



FIRST QUARTERLY REPORT

Quarterly report on consolidated results for the three months ended 31 March 2017. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2017**

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	First quarter ended 31 March		Three months ended 31 March	
	<u>2017</u> <u>RM'000</u>	<u>2016</u> <u>RM'000</u>	<u>2017</u> <u>RM'000</u>	<u>2016</u> <u>RM'000</u>
Revenue	2,223,818	2,214,354	2,223,818	2,214,354
Cost of sales	(1,684,101)	(1,615,067)	(1,684,101)	(1,615,067)
Gross profit	539,717	599,287	539,717	599,287
Other income	130,523	96,053	130,523	96,053
Other expenses	(306,828)	(418,928)	(306,828)	(418,928)
Profit from operations	363,412	276,412	363,412	276,412
Finance costs	(19,086)	(14,296)	(19,086)	(14,296)
Profit before taxation	344,326	262,116	344,326	262,116
Taxation	(49,440)	(117,985)	(49,440)	(117,985)
Profit for the financial period	294,886	144,131	294,886	144,131
Profit attributable to:				
Equity holders of the Company	323,515	161,567	323,515	161,567
Non-controlling interests	(28,629)	(17,436)	(28,629)	(17,436)
	294,886	144,131	294,886	144,131
Earnings per share attributable to equity holders of the Company:				
Basic earnings per share (sen)	5.72	2.86	5.72	2.86
Diluted earnings per share (sen)	5.71	2.85	5.71	2.85

(The Condensed Consolidated Income Statement should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2016.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2017

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	First quarter ended 31 March		Three months ended 31 March	
	<u>2017</u> <u>RM'000</u>	<u>2016</u> <u>RM'000</u>	<u>2017</u> <u>RM'000</u>	<u>2016</u> <u>RM'000</u>
Profit for the financial period	294,886	144,131	294,886	144,131
Other comprehensive loss				
Items that will be reclassified subsequently to profit or loss:				
Available-for-sale financial assets				
- Fair value loss	-	(27,920)	-	(27,920)
Cash flow hedges				
- Fair value loss	(2,125)	(1,188)	(2,125)	(1,188)
Foreign currency exchange differences	(69,189)	(1,226,080)	(69,189)	(1,226,080)
Other comprehensive loss, net of tax	(71,314)	(1,255,188)	(71,314)	(1,255,188)
Total comprehensive income/(loss) for the financial period	223,572	(1,111,057)	223,572	(1,111,057)
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	250,809	(1,092,228)	250,809	(1,092,228)
Non-controlling interests	(27,237)	(18,829)	(27,237)	(18,829)
	223,572	(1,111,057)	223,572	(1,111,057)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2016.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2017

	UNAUDITED	As at
	As at	31.12.2016
	31.03.2017	RM'000
	RM'000	
ASSETS		
Non-current assets		
Property, plant and equipment	12,534,925	12,158,625
Land held for property development	184,672	184,672
Investment properties	2,302,984	2,317,873
Intangible assets	4,989,125	5,036,343
Available-for-sale financial assets	101,744	102,892
Other non-current assets	1,951,927	1,842,383
Deferred tax assets	101,473	122,415
	<u>22,166,850</u>	<u>21,765,203</u>
Current assets		
Inventories	106,452	98,221
Trade and other receivables	536,421	566,850
Amounts due from other related companies	8,817	9,493
Financial asset at fair value through profit or loss	10,456	10,799
Available-for-sale financial assets	470,000	550,000
Derivative financial instruments	-	3,064
Restricted cash	45,816	35,053
Cash and cash equivalents	6,672,735	4,855,700
	<u>7,850,697</u>	<u>6,129,180</u>
TOTAL ASSETS	<u>30,017,547</u>	<u>27,894,383</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	593,804	593,804
Reserves	20,053,263	20,228,241
Treasury shares	(911,258)	(911,258)
Shares held for employee share scheme	(21,678)	(45,769)
	<u>19,714,131</u>	<u>19,865,018</u>
Non-controlling interests	<u>(146,890)</u>	<u>(119,653)</u>
TOTAL EQUITY	<u>19,567,241</u>	<u>19,745,365</u>
Non-current liabilities		
Other long term liabilities	221,920	220,337
Long term borrowings	5,788,201	3,223,146
Deferred tax liabilities	668,622	673,771
	<u>6,678,743</u>	<u>4,117,254</u>
Current liabilities		
Trade and other payables	2,303,055	2,738,495
Amount due to holding company	19,084	19,886
Amounts due to other related companies	111,385	162,031
Short term borrowings	1,318,656	1,103,426
Derivative financial instruments	3,096	4,006
Taxation	16,287	3,920
	<u>3,771,563</u>	<u>4,031,764</u>
TOTAL LIABILITIES	<u>10,450,306</u>	<u>8,149,018</u>
TOTAL EQUITY AND LIABILITIES	<u>30,017,547</u>	<u>27,894,383</u>
NET ASSETS PER SHARE (RM)	<u>3.48</u>	<u>3.51</u>

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2016.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2017

	Attributable to equity holders of the Company									
	Share Capital	Share Premium	Cash Flow Hedges Reserve	Other Reserves	Treasury Shares	Shares held for Employee Share Scheme	Retained Earnings	Total	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2017	593,804	1,170,620	(739)	2,250,313	(911,258)	(45,769)	16,808,047	19,865,018	(119,653)	19,745,365
Profit/(Loss) for the financial period	-	-	-	-	-	-	323,515	323,515	(28,629)	294,886
Other comprehensive (loss)/income	-	-	(2,125)	(70,581)	-	-	-	(72,706)	1,392	(71,314)
Total comprehensive (loss)/income for the financial period	-	-	(2,125)	(70,581)	-	-	323,515	250,809	(27,237)	223,572
Transactions with owners:										
Performance-based employee share scheme	-	-	-	11,280	-	-	-	11,280	-	11,280
Employee share scheme shares vested to employees	-	-	-	(24,091)	-	24,091	-	-	-	-
Appropriation:										
Special single-tier dividend declared for the year ended 31 December 2016	-	-	-	-	-	-	(412,976)	(412,976)	-	(412,976)
Total transactions with owners	-	-	-	(12,811)	-	24,091	(412,976)	(401,696)	-	(401,696)
At 31 March 2017	593,804	1,170,620	(2,864)	2,166,921	(911,258)	(21,678)	16,718,586	19,714,131	(146,890)	19,567,241

The new Companies Act 2016 ("the Act") came into effect from 31 January 2017 and abolished the concept of authorised share capital and par value of share capital. Consequently, any amount standing to the credit of a company's share premium account shall become part of the company's share capital pursuant to Section 618(2) of the Act. Under the transitional provision in Section 618(3) of the Act, a company may within twenty-four months upon the commencement of the Act, use the amount standing to the credit of its share premium account for purposes as set out in that section. The balance of RM593.8 million in share capital represents 5,938.0 million ordinary shares.

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2016.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)
FOR THE THREE MONTHS ENDED 31 MARCH 2017

	Attributable to equity holders of the Company										
	Share Capital	Share Premium	Available-for-sale Financial Assets Reserve	Cash Flow Hedges Reserve	Other Reserves	Treasury Shares	Shares held for Employee Share Scheme	Retained Earnings	Total	Non-controlling Interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2016	593,804	1,170,620	1,077,734	(4,006)	2,857,714	(906,707)	(57,267)	14,348,518	19,080,410	25,944	19,106,354
Profit/(Loss) for the financial period	-	-	-	-	-	-	-	161,567	161,567	(17,436)	144,131
Other comprehensive loss	-	-	(27,920)	(1,188)	(1,224,687)	-	-	-	(1,253,795)	(1,393)	(1,255,188)
Total comprehensive (loss)/income for the financial period	-	-	(27,920)	(1,188)	(1,224,687)	-	-	161,567	(1,092,228)	(18,829)	(1,111,057)
Transactions with owners:											
Changes in ownership interest in a subsidiary that do not result in a loss of control	-	-	-	-	-	-	-	5,551	5,551	(55,984)	(50,433)
Performance-based employee share scheme	-	-	-	-	7,728	-	-	-	7,728	-	7,728
Employee share scheme shares vested to employees	-	-	-	-	(11,498)	-	11,498	-	-	-	-
Total transactions with owners	-	-	-	-	(3,770)	-	11,498	5,551	13,279	(55,984)	(42,705)
At 31 March 2016	593,804	1,170,620	1,049,814	(5,194)	1,629,257	(906,707)	(45,769)	14,515,636	18,001,461	(48,869)	17,952,592

(The Condensed Consolidated Statement of Changes in Equity should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2016.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2017

UNAUDITED
Three months ended
31 March

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation

Adjustments for:

Depreciation and amortisation
Property, plant and equipment written off
Net (gain)/loss on disposal of property, plant and equipment
Finance costs
Interest income
Investment income
Employee share grant scheme expenses
Net exchange loss – unrealised
Other non-cash items and adjustments

Operating profit before working capital changes

Net change in current assets
Net change in current liabilities

Cash generated from operations

Net tax refund/(paid)
Retirement gratuities paid
Onerous lease paid
Other net operating payments

Net Cash Flow From Operating Activities

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property, plant and equipment
Proceeds from disposal of property, plant and equipment
Purchase of intangible assets
Purchase of investments
Proceeds from disposal of available-for-sale financial assets
Proceeds from redemption of unquoted preference shares in a Malaysian corporation
Other investing activities

Net Cash Flow From Investing Activities

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of borrowings and transaction costs
Proceeds from bank borrowings and issuance of medium term notes
Restricted cash
Dividend paid
Finance costs paid

Net Cash Flow From Financing Activities

NET MOVEMENT IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD

EFFECT OF CURRENCY TRANSLATION

CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD

ANALYSIS OF CASH AND CASH EQUIVALENTS

Bank balances and deposits

Money market instruments

CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD

	2017 RM'000	2016 RM'000
Profit before taxation	344,326	262,116
Adjustments for:		
Depreciation and amortisation	248,326	188,139
Property, plant and equipment written off	887	1,718
Net (gain)/loss on disposal of property, plant and equipment	(225)	6,127
Finance costs	19,086	14,296
Interest income	(70,748)	(38,962)
Investment income	(5,154)	(7,766)
Employee share grant scheme expenses	11,280	7,728
Net exchange loss – unrealised	16,327	144,246
Other non-cash items and adjustments	2,847	5,083
Operating profit before working capital changes	222,626	320,609
Net change in current assets	(1,966)	(79,806)
Net change in current liabilities	(131,048)	(108,018)
Cash generated from operations	433,938	394,901
Net tax refund/(paid)	514	(63,935)
Retirement gratuities paid	(929)	(768)
Onerous lease paid	(90,596)	(1,400)
Other net operating payments	-	(306)
Net Cash Flow From Operating Activities	342,927	328,492
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(884,903)	(689,231)
Proceeds from disposal of property, plant and equipment	559	290,544
Purchase of intangible assets	-	(5,929)
Purchase of investments	(13,417)	(313,931)
Proceeds from disposal of available-for-sale financial assets	80,000	-
Proceeds from redemption of unquoted preference shares in a Malaysian corporation	-	100,000
Other investing activities	14,691	41,851
Net Cash Flow From Investing Activities	(803,070)	(576,696)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings and transaction costs	(80,210)	(37,538)
Proceeds from bank borrowings and issuance of medium term notes	2,866,910	327,768
Restricted cash	834	44,337
Dividend paid	(412,976)	-
Finance costs paid	(77,302)	(67,607)
Net Cash Flow From Financing Activities	2,297,256	266,960
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	1,837,113	18,756
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	4,855,700	4,518,966
EFFECT OF CURRENCY TRANSLATION	(20,078)	(93,326)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	6,672,735	4,444,396
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	2,018,849	2,406,941
Money market instruments	4,653,886	2,037,455
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	6,672,735	4,444,396

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2016.)

GENTING MALAYSIA BERHAD
NOTES TO THE INTERIM FINANCIAL REPORT – FIRST QUARTER ENDED 31 MARCH 2017

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 three months ended 31 March 2017 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 2016. The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2016 except for the adoption of amendments that are mandatory for the Group for the financial year beginning 1 January 2017:

- Amendments to MFRS 107 Statement of Cash Flows
- Amendments to MFRS 112 Income Taxes

The adoption of these amendments to standards do not have a material impact on the interim financial information of the Group.

b) Seasonal or Cyclical Factors

The business operations of the Group’s leisure and hospitality division are subject to seasonal fluctuations. The results are affected by major festive seasons and holidays.

c) Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the three months ended 31 March 2017.

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

Issuance of Medium Term Notes (“MTN”)

On 31 March 2017, GENM Capital Berhad, a wholly-owned subsidiary of Genting Malaysia Berhad (“the Company”), issued RM2.6 billion in nominal value of MTNs, comprising RM1.25 billion 5-year MTN at coupon rate of 4.78% per annum, RM1.1 billion 10-year MTN at coupon rate of 4.98% per annum and RM0.25 billion 15-year MTN at coupon rate of 5.20% per annum under its MTN Programme which is guaranteed by the Company. The coupon is payable semi-annually.

Other than the above, there were no issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the three months ended 31 March 2017.

f) Dividend Paid

Dividend paid during the three months ended 31 March 2017 is as follows:

	RM’000
Special single-tier dividend for the year ended 31 December 2016 paid on 28 March 2017	
7.3 sen per ordinary share	<u>412,976</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 before interest, tax, depreciation and amortisation (EBITDA). This measurement basis excludes the effects of non-recurring items from the reporting segments, such as impairment losses, pre-opening expenses, gain or loss on disposal of assets and assets written off.

Segment analysis for the three months ended 31 March 2017 is set out below:

	<u>Leisure & Hospitality</u>			<u>Property</u>	<u>Investments & Others</u>	<u>Total</u>
	<u>Malaysia RM'000</u>	<u>United Kingdom RM'000</u>	<u>United States of America and Bahamas RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue						
Total revenue	1,346,780	467,278	380,988	23,009	43,433	2,261,488
Inter segment	(2,882)	-	-	(3,323)	(31,465)	(37,670)
External	<u>1,343,898</u>	<u>467,278</u>	<u>380,988</u>	<u>19,686</u>	<u>11,968</u>	<u>2,223,818</u>
Adjusted EBITDA	<u>436,935</u>	<u>77,708</u>	<u>41,443</u>	<u>9,283</u>	<u>(603)</u>	<u>564,766</u>
Total Assets	<u>9,318,049</u>	<u>4,766,722</u>	<u>5,450,997</u>	<u>2,621,844</u>	<u>7,859,935</u>	<u>30,017,547</u>

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

Adjusted EBITDA for reportable segments	RM'000
Property, plant and equipment written off	564,766
Net gain on disposal of property, plant and equipment	(887)
Pre-opening expenses	225
EBITDA	<u>(23,114)</u>
Depreciation and amortisation	540,990
Interest income	(248,326)
Finance costs	70,748
Profit before taxation	<u>(19,086)</u> <u>344,326</u>

h) Property, Plant and Equipment

During the three months ended 31 March 2017, acquisitions (including capitalised interest) of property, plant and equipment by the Group were RM597.7 million.

i) Material Event Subsequent to the end of Financial Period

There was no material event subsequent to the end of current financial period ended 31 March 2017 that has not been reflected in this interim financial report.

j) Changes in the Composition of the Group

There were no material changes in the composition of the Group for the three months ended 31 March 2017.

k) Changes in Contingent Liabilities or Contingent Assets

There were no material changes in the contingent liabilities or contingent assets since the financial year ended 31 December 2016.

l) Capital Commitments

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

	RM'000
Contracted	2,608,499
Not contracted	7,114,703
	<u>9,723,202</u>
Analysed as follows:	
- Property, plant and equipment	9,374,317
- Investments	348,885
	<u>9,723,202</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 2017 are as follows:

	Current quarter RM'000
i) Provision of technical know-how and management expertise in the resort's operations by Genting Berhad ("GENT") Group to the Group.	<u>104,908</u>
ii) Licensing fee for the use of "Genting", "Resorts World" and "Awana" logo charged by GENT to the Group.	<u>46,994</u>
iii) Licensing fee for the use of "Resorts World" and "Genting" intellectual property outside Malaysia charged by GENT Group to the Group.	<u>244</u>
iv) Provision of management and support services by GENT Group to the Group.	<u>2,059</u>
v) Rental charges and related services by the Group to GENT Group.	<u>946</u>
vi) Rental charges and related services by the Group to Genting Plantations Berhad ("GENP") Group.	<u>673</u>
vii) 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>19,460</u>
viii) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENT Group.	<u>1,027</u>
ix) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENP Group.	<u>856</u>
x) Provision of management and support services by the Group to GENT Group.	<u>570</u>
xi) Rental charges by Genting Development Sdn Bhd to the Group.	<u>297</u>
xii) Provision of management and consultancy services on theme park and resort development operations by International Resort Management Services Pte Ltd to the Company.	<u>2,499</u>
xiii) Rental charges for premises by the Group to Warisan Timah Holdings Sdn Bhd.	<u>554</u>
xiv) Provision of water supply services by an entity connected with shareholder of BB Entertainment Ltd ("BBEL") to the Group.	<u>544</u>
xv) Provision of maintenance services by entities connected with shareholder of BBEL to the Group.	<u>2,410</u>
xvi) Rental charges for office space by the Group to GENHK Group.	<u>765</u>

m) Significant Related Party Transactions (Cont'd)

	Current quarter RM'000
xvii) Purchase of rooms by the Group from an entity connected with shareholder of BBEL.	309
xviii) Licensing fee for the use of Internet Gaming System platform in the United Kingdom charged by RWI Group to the Group.	265
xix) Provision of aviation related services by the Group to GENHK Group.	346
xx) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENHK Group.	426
xxi) Rental income for rooftop of a car park building from Genting Highlands Premium Outlets Sdn Bhd.	4,200

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

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial assets				
Financial asset at fair value through profit or loss	10,456	-	-	10,456
Available-for-sale financial assets	-	470,000	101,744	571,744
	<u>10,456</u>	<u>470,000</u>	<u>101,744</u>	<u>582,200</u>

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 31 December 2016.

GENTING MALAYSIA BERHAD
ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FINANCIAL PERIOD ENDED
31 MARCH 2017

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

1) Review of Performance

The results of the Group are tabulated below:

	INDIVIDUAL QUARTER		Var %	PRECEDING QUARTER	
	1Q2017 RM'Mil	1Q2016 RM'Mil		4Q2016 RM'Mil	Var %
Revenue					
Leisure & Hospitality					
- Malaysia	1,343.9	1,305.1	3%	1,507.7	-11%
- United Kingdom	467.3	528.9	-12%	403.2	16%
- United States of America and Bahamas	381.0	350.4	9%	341.3	12%
	2,192.2	2,184.4	-	2,252.2	-3%
Property	19.7	17.8	11%	15.7	25%
Investments & others	11.9	12.1	-2%	15.0	-21%
	2,223.8	2,214.3	-	2,282.9	-3%
Adjusted EBITDA					
Leisure & Hospitality					
- Malaysia	437.0	451.5	-3%	521.5	-16%
- United Kingdom	77.7	98.7	-21%	26.8	>100%
- United States of America and Bahamas	41.4	19.2	>100%	87.7	-53%
	556.1	569.4	-2%	636.0	-13%
Property	9.3	5.6	66%	4.9	90%
Investments & others	(0.6)	(130.7)	100%	102.7	->100%
	564.8	444.3	27%	743.6	-24%
Pre-opening expenses	(23.1)	(10.7)	->100%	(14.8)	-56%
Property, plant and equipment written off	(0.9)	(1.7)	47%	(16.5)	95%
Net gain/(loss) on disposal of property, plant and equipment	0.2	(6.1)	>100%	(0.1)	>100%
Impairment losses	-	(0.2)	NC	(5.0)	NC
Gain on disposal of available-for-sale financial assets	-	-	-	1,272.9	NC
EBITDA	541.0	425.6	27%	1,980.1	-73%
Depreciation and amortisation	(248.3)	(188.1)	-32%	(238.6)	-4%
Interest income	70.7	38.9	82%	72.6	-3%
Finance costs	(19.1)	(14.3)	-34%	(17.3)	-10%
Profit before taxation	344.3	262.1	31%	1,796.8	-81%

NC : Not comparable

1) Review of Performance (Cont'd)

a) Quarter ended 31 March 2017 (“1Q 2017”) compared with quarter ended 31 March 2016 (“1Q 2016”)

The Group’s revenue in 1Q 2017 was RM2,223.8 million, remained relatively unchanged as compared to RM2,214.3 million in 1Q 2016.

The higher revenue was mainly attributable to:

1. increase in revenue from the leisure and hospitality business in Malaysia by RM38.8 million, mainly contributed by the better hold percentage from the mid to premium segment of the business even though business volumes were lower; and
2. increase in revenue from the leisure and hospitality business in United States of America (“US”) and Bahamas by RM30.6 million, mainly contributed by higher revenue from Resorts World Casino New York City (“RWNYC operations”) as a result of an improved commission structure with the New York state authority on RWNYC gaming operations as well as the favourable foreign exchange movement of USD against RM during 1Q 2017; offset by
3. a decrease in revenue from the casino business in United Kingdom (“UK”) by RM61.6 million, mainly due to the weaker GBP exchange rate to RM during the quarter. Revenue in terms of GBP decreased by 3% mainly due to lower hold percentage mitigated by higher volume of business of its High End Markets.

The Group’s adjusted EBITDA in 1Q 2017 was at RM564.8 million compared with RM444.3 million in 1Q 2016, an increase of 27%. The higher adjusted EBITDA was mainly attributable to:

1. a lower adjusted loss before interest, tax, depreciation and amortisation (“LBITDA”) of RM0.6 million was recorded in 1Q 2017 from the “investments and others” segment, as compared to an adjusted LBITDA of RM130.7 million in the same quarter last year. The significantly higher adjusted LBITDA in 1Q 2016 was mainly related to foreign exchange losses on the Group’s USD denominated assets as a result of the strengthening of RM against USD; and
2. increase in EBITDA from the leisure and hospitality business in US and Bahamas by RM22.2 million mainly due to higher revenue from RWNYC operations and lower LBITDA from the operations of Resorts World Bimini in Bahamas following the cessation of the Bimini Superfast Cruise ferry operations in 1Q 2016; offset by
3. a decrease in adjusted EBITDA from the casino business in UK by RM21.0 million, mainly due to lower revenue mitigated by higher bad debts recovery during the current quarter; and
4. a decrease in adjusted EBITDA from the leisure and hospitality business in Malaysia by RM14.5 million, mainly due to higher costs relating to the premium players business and costs incurred for the new facilities under Genting Integrated Tourism Plan (“GITP”), mitigated by higher revenue.

The Group’s profit before taxation of RM344.3 million in 1Q 2017 was higher compared with RM262.1 million in 1Q 2016. The increase in profit before taxation was mainly due to:

1. higher adjusted EBITDA as mentioned above;
2. higher interest income by RM31.8 million mainly from the Group’s foreign currency denominated investments; offset by
3. higher depreciation and amortisation by RM60.2 million, mainly from Malaysia operations due to the commencement of operations of certain facilities under GITP in 4Q 2016 and the accelerated depreciation recorded following the closure of the indoor theme park.

2) Material Changes in Profit before Taxation for the Current Quarter (“1Q 2017”) compared with the Immediate Preceding Quarter (“4Q 2016”)

Profit before taxation for 1Q 2017 was RM344.3 million compared to 4Q 2016 of RM1,796.8 million. The lower profit before taxation was mainly due to:

1. recognition of one-off gain of RM1,272.9 million from the disposal of the Group’s investment in Genting Hong Kong Limited in 4Q 2016;
2. foreign exchange losses of RM9.4 million as compared to foreign exchange gains of RM102.2 million in 4Q 2016 on the Group’s USD denominated assets as a result of the strengthening of RM against USD in 1Q 2017;
3. lower adjusted EBITDA from the leisure and hospitality business in Malaysia by RM84.5 million, mainly due to lower volume of business from the mid to premium segment of the business; and
4. lower adjusted EBITDA from the leisure and hospitality business in the US and Bahamas by RM46.3 million mainly due to net reversal of expenses over accrued in the previous periods in 4Q 2016, mitigated by higher revenue in 1Q 2017. These are mitigated by;
5. an increase in adjusted EBITDA from the casino business in UK by RM50.9 million mainly due to higher volume of business and better hold percentage from its premium players business coupled with higher bad debt recovery during 1Q 2017.

3) Prospects

Global economic conditions are expected to improve, supported by the expansion of economic activity in advanced and emerging markets and expansionary policy decisions in certain major economies. The Malaysian economy is expected to remain on a growth path underpinned by domestic demand.

The outlook for international tourism is expected to remain positive across all regions. Meanwhile, the operating environment for the regional gaming market has shown signs of recovery, as evidenced by the recent reported improved performance of regional gaming operators in Singapore and Macau. Notwithstanding this, the regional gaming market is expected to face continuous challenges in the Asian premium players business.

The Group remains cautious on the near term outlook of the leisure and hospitality industry, but remains optimistic on the growth potential of the industry in the longer term.

In Malaysia, the Group continues to focus on the development of GTP as the remaining facilities and attractions will open progressively from this year onwards, complementing the new and existing attractions. The significant expansion and redevelopment under the GTP, once completed, is expected to elevate Resorts World Genting’s (“RWG”) position as the destination of choice in the region. Meanwhile, the Group remains committed on optimising overall operational efficiencies, yield management and database marketing efforts as well as enhancing service delivery at RWG.

In the UK, the Group is pleased with the strong performance from the non-premium players business where it continues to grow its market share. The strategy to reduce short term volatility in its premium players business continues to prove successful in developing a more sustainable business. The Group has seen an encouraging improvement in performance at Resorts World Birmingham and has recently announced plans to introduce new attractions such as virtual reality games which will be new to the UK.

In the US, Resorts World Casino New York City maintained steady business growth and continues to lead the Northeast US region in terms of gaming revenue amidst growing regional competition. The Group will continue to boost its direct marketing efforts to grow the visitation levels and frequency of play at the resort. In the Bahamas, the Group has embarked on cost rationalisation initiatives and will revise its marketing strategy to reposition the business.

4) Variance of Actual Profit from Forecast Profit

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

5) **Taxation**

Taxation charges for the current quarter ended 31 March 2017 are as follows:

	Current quarter ended 31 March 2017
	RM'000
Current taxation	
Malaysian income tax charge	24,936
Foreign income tax charge	12,295
	<u>37,231</u>
Deferred tax charge	11,522
	<u>48,753</u>
Prior period taxation	
Income tax under provided	687
	<u>49,440</u>

The effective tax rates of the Group for the current quarter ended 31 March 2017 are lower than the statutory tax rate mainly due to income not subject to tax and tax incentives, offset by non-deductible expenses.

6) **Status of Corporate Proposals Announced**

There was no corporate proposals announced but not completed as at 22 May 2017.

7) **Group Borrowings**

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

	<u>Secured/Unsecured</u>	<u>Foreign Currency</u> <u>'000</u>	<u>RM Equivalent</u> <u>'000</u>
Short term borrowings	Secured	USD104,589	462,857
	Unsecured	<u>GBP154,827</u>	<u>855,799</u>
Long term borrowings	Secured	USD179,355	793,737
	Unsecured	<u>Not applicable</u>	<u>4,994,464</u>

8) **Outstanding derivatives**

As at 31 March 2017, 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>		
<u>GBP</u>	364,812	
- Less than 1 year		3,096

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 2016:

- (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 2017, the Group does not have any financial liabilities measured at fair value through profit or loss.

10) Changes in Material Litigation

There are no pending material litigations as at 22 May 2017.

11) Dividend Proposed or Declared

No dividend has been proposed or declared for the current quarter ended 31 March 2017.

12) Profit before Taxation

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

	Current quarter ended 31 March 2017 <u>RM'000</u>
<u>Charges:</u>	
Depreciation and amortisation	248,326
Net foreign currency exchange losses	11,202
Property, plant and equipment written off	887
Finance costs:	
- Interest on borrowings	44,838
- Other finance costs	2,290
- Less: capitalised costs	(27,778)
- Less: interest income earned	(264)
Finance costs charged to income statements	19,086
<u>Credits:</u>	
Net gain on disposal of property, plant and equipment	225
Interest income	70,748
Investment income	5,154

13) Earnings per share ("EPS")

- (a) The earnings used as the numerator in calculating basic and diluted EPS for the current quarter ended 31 March 2017 are as follows:

	Current quarter ended 31 March 2017 RM'000
Profit for the financial period attributable to equity holders of the Company (used as numerator for the computation of basic and diluted EPS)	<u>323,515</u>

- (b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted EPS for the current quarter ended 31 March 2017 are as follows:

	Current quarter ended 31 March 2017 Number of Shares ('000)
Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of basic EPS)	5,658,186
Adjustment for dilutive effect of Employee Share Scheme	<u>9,020</u>
Adjusted weighted average number of ordinary shares in issue (used as denominator for the computation of diluted EPS)	<u>5,667,206</u>

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

14) Realised and Unrealised Profits/Losses

The breakdown of the retained profits of the Group as at 31 March 2017, into realised and unrealised profits, pursuant to a directive issued by Bursa Securities on 25 March 2010 and 20 December 2010 is as follows:

	As at the end of current quarter RM'000	As at the end of last financial year RM'000
Total retained profits of Genting Malaysia Berhad and its subsidiaries:		
- Realised	16,771,662	16,946,138
- Unrealised	(552,982)	(601,510)
	<u>16,218,680</u>	<u>16,344,628</u>
Total share of accumulated losses from joint ventures:		
- Realised	(10,456)	(10,456)
	<u>16,208,224</u>	<u>16,334,172</u>
Add: Consolidation adjustments	510,362	473,875
Total Group retained profits as per consolidated accounts	<u>16,718,586</u>	<u>16,808,047</u>

The determination of realised and unrealised profits is compiled based on Guidance of Special Matter No. 1, *Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Securities Listing Requirements*, issued by the Malaysian Institute of Accountants on 20 December 2010.

The disclosure of realised and unrealised profits above is solely for the purposes of complying with the disclosure requirements stipulated in the directive of Bursa Securities and should not be applied for any other purposes.

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

The audit report of the Group's annual financial statements for the year ended 31 December 2016 was not qualified.

16) 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 29 May 2017.