2	352.9	64.3	18%	775.1	609.2	165.9	27%
	2,108.7	776.1	1,332.6	>100%	3,781.9	1,371.6	2,410.3	>100%
Property	21.9	18.9	3.0	16%	44.3	36.7	7.6	21%
Investments & others	45.0	22.9	22.1	97%	70.7	32.9	37.8	>100%
	2,175.6	817.9	1,357.7	>100%	3,896.9	1,441.2	2,455.7	>100%
Adjusted EBITDA/(LBITDA)								
Leisure & Hospitality								
- Malaysia	459.1	(94.2)	553.3	>100%	722.0	(177.8)	899.8	>100%
- United Kingdom and Egypt	81.3	14.3	67.0	>100%	166.0	(37.4)	203.4	>100%
- United States of America and Bahamas	122.9	109.3	13.6	12%	200.9	177.9	23.0	13%
	663.3	29.4	633.9	>100%	1,088.9	(37.3)	1,126.2	>100%
Property	2.1	20.1	(18.0)	-90%	11.6	(7.0)	18.6	>100%
Investments & others	(45.9)	(3.9)	(42.0)	->100%	(66.6)	(20.5)	(46.1)	->100%
Adjusted EBITDA/(LBITDA)	619.5	45.6	573.9	>100%	1,033.9	(64.8)	1,098.7	>100%
Pre-operating expenses	(16.9)	(25.5)	8.6	34%	(37.5)	(63.4)	25.9	41%
Property, plant and equipment written off	(0.9)	(7.2)	6.3	88%	(1.4)	(7.7)	6.3	82%
Impairment losses	(70.8)	(23.8)	(47.0)	->100%	(70.8)	(31.1)	(39.7)	->100%
Gain on disposal of a subsidiary	5.8	64.3	(58.5)	-91%	5.8	64.3	(58.5)	-91%
Others	(1.4)	(8.6)	7.2	84%	(3.0)	(20.2)	17.2	85%
EBITDA/(LBITDA)	535.3	44.8	490.5	>100%	927.0	(122.9)	1,049.9	>100%
Depreciation and amortisation	(311.5)	(270.4)	(41.1)	-15%	(608.1)	(539.0)	(69.1)	-13%
Interest income	3.3	5.7	(2.4)	-42%	10.9	9.7	1.2	12%
Finance costs	(134.6)	(100.5)	(34.1)	-34%	(304.1)	(182.5)	(121.6)	-67%
Share of results in an associate	(41.9)	(50.6)	8.7	17%	(91.2)	(96.0)	4.8	5%
Profit/(loss) before taxation	50.6	(371.0)	421.6	>100%	(65.5)	(930.7)	865.2	93%

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 2Q2022 RM'Mil	PRECEDING QUARTER 1Q2022 RM'Mil	Var	
			RM'Mil	%
Revenue				
Leisure & Hospitality				
- Malaysia	1,310.3	920.0	390.3	42%
- United Kingdom and Egypt	381.2	395.3	(14.1)	-4%
- United States of America and Bahamas	417.2	357.9	59.3	17%
	2,108.7	1,673.2	435.5	26%
Property	21.9	22.4	(0.5)	-2%
Investments & others	45.0	25.7	19.3	75%
	2,175.6	1,721.3	454.3	26%
Adjusted EBITDA/(LBITDA)				
Leisure & Hospitality				
- Malaysia	459.1	262.9	196.2	75%
- United Kingdom and Egypt	81.3	84.7	(3.4)	-4%
- United States of America and Bahamas	122.9	78.0	44.9	58%
	663.3	425.6	237.7	56%
Property	2.1	9.5	(7.4)	-78%
Investments & others	(45.9)	(20.7)	(25.2)	>100%
Adjusted EBITDA	619.5	414.4	205.1	49%
Pre-operating expenses	(16.9)	(20.6)	3.7	18%
Property, plant and equipment written off	(0.9)	(0.5)	(0.4)	-80%
Impairment losses	(70.8)	-	(70.8)	NC
Gain on disposal of a subsidiary	5.8	-	5.8	NC
Others	(1.4)	(1.6)	0.2	13%
EBITDA	535.3	391.7	143.6	37%
Depreciation and amortisation	(311.5)	(296.6)	(14.9)	-5%
Interest income	3.3	7.6	(4.3)	-57%
Finance costs	(134.6)	(169.5)	34.9	21%
Share of results in an associate	(41.9)	(49.3)	7.4	15%
Profit/(loss) before taxation	50.6	(116.1)	166.7	>100%

NC: Not comparable

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

a) **Quarter ended 30 June 2022 (“2Q 2022”) compared with quarter ended 30 June 2021 (“2Q 2021”)**

The Group's revenue in 2Q 2022 was RM2,175.6 million, almost three times of the level reported in 2Q 2021. The increase in revenue for this quarter was mainly due to:

1. higher revenue from the leisure and hospitality business in Malaysia by RM1,072.4 million or more than five times of the level reported in 2Q 2021, mainly due to higher business volume from the gaming and non-gaming segments following the further lifting of Coronavirus Disease 2019 (COVID-19) related restrictions and the reopening of national borders since 1 April 2022. The opening of Genting SkyWorlds in February 2022 has also contributed to an increase in the non-gaming revenue during 2Q 2022. Revenue for 2Q 2021 was impacted by the temporary closure of Resorts World Genting (“RWG”) since 1 June 2021 until 29 September 2021, coupled with imposition of travel restrictions across the country caused by the adverse impact of COVID-19 pandemic during the period when it was opened;
2. higher revenue from the leisure and hospitality businesses in the United Kingdom (“UK”) and Egypt by RM195.9 million from RM185.3 million to RM381.2 million, mainly due to higher volume of business from its land-based casinos following their re-opening since mid-May 2021; and
3. higher revenue from the leisure and hospitality businesses in the United States of America (“US”) and Bahamas by RM64.3 million or 18%, largely due to higher contribution from non-gaming revenue following the opening of Hyatt Regency JFK Airport at Resorts World New York and an improved performance from Hilton Miami Downtown.

The Group reported adjusted EBITDA of RM619.5 million as compared with RM45.6 million in 2Q 2021, mainly due to:

1. adjusted EBITDA of RM459.1 million from the leisure and hospitality business in Malaysia compared with an adjusted LBITDA of RM94.2 million in 2Q 2021, mainly due to the higher revenue. The adjusted EBITDA margin for 2Q 2022 was recorded at 35%; and
2. higher adjusted EBITDA by RM67.0 million from the leisure and hospitality businesses in the UK and Egypt from RM14.3 million in 2Q 2021 to RM81.3 million in 2Q 2022. 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 profit before taxation of RM50.6 million in 2Q 2022 compared with loss before taxation of RM371.0 million in 2Q 2021, mainly due to:

1. higher adjusted EBITDA as mentioned above; offset by
2. recognition of a gain on disposal of a subsidiary, PLM Properties (UK) Pte. Ltd., an owner of a hotel and adjoining residential apartments in London of RM64.3 million in 2Q 2021; and
3. impairment loss of RM66.8 million on the assets of Resorts World Bimini in 2Q 2022.

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

b) Financial period for the six months ended 30 June 2022 (“1H 2022”) compared with six months ended 30 June 2021 (“1H 2021”)

The Group’s revenue in 1H 2022 was RM3,896.9 million, almost three times of the level reported in 1H 2021. The increase in revenue was mainly due to:

1. higher revenue from the leisure and hospitality business in Malaysia by RM1,693.4 million or more than four times of the level reported in 1H 2021, mainly due to higher business volume from the gaming and non-gaming segments following further relaxation of COVID-19 restrictions and the reopening of national borders since 1 April 2022. Revenue for 1H 2021 was impacted by the temporary closure of RWG for approximately 2 months and the implementation of strict travel restrictions nationwide during this period when it was opened;
2. higher revenue from the leisure and hospitality businesses in the UK and Egypt by RM551.0 million mainly due to higher volume of business from its land-based casinos following their re-opening since mid-May 2021. Revenue for 1H 2021 was impacted by temporary closure of land-based casinos from early January to mid-May 2021 amid a national lockdown in response to the outbreak of COVID-19; and
3. higher revenue from the leisure and hospitality businesses in the US and Bahamas by RM165.9 million or 27%, primarily due to strong operating performance from Resorts World New York City (“RWNYC”) since the full lifting of COVID-19 restrictions in June 2021 and an improved performance from Hilton Miami Downtown.

The Group reported adjusted EBITDA of RM1,033.9 million in 1H 2022 as compared to adjusted LBITDA of RM64.8 million in 1H 2021, mainly due to:

1. adjusted EBITDA of RM722.0 million from the leisure and hospitality business in Malaysia compared with an adjusted LBITDA of RM177.8 million in 1H 2021, mainly due to the higher revenue; and
2. adjusted EBITDA of RM166.0 million from the leisure and hospitality businesses in the UK and Egypt compared with an adjusted LBITDA of RM37.4 million in 1H 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 RM65.5 million in 1H 2022 compared with RM930.7 million in 1H 2021, narrowed by 93%, mainly due to:

1. higher adjusted EBITDA as mentioned above; offset by
2. higher finance costs by RM121.6 million mainly due to finance costs incurred on certain qualifying projects which were completed during the period and are no longer capitalised; and
3. impairment loss of RM66.8 million on the assets of Resorts World Bimini in 1H 2022.

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

The Group reported profit before taxation of RM50.6 million compared with loss before taxation of RM116.1 million in 1Q 2022, mainly due to higher adjusted EBITDA from the leisure and hospitality business in Malaysia by RM196.2 million or 75%. Following the reopening of national borders since 1 April 2022 and an increase in operating capacity, RWG recorded higher overall business volume from gaming and non-gaming segments during 2Q 2022, offset by impairment loss of RM66.8 million on the assets of Resorts World Bimini.

3) *Prospects*

The global economic environment is expected to remain challenging from continued headwinds posed by geopolitical tensions and reduced macroeconomic support amid high inflation. Whilst set against the backdrop of slowing global growth, economic recovery momentum in Malaysia is expected to persist, supported by domestic demand.

3) Prospects (Cont'd)

The recovery in international travel demand is expected to continue alongside the easing or removal of travel restrictions and reopening of markets. However, concerns of a weakening global economy may delay its recovery trajectory.

The Group is cautiously optimistic on the near-term outlook of the leisure and hospitality industry but remains positive in the longer-term.

In Malaysia, the Group will continue to optimise yield contributions by focusing on key business segments and database marketing efforts. Following the lifting of COVID-19 restrictions nationwide and the reopening of national borders, the Group will continue to ramp up operations and capitalise on demand for integrated resort offerings. In addition, the Group will leverage its assets to attract foreign and domestic visitations to RWG to drive revenue growth. Up to three additional rides at Genting SkyWorlds are expected to be commissioned within the fourth quarter of 2022. Investments in targeted events and promotions will also be made to drive leisure traffic at RWG.

In the UK, the Group remains vigilant of the challenges implicit in the current operating environment. Nevertheless, business has continued to recover well, and the Group will keep focusing on strategies to grow its market share in both the core and London segments. These include exploring opportunities to add capacity to the Group's existing offerings to strengthen the resilience of the Group's business. At the same time, emphasis will be placed on improving overall business efficiencies and optimising costs to enhance the Group's operational agility as the Group sustains its recovery momentum.

In the US, the Group remains focused on leveraging synergies between RWNYC and Resorts World Catskills to reinforce its strong local market exposure and maintain its position as the leading gaming operator in the northeast US region. As the Group continues to ramp up operations at RWNYC, the Group will keep driving business volumes through increased direct marketing efforts and promotions. Meanwhile, the development of the Group's new video gaming facility in New York, Resorts World Hudson Valley, is well underway and is targeted to open by the end of the year. In the Bahamas, the further relaxation of COVID-19 related restrictions are expected to boost travel demand into the country. The Group will focus efforts towards capitalising on this pent-up demand by enhancing cross-marketing initiatives, in addition to leveraging partnerships with renowned brands to drive higher visitation to 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 and six months ended 30 June 2022 are as follows:

	Current quarter ended 30 June 2022 RM'000	Six months ended 30 June 2022 RM'000
Current taxation		
Malaysian income tax charge	3,515	7,015
Foreign income tax charge	12,556	22,051
	<hr/> 16,071	<hr/> 29,066
Deferred tax charged	78,449	97,807
	<hr/> 94,520	<hr/> 126,873
Prior period taxation		
Income tax over provided	(1,624)	(2,186)
	<hr/> <hr/> 92,896	<hr/> <hr/> 124,687

The effective tax rate of the Group for the current quarter and six month ended 30 June 2022 is higher than the statutory tax rate mainly due to expenses not deductible for tax purposes and current period's 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 18 August 2022.

7) Group Borrowings

The details of the Group's borrowings as at 30 June 2022 are as set out below:

	As at 30.06.2022			As at 31.12.2021	
	Secured/ Unsecured	Foreign Currency 'Mil		RM Equivalent 'Mil	RM Equivalent 'Mil
Short term borrowings	Secured	GBP	39.5	211.1	221.1
	Unsecured	USD	14.9	65.5	60.7
	Unsecured	RM	N/A	69.6	103.7
				346.2	385.5
Long term borrowings	Secured	USD	168.4	741.9	698.9
	Unsecured	USD	1,609.8	7,093.9	6,704.8
	Unsecured	RM	N/A	3,846.4	5,246.6
				11,682.2	12,650.3
Total borrowings	Secured	USD		741.9	698.9
	Secured	GBP		211.1	221.1
	Unsecured	USD		7,159.4	6,765.5
	Unsecured	RM		3,916.0	5,350.3
			12,028.4	13,035.8	

8) Outstanding Derivatives

As at 30 June 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 Assets RM'000
<u>Interest Rate Swaps</u> GBP - Less than 1 year	213,983	634

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 30 June 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 18 August 2022.

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 2022 has been declared by the Directors.
- (ii) There is no interim single-tier dividend declared and paid for the previous year's corresponding period.
- (iii) The interim single-tier dividend shall be payable on 29 September 2022.
- (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 13 September 2022 in respect of transfers; and
- (II) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.
- (b) The total single-tier dividend payable for the financial year ending 31 December 2022 is 6.00 sen per ordinary share.

12) Profit/(loss) before Taxation

Profit/(loss) before taxation has been determined after inclusion of the following charges and credits:

	Current quarter ended 30 June 2022 RM'000	Six months ended 30 June 2022 RM'000
Charges:		
Depreciation and amortisation	311,502	608,137
Property, plant and equipment written off	858	1,396
Impairment losses	70,841	70,841
Net foreign currency exchange losses	33,181	45,103
Finance costs:		
- Interest on borrowings	120,733	241,640
- Other finance costs	13,794	78,899
- Less: capitalised costs	-	(16,474)
Finance costs charged to income statements	134,527	304,065
Credits:		
Gain on disposal of a subsidiary	5,774	5,774
Net gain on disposal of property, plant and equipment	189	114
Income from capital award	46,341	90,916
Interest income	3,232	10,868
Dividend income	1,558	3,099

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 2022 are as follows:

	Current quarter ended 30 June 2022 RM'000	Current financial year-to-date ended 30 June 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)	<u>(10,852)</u>	<u>(137,379)</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 2022 are as follows:

	Current quarter ended 30 June 2022 Number of Shares ('000)	Current financial year-to-date ended 30 June 2022 Number of Shares ('000)
Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of basic loss per share)	5,665,207	5,659,831
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>5,665,207</u>	<u>5,659,831</u>

* The weighted average number of ordinary shares in issue during the current quarter and six months ended 30 June 2022 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 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 25 August 2022.