GENTING MALAYSIA

FOURTH QUARTERLY REPORT

Quarterly report on consolidated results for the financial year ended 31 December 2019. The figures for the cumulative period for the financial year ended 31 December 2019 have been audited.

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	UNAUDITED INDIVIDUAL QUARTER Fourth quarter ended 31 December		CUMULATIVE PERIOD Financial year ended 31 December	
	2019	2018	**2019**	2018
	RM'000	RM'000	**RM'000**	RM'000
Revenue	**2,442,015**	2,507,040	**10,406,938**	9,927,607
Cost of sales	**(1,950,110)**	(1,859,812)	**(7,912,246)**	(7,265,369)
Gross profit	**491,905**	647,228	**2,494,692**	2,662,238
Other income	**208,260**	79,251	**562,358**	483,791
Other expenses	**(304,463)**	(255,489)	**(1,244,386)**	(1,075,136)
Other gains/(losses)	**8,908**	(3,786)	**12,583**	23,701
Profit from operations before impairment losses	**404,610**	467,204	**1,825,247**	2,094,594
Reversal of previously recognised impairment losses	**2,501**	-	**13,645**	27,126
Impairment losses	**(28,243)**	(24,186)	**(67,615)**	(1,969,908)
Profit from operations	**378,868**	443,018	**1,771,277**	151,812
Finance costs	**(60,442)**	(42,607)	**(250,306)**	(155,818)
Share of results in an associate	**(31,565)**	-	**(31,565)**	-
Profit/(loss) before taxation	**286,861**	400,411	**1,489,406**	(4,006)
Taxation	**(4,649)**	304,977	**(157,160)**	(82,347)
Profit/(loss) for the financial period/year	**282,212**	705,388	**1,332,246**	(86,353)
Profit/(loss) attributable to:				
Equity holders of the Company	**299,743**	720,139	**1,395,353**	(19,588)
Non-controlling interests	**(17,531)**	(14,751)	**(63,107)**	(66,765)
	282,212	705,388	**1,332,246**	(86,353)
Earnings/(loss) per share attributable to equity holders of the Company:				
Basic earnings/(loss) per share (sen)	**5.30**	12.74	**24.68**	(0.35)
Diluted earnings/(loss) per share (sen)	**5.29**	12.69	**24.64**	(0.35)

(The Condensed Consolidated Income Statement should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2018.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	UNAUDITED INDIVIDUAL QUARTER Fourth quarter ended 31 December		CUMULATIVE PERIOD Financial year ended 31 December	
	2019	2018	**2019**	2018
	RM'000	RM'000	**RM'000**	RM'000
Profit/(loss) for the financial period/year	**282,212**	705,388	**1,332,246**	(86,353)
Other comprehensive income/(loss)				
Items that will not be reclassified subsequently to profit or loss:				
Actuarial gain/(loss) on retirement benefit liability	**4,439**	(9,572)	**4,439**	(9,572)
Changes in the fair value of equity investments at fair value through other comprehensive income	**-**	(10,880)	**-**	(30,733)
	4,439	(20,452)	**4,439**	(40,305)
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges				
- Fair value gain/(loss)	**2,912**	(39)	**(2,659)**	(2,513)
Foreign currency exchange differences				
- Exchange differences on translation of foreign operations	**1,759**	(2,024)	**(43,036)**	84,751
- Reclassification to profit or loss upon disposal of a subsidiary	**-**	-	**(2,627)**	-
	1,759	(2,024)	**(45,663)**	84,751
	4,671	(2,063)	**(48,322)**	82,238
Other comprehensive income/(loss), net of tax	**9,110**	(22,515)	**(43,883)**	41,933
Total comprehensive income/(loss) for the financial period/year	**291,322**	682,873	**1,288,363**	(44,420)
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	**305,008**	700,467	**1,348,570**	29,759
Non-controlling interests	**(13,686)**	(17,594)	**(60,207)**	(74,179)
	291,322	682,873	**1,288,363**	(44,420)

(The Condensed Consolidated Statement of Comprehensive Income should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2018.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	**16,620,869**	14,840,897
Land held for property development	**184,596**	184,672
Investment properties	**1,895,587**	2,204,259
Intangible assets	**4,472,829**	4,527,329
Right-of-use assets	**871,984**	-
Associate	**629,465**	-
Financial assets at fair value through other comprehensive income	**115,929**	117,157
Financial assets at fair value through profit or loss	**122,747**	-
Other non-current assets	**74,036**	254,528
Deferred tax assets	**262,110**	250,191
	25,250,152	22,379,033
Current assets		
Inventories	**123,293**	108,531
Trade and other receivables	**632,135**	657,563
Amounts due from related companies	**1,715**	5,031
Financial assets at fair value through profit or loss	**776,650**	407,794
Restricted cash	**52,438**	100,856
Cash and cash equivalents	**6,476,398**	7,999,679
	8,062,629	9,279,454
Assets classified as held for sale	**-**	59,455
	8,062,629	9,338,909
TOTAL ASSETS	**33,312,781**	31,717,942
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	**1,764,424**	1,764,424
Reserves	**17,731,307**	17,455,318
Treasury shares	**(998,094)**	(999,062)
	18,497,637	18,220,680
Non-controlling interests	**(327,607)**	(267,400)
TOTAL EQUITY	**18,170,030**	17,953,280
Non-current liabilities		
Other long term liabilities	**337,546**	316,475
Long term borrowings	**8,483,550**	9,282,676
Amount due to a related company	**15,430**	-
Lease liabilities	**779,078**	-
Deferred tax liabilities	**796,728**	781,138
Derivative financial instruments	**3,006**	961
	10,415,338	10,381,250
Current liabilities		
Trade and other payables	**2,978,463**	2,736,515
Amount due to holding company	**19,883**	25,362
Amounts due to related companies	**59,185**	96,795
Amount due to an associate	**20,000**	-
Short term borrowings	**1,523,957**	477,584
Lease liabilities	**90,592**	-
Derivative financial instruments	**2,192**	1,806
Taxation	**33,141**	31,747
	4,727,413	3,369,809
Liabilities classified as held for sale	**-**	13,603
	4,727,413	3,383,412
TOTAL LIABILITIES	**15,142,751**	13,764,662
TOTAL EQUITY AND LIABILITIES	**33,312,781**	31,717,942
NET ASSETS PER SHARE (RM)	**3.27**	3.22

(The Condensed Consolidated Statement of Financial Position should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2018.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Attributable to equity holders of the Company								
	Share Capital	Fair Value Reserve	Cash Flow Hedges Reserve	Other Reserves	Treasury Shares	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
Balance at 31 December 2018 as originally presented	1,764,424	(30,733)	(2,513)	1,616,538	(999,062)	15,872,026	18,220,680	(267,400)	17,953,280
Change in accounting policy *	-	-	-	(109)	-	(3,103)	(3,212)	-	(3,212)
Restated total equity at 1 January 2019	1,764,424	(30,733)	(2,513)	1,616,429	(999,062)	15,868,923	18,217,468	(267,400)	17,950,068
Profit/(loss) for the financial year	-	-	-	-	-	1,395,353	1,395,353	(63,107)	1,332,246
Other comprehensive (loss)/income	-	-	(2,659)	(48,563)	-	4,439	(46,783)	2,900	(43,883)
Total comprehensive (loss)/income for the financial year	-	-	(2,659)	(48,563)	-	1,399,792	1,348,570	(60,207)	1,288,363
Transactions with owners:									
Buy-back of shares	-	-	-	-	(40,089)	-	(40,089)	-	(40,089)
Performance-based employee share scheme	-	-	-	45,442	-	-	45,442	-	45,442
Employee share scheme shares vested to employees	-	-	-	(41,057)	41,057	-	-	-	-
Transfer of employee share scheme shares purchase price difference on shares vested	-	-	-	(11,396)	-	11,396	-	-	-
Appropriation:									
Special single-tier dividend declared for the financial year ended 31 December 2018	-	-	-	-	-	(451,853)	(451,853)	-	(451,853)
Final single-tier dividend declared for the financial year ended 31 December 2018	-	-	-	-	-	(282,682)	(282,682)	-	(282,682)
Interim single-tier dividend declared for the year ended 31 December 2019	-	-	-	-	-	(339,219)	(339,219)	-	(339,219)
Total transactions with owners	-	-	-	(7,011)	968	(1,062,358)	(1,068,401)	-	(1,068,401)
At 31 December 2019	1,764,424	(30,733)	(5,172)	1,560,855	(998,094)	16,206,357	18,497,637	(327,607)	18,170,030

* see Part I Note (a) for details regarding the restatement as a result of a change in accounting policy.

(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 2018.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Attributable to equity holders of the Company									
	Share Capital	Fair Value 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
At 1 January 2018	1,764,424	-	-	1,521,430	(911,258)	(21,678)	16,970,542	19,323,460	(193,221)	19,130,239
Loss for the financial year	-	-	-	-	-	-	(19,588)	(19,588)	(66,765)	(86,353)
Other comprehensive (loss)/income	-	(30,733)	(2,513)	92,165	-	-	(9,572)	49,347	(7,414)	41,933
Total comprehensive (loss)/income for the financial year	-	(30,733)	(2,513)	92,165	-	-	(29,160)	29,759	(74,179)	(44,420)
Transactions with owners:										
Buy-back of shares	-	-	-	-	(111,426)	-	-	(111,426)	-	(111,426)
Performance-based employee share scheme	-	-	-	53,496	-	-	-	53,496	-	53,496
Employee share scheme shares vested to employees	-	-	-	(45,300)	23,622	21,678	-	-	-	-
Transfer of employee share scheme shares purchase price difference on shares vested	-	-	-	(5,253)	-	-	5,253	-	-	-
Appropriation:										
Special single-tier dividend declared for the year ended 31 December 2017	-	-	-	-	-	-	(452,281)	(452,281)	-	(452,281)
Final single-tier dividend declared for the year ended 31 December 2017	-	-	-	-	-	-	(282,931)	(282,931)	-	(282,931)
Interim single-tier dividend declared for the year ending 31 December 2018	-	-	-	-	-	-	(339,397)	(339,397)	-	(339,397)
Total transactions with owners	-	-	-	2,943	(87,804)	21,678	(1,069,356)	(1,132,539)	-	(1,132,539)
At 31 December 2018	1,764,424	(30,733)	(2,513)	1,616,538	(999,062)	-	15,872,026	18,220,680	(267,400)	17,953,280

(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 2018.)

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Financial year ended 31 December	
	2019	2018
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	**1,489,406**	(4,006)
Adjustments for:		
Depreciation and amortisation	**1,070,647**	954,822
Property, plant and equipment written off	**22,996**	22,324
Net loss/(gain) on disposal of property, plant and equipment	**1,743**	(977)
Net gain on disposal of investment properties	**(132,148)**	-
Finance costs	**250,306**	155,818
Interest income	**(110,504)**	(299,048)
Investment income	**(20,486)**	(7,769)
Dividend income	**(5,847)**	(6,264)
Reversal of previously recognised impairment losses	**(13,645)**	(27,126)
Impairment losses	**67,615**	1,969,908
Employee share grant scheme expenses	**45,442**	53,496
Provision for termination related costs	**27,602**	-
Gain on disposal of a subsidiary	**(123,825)**	-
Share of results in an associate	**31,565**	-
Net exchange loss/(gain) – unrealised	**4,665**	(23,214)
Other non-cash items and adjustments	**2,631**	25,620
	1,118,757	2,817,590
Operating profit before working capital changes	**2,608,163**	2,813,584
Net change in current assets	**139,210**	(76,213)
Net change in current liabilities	**8,403**	78,292
	147,613	2,079
Cash generated from operations	**2,755,776**	2,815,663
Net tax paid	**(164,313)**	(198,307)
Retirement gratuities paid	**(14,191)**	(2,904)
Other operating payments	**-**	(3,968)
	(178,504)	(205,179)
Net Cash Flow From Operating Activities	**2,577,272**	2,610,484
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	**(2,517,899)**	(1,853,537)
Proceeds from disposal of property, plant and equipment	**120,561**	122,237
Proceeds from disposal of investment properties	**425,055**	-
Purchase of investments	**(370,325)**	(423,919)
Proceeds from disposal of a subsidiary (Note a)	**177,795**	-
Proceeds from disposal of investments	**-**	120,000
Interest received	**144,691**	147,703
Proceeds from redemption of unquoted preference shares	**25,000**	-
Acquisition of subsidiaries (Note b)	**(55,110)**	-
Investment in an associate	**(663,124)**	-
Other investing activities	**91,304**	66,289
Net Cash Flow From Investing Activities	**(2,622,052)**	(1,821,227)
CASH FLOWS FROM FINANCING ACTIVITIES		
Buy-back of shares	**(40,089)**	(111,426)
Repayment of borrowings and payment of transaction costs	**(648,629)**	(255,625)
Proceeds from bank borrowings	**888,663**	2,943,152
Repayment of lease liabilities	**(114,364)**	-
Restricted cash	**-**	3,637
Dividend paid	**(1,073,754)**	(1,074,609)
Finance costs paid	**(473,242)**	(305,976)
Net Cash Flow From Financing Activities	**(1,461,415)**	1,199,153
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	**(1,506,195)**	1,988,410
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR	**7,999,679**	5,996,559
EFFECT OF CURRENCY TRANSLATION	**(17,086)**	14,710
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**6,476,398**	7,999,679

ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	**3,590,839**	3,875,079
Money market instruments	**2,885,559**	4,124,600
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	**6,476,398**	7,999,679

(The Condensed Consolidated Statement of Cash Flows should be read in conjunction with the audited Financial Statements for the financial year ended 31 December 2018.)

NOTES TO THE CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(a) DISPOSAL OF A SUBSIDIARY

Fair value of the net assets disposed and net cash inflow on disposal of a subsidiary, as disclosed in Part I Note (j)(i) of this interim financial report, are analysed as follows:

	As at date of disposal RM'000
Property, plant and equipment	59,281
Intangible assets	2,673
Inventories	442
Cash and cash equivalents	2,494
Trade and other receivables	710
Trade and other payables	(2,664)
Deferred tax liabilities	(3,845)
Net assets disposed	59,091
Reclassification of currency translation reserve	(2,627)
	56,464
Gain on disposal of a subsidiary	123,825
Total cash consideration	180,289
Less: cash and cash equivalents disposed	(2,494)
Net cash inflow on disposal of a subsidiary	177,795

(b) ACQUISITION OF SUBSIDIARIES

The details of the net assets acquired and net cash outflow on acquisition of subsidiaries, as disclosed in Part I Note (j)(ii) of this interim financial report, are analysed as follows:

	As at date of acquisition RM'000
Property, plant and equipment	1,903
Intangible assets	9,516
Deferred tax assets	4,568
Cash and cash equivalents	1,254
Trade and other receivables	3,097
Deferred tax liabilities	(837)
Trade and other payables	(3,685)
Provision for taxation	(300)
Goodwill on acquisition	54,229
Total purchase consideration	69,745
Less: Cash and cash equivalents acquired	(1,254)
Deferred consideration	(13,381)
Net cash outflow on acquisition of subsidiaries	55,110

Part I: Compliance with Malaysian Financial Reporting Standard (“MFRS”) 134

a) Accounting Policies and Methods of Computation

The interim financial report has been prepared in accordance with MFRS 134 “Interim Financial Reporting” and paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements. The figures for the cumulative period for the financial year ended 31 December 2019 have been audited.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2018. 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 2018 except for the adoption of standards and amendments to standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2019:

MFRS 16	Leases
Amendments to MFRS 9	Prepayment Features with Negative Compensation
Amendments to MFRS 119	Plan Amendment, Curtailment or Settlement
IC Interpretation 23	Uncertainty over Income Tax Treatments
Annual Improvements to MFRSs 2015 - 2017 Cycle	

The adoption of these new MFRS, amendments and IC interpretations did not have any material impact on the interim financial report of the Group except for the following:

<u>MFRS 16 “Leases”</u>

MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. MFRS 16 introduces a single accounting model, requiring the lessee to recognise the “right-of-use” of the underlying asset and the lease liability reflecting future lease payments liabilities in the statement of financial position. The right-of-use asset is depreciated in accordance with the principles in MFRS 116 “Property, Plant and Equipment” and the lease liability is accreted over time with interest expense recognised in the income statement. For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Group has adopted MFRS 16 retrospectively from 1 January 2019 using the simplified transition approach and has not restated comparatives for the 2018 reporting period, as permitted under the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balance of statement of financial position as at 1 January 2019.

As permitted by the exemptions under the standard, the Group has not applied the principles of MFRS 16 to short term leases (a lease with lease term of 12 months or less from date of commencement) and leases for which the underlying asset is of low value.

The adoption of MFRS 16 for operating leases and finance leases are as follows:

(i) Leases previously classified as operating leases

On adoption of MFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of MFRS 117. These liabilities are measured at the present value of the remaining lease payments and discounted using the lessee’s incremental borrowing rate as of 1 January 2019.

On a lease-by-lease basis, the Group measures the associated right-of-use asset on a retrospective basis either at its carrying amount as if the new rules had always been applied or at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised as at 31 December 2018.

a) Accounting Policies and Methods of Computation (Cont'd)

MFRS 16 "Leases" (Cont'd)

(i) Leases previously classified as operating leases (Cont'd)

In applying MFRS 16 for the first time, the Group has applied the following practical expedients:

(a) The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
(b) Reliance on previous assessments on whether leases are onerous;
(c) The accounting for operating leases with a remaining lease term of less than 12 months as at the date of initial application as short term leases;
(d) The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
(e) The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group relied on its assessment by applying MFRS 117 and IC Interpretation 4 "Determining whether an Arrangement contains a Lease".

(ii) Leases previously classified as finance leases

For leases previously classified as finance leases, the Group recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right-of-use assets and lease liabilities at the date of initial application. The measurement principles of MFRS 16 are then applied after that date. Consequently, reclassifications from property, plant and equipment have been made to right-of-use assets at the date of initial application.

The table below shows the impact of changes to the condensed consolidated statement of financial position of the Group resulting from the adoption of MFRS 16 as at 1 January 2019:

	As at 31 Dec 2018 RM'000	Effects of adoption of MFRS 16 RM'000	As at 1 Jan 2019 RM'000
Non-current assets			
Property, plant and equipment	14,840,897	(13,702)	14,827,195
Right-of-use assets	-	727,891	727,891
Other non-current assets	254,528	(11,351)	243,177
Current asset			
Trade and other receivables	657,563	(18,009)	639,554
Non-current liabilities			
Other long term liabilities	316,475	(14,837)	301,638
Lease liabilities	-	653,076	653,076
Current liabilities			
Trade and other payables	2,736,515	(6,667)	2,729,848
Lease liabilities	-	56,469	56,469
Equity			
Retained earnings	15,872,026	(3,103)	15,868,923
Other reserves	1,616,538	(109)	1,616,429

The adoption of MFRS 16 impacts the Group's financial performance in the current financial year as follows:

(a) On the consolidated income statement, expenses which previously included operating lease rental within adjusted earnings before interest, tax, depreciation and amortisation ("EBITDA") as defined in Part II Note (1), were replaced by interest expense on lease liabilities (included within "finance costs") and amortisation of right-of-use assets (included within "depreciation and amortisation"); and
(b) On the consolidated statement of cash flows, operating lease rental outflow previously recorded within "net cash flow from operating activities" are classified as "net cash flow from financing activities" for repayment of lease liabilities.

a) Accounting Policies and Methods of Computation (Cont'd)

Changes to Comparative – Reclassification

Comparatives for the condensed consolidated income statement for the financial year ended 31 December 2018 were restated to conform with the presentation as per the audited financial statements for the financial year ended 31 December 2018. The effects of the reclassification are as follows:

	As previously stated RM'000	**Reclassifications RM'000**	**Restated RM'000**
Other income	509,104	(25,313)	483,791
Other expenses	(1,076,748)	1,612	(1,075,136)
Other gains/(losses)	-	23,701	23,701

b) Seasonal or Cyclical Factors

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

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

There were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the financial year ended 31 December 2019.

d) Material Changes in Estimates

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

e) Changes in Debt and Equity Securities

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

During the financial year ended 31 December 2019, the Company had acquired 11.75 million ordinary shares from the open market for a cash consideration of RM40.1 million. The share buy-back was made pursuant to the approval obtained from the Company's shareholders at the Company's Annual General Meeting held on 19 June 2019 and amendments to Bursa Malaysia Securities Berhad Main Market Listing Requirements arising from the implementation of the Companies Act 2016. The repurchased shares are held as treasury shares in accordance with the requirements of Section 127(4) of the Companies Act 2016.

During the financial year ended 31 December 2019, 11.73 million treasury shares amounting to RM41.1 million have been transferred to the Eligible Employees under the Employee Share Grant Scheme pursuant to Section 127(7)(c) of the Companies Act 2016.

Other than the above, there were no material issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the financial year ended 31 December 2019.

f) Dividend Paid

Dividend paid during the financial year ended 31 December 2019 is as follows:

	RM'Mil
Special single-tier dividend for the year ended 31 December 2018 paid on 4 April 2019 8.0 sen per ordinary share	451.8
Final single-tier dividend for the year ended 31 December 2018 paid on 23 July 2019 5.0 sen per ordinary share	282.7
Interim single-tier dividend for the year ended 31 December 2019 paid on 11 October 2019 6.0 sen per ordinary share	339.2
	1,073.7

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.

Segment analysis for the financial year ended 31 December 2019 is set out below:

	Leisure & Hospitality				Property	Investments & Others	Total
	Malaysia RM'Mil	United Kingdom and Egypt RM'Mil	United States of America and Bahamas RM'Mil	Total RM'Mil	RM'Mil	RM'Mil	RM'Mil
Revenue							
Total revenue	7,091.9	1,676.4	1,469.4	10,237.7	111.6	269.9	10,619.2
Inter segment	(25.3)	-	-	(25.3)	(9.9)	(177.1)	(212.3)
External	7,066.6	1,676.4	1,469.4	10,212.4	101.7	92.8	10,406.9
Adjusted EBITDA	2,048.2	231.6	289.3	2,569.1	49.3	23.0	2,641.4
Main foreign currency	RM	GBP	USD		RM/USD		
Exchange ratio of 1 unit of foreign currency to RM		5.2913	4.1431		4.1431		

During the financial year ended 31 December 2019, revenue from the leisure & hospitality segment of RM10,212.4 million comprised gaming revenue and non-gaming revenue of RM7,658.5 million and RM2,553.9 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.

g) *Segment Information (Cont'd)*

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

	RM'Mil
Adjusted EBITDA for reportable segments	2,641.4
Pre-operating expenses	(64.9)
Property, plant and equipment written off	(23.0)
Net loss on disposal of property, plant and equipment	(1.7)
Net gain on disposal of investment properties	132.1
Impairment losses	(67.6)
Reversal of previously recognised impairment losses	13.6
Gain on disposal of a subsidiary	123.8
Others	(22.3)
EBITDA	2,731.4
Depreciation and amortisation	(1,070.6)
Interest income	110.5
Finance costs	(250.3)
Share of results in an associate	(31.6)
Profit before taxation	1,489.4

	Leisure & Hospitality				Property	Investments & Others	Total
	Malaysia RM'Mil	United Kingdom and Egypt RM'Mil	United States of America and Bahamas RM'Mil	Total RM'Mil	RM'Mil	RM'Mil	RM'Mil
Segment Assets	11,860.8	5,441.7	6,047.8	23,350.3	2,213.9	1,999.1	27,563.3
Segment Liabilities	2,289.9	1,190.2	596.7	4,076.8	154.9	73.7	4,305.4
Main foreign currency	RM	GBP	USD		RM/USD		
Exchange ratio of 1 unit of foreign currency to RM		5.3547	4.1400		4.1400		

	RM'Mil
A reconciliation of segment assets to total assets is as follows:	
Segment assets	27,563.3
Interest bearing instruments	4,660.8
Associate	629.5
Unallocated corporate assets	459.1
Total assets	33,312.7

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

Segment liabilities	4,305.4
Interest bearing instruments	10,007.5
Unallocated corporate liabilities	829.8
Total liabilities	15,142.7

h) Property, Plant and Equipment

During the financial year ended 31 December 2019, acquisitions (including capitalised interest) of property, plant and equipment by the Group were RM2,817.2 million.

i) Material Event Subsequent to the end of Financial Year

There were no material event subsequent to the end of the current financial year ended 31 December 2019 that has not been reflected in this interim financial report.

j) Changes in the Composition of the Group

(i) Disposal of Coastbright Limited ("Coastbright"), an operator of Maxims Casino in Kensington, London

On 21 March 2019, Genting UK Plc, an indirect wholly-owned subsidiary of the Company, entered into a Share Purchase Agreement with Sonco UK BidCo Limited to dispose of its entire equity interest in Coastbright for a total net cash consideration of GBP33.7 million (equivalent to approximately RM180.3 million). GENM realised a gain of approximately GBP22.7 million (equivalent to approximately RM123.8 million) from the disposal. The disposal was completed on 21 March 2019 and Coastbright ceased to be an indirect wholly-owned subsidiary of the Company.

(ii) Acquisition of Authentic Gaming Limited ("AGL") and Authentic Gaming Malta Limited ("AGML")

On 30 October 2019, Genting Malta Limited, an indirect wholly-owned subsidiary of the Company, acquired the entire share capital of AGL and AGML for a total consideration of GBP13.0 million (equivalent to approximately RM69.7 million). The acquisition was completed on 30 October 2019 and AGL and AGML became indirect wholly-owned subsidiaries of the Company.

(iii) Acquisition of Common Stock of Empire Resorts, Inc. ("Empire")

On 4 November 2019, Genting (USA) Limited ("GenUSA"), an indirect wholly-owned subsidiary of the Company, purchased 13.2 million shares of Empire's Common Stock from Kien Huat Realty III Limited ("KH") at a price of USD9.74 per share ("Proposed Acquisition").

On 13 November 2019, Empire stakeholders approved the proposal to acquire the outstanding shares of capital stock held by shareholders of Empire unaffiliated with KH at a cash consideration of USD9.74 per share of Common Stock ("Proposed Merger"). The Proposed Merger was completed on 15 November 2019. With the completion of the Proposed Acquisition and Proposed Merger, GenUSA now holds 49% indirect interest in the outstanding Common Stock of Empire and Empire became an associate of the Company.

Other than the above, there were no material changes in the composition of the Group for the financial year ended 31 December 2019.

k) Changes in Contingent Liabilities or Contingent Assets

As disclosed in the Group's annual audited financial statements for the financial year ended 31 December 2018, a counter claim of approximately USD46.4 million (equivalent to approximately RM191.7 million) was made against GENM by Fox Entertainment Group, LLC, Twentieth Century Fox Film Corporation, FoxNext, LLC (collectively referred to as "Fox"). GENM is of the view that the obligation to pay is neither remote nor probable as the litigation is in its initial phase and the outcome of the claim cannot be predicted with certainty. Therefore, this claim is disclosed as a contingent liability in accordance with MFRS 137 "Provisions, Contingent Liabilities and Contingent Assets" as at 31 December 2018.

On 25 July 2019, GENM and Fox, Twenty First Century Fox, Inc. and The Walt Disney Company (collectively referred to as "Parties") entered into a settlement agreement fully resolving their disputes against each other and agreeing to dismiss all claims and counterclaims between the Parties in the pending legal action in the United States District Court for the Central District of California. As such, there is no longer a contingent liability as at 31 December 2019 arising from the dismissal of this counter claim.

Other than the above, there were no material changes in the contingent liabilities or contingent assets since the financial year ended 31 December 2018.

l) *Capital Commitments*

Authorised capital commitments not provided for in the financial statements as at 31 December 2019 are as follows:

	RM'Mil
Contracted	1,483.6
Not contracted	3,292.7
	4,776.3
Analysed as follows:	
- Property, plant and equipment	4,776.3

m) *Significant Related Party Transactions*

In the normal course of business, the Group undertakes on agreed terms and prices, transactions with related companies and other related parties. The related party transactions of the Group carried out during the financial year ended 31 December 2019 are as follows:

		Current quarter RM'000	**Current financial year RM'000**
i)	Provision of technical know-how and management expertise in the resort's operations by Genting Berhad ("GENT") Group to the Group.	112,700	469,795
ii)	Licensing fee for the use of "Genting", "Resorts World" and "Awana" logo charged by GENT to the Group.	54,701	230,995
iii)	Licensing fee for the use of "Resorts World" and "Genting" intellectual property outside Malaysia charged by GENT Group to the Group.	347	1,056
iv)	Provision of management and support services by GENT Group to the Group.	2,730	9,342
v)	Income from rental and related services provided to GENT Group.	1,856	6,697
vi)	Licensing fee for the use of "Resorts World" and "Genting" intellectual property in the United States of America and the Bahamas charged by Resorts World Inc Pte Ltd ("RWI") Group to the Group.	18,782	74,880
vii)	Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENT Group.	1,641	6,675
viii)	Provision of management and support services by the Group to GENT Group.	235	4,429
ix)	Income from rental of premises to Warisan Timah Holdings Sdn Bhd.	586	2,304
x)	Provision of water supply services by an entity connected with shareholder of BB Entertainment Ltd ("BBEL") to the Group.	359	1,530
xi)	Income from rental of office space to Genting Hong Kong Limited ("GENHK") Group.	1,746	6,965
xii)	Provision of maintenance and construction services by an entity connected with shareholder of BBEL to the Group.	35,187	86,477
xiii)	Licensing fee for the use of gaming software and system charged by RWI Group to the Group.	1,382	5,412
xiv)	Provision of utilities, maintenance and security services by the Group to Genting Highlands Premium Outlets Sdn Bhd.	712	2,347
xv)	Purchase of holiday packages from GENHK Group.	113	1,371
xvi)	Provision of support services by GENHK Group to the Group.	14	4,103
xvii)	Provision of onboard entertainment services by GENHK Group to the Group.	3,132	3,132
xviii)	Purchase of building improvement by the Group from GENHK Group.	20,170	20,170
xix)	Acquisition of shares of Common Stock in Empire Resorts, Inc. ("Empire") by the Group from Kien Huat Realty III Limited ("KH").	573,174	573,174
xx)	Acquisition of shares of Common Stock in Empire by the Group from the shareholders of Empire unaffiliated with KH.	109,496	109,496

n) Fair Value of Financial Instruments

The Group uses the following hierarchy for determining the fair value of all financial instruments carried at fair value:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
Level 3: Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

As at 31 December 2019, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

	Level 1 RM'Mil	Level 2 RM'Mil	Level 3 RM'Mil	Total RM'Mil
Financial assets				
Financial assets at fair value through profit or loss	5.8	770.9	122.7	899.4
Financial assets at fair value through other comprehensive income	-	-	115.9	115.9
	5.8	770.9	238.6	1,015.3
Financial liability				
Derivative financial instruments	-	5.2	-	5.2

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared with the last financial year ended 31 December 2018.

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				FINANCIAL YEAR ENDED 31 DECEMBER			
	4Q2019	4Q2018	Var		2019	2018	Var	
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	RM'Mil	%
Revenue								
Leisure & Hospitality								
- Malaysia	**1,604.8**	1,698.6	-93.8	-6%	**7,066.6**	6,594.6	472.0	7%
- United Kingdom and Egypt	**422.3**	426.6	-4.3	-1%	**1,676.4**	1,780.7	-104.3	-6%
- United States of America and Bahamas	**368.5**	343.0	25.5	7%	**1,469.4**	1,384.9	84.5	6%
	2,395.6	2,468.2	-72.6	-3%	**10,212.4**	9,760.2	452.2	5%
Property	**27.6**	26.3	1.3	5%	**101.7**	96.3	5.4	6%
Investments & others	**18.8**	12.5	6.3	50%	**92.8**	71.1	21.7	31%
	2,442.0	2,507.0	-65.0	-3%	**10,406.9**	9,927.6	479.3	5%
Adjusted EBITDA								
Leisure & Hospitality								
- Malaysia	**415.1**	582.2	-167.1	-29%	**2,048.2**	2,297.3	-249.1	-11%
- United Kingdom and Egypt	**59.8**	62.1	-2.3	-4%	**231.6**	182.4	49.2	27%
- United States of America and Bahamas	**65.3**	92.0	-26.7	-29%	**289.3**	305.8	-16.5	-5%
	540.2	736.3	-196.1	-27%	**2,569.1**	2,785.5	-216.4	-8%
Property	**11.9**	13.8	-1.9	-14%	**49.3**	42.1	7.2	17%
Investments & others	**(0.7)**	(1.6)	0.9	56%	**23.0**	45.2	-22.2	-49%
Adjusted EBITDA	**551.4**	748.5	-197.1	-26%	**2,641.4**	2,872.8	-231.4	-8%
Pre-operating expenses	**(11.4)**	(69.4)	58.0	84%	**(64.9)**	(116.3)	51.4	44%
Property, plant and equipment written off	**(4.7)**	(0.7)	-4.0	->100%	**(23.0)**	(22.3)	-0.7	-3%
Net gain/(loss) on disposal of property, plant and equipment	**-**	2.1	-2.1	NC	**(1.7)**	1.0	-2.7	->100%
Net gain on disposal of investment properties	**132.1**	-	132.1	NC	**132.1**	-	132.1	NC
Impairment losses	**(28.2)**	(24.2)	-4.0	-17%	**(67.6)**	(1,969.9)	1,902.3	97%
Reversal of previously recognised impairment losses	**2.5**	-	2.5	NC	**13.6**	27.1	-13.5	-50%
Gain on disposal of a subsidiary	**-**	-	-	-	**123.8**	-	123.8	NC
Others	**(6.8)**	0.2	-7.0	->100%	**(22.3)**	15.2	-37.5	->100%
EBITDA/(LBITDA)	**634.9**	656.5	-21.6	-3%	**2,731.4**	807.6	1,923.8	>100%
Depreciation and amortisation	**(279.5)**	(242.7)	-36.8	-15%	**(1,070.6)**	(954.8)	-115.8	-12%
Interest income	**23.5**	29.2	-5.7	-20%	**110.5**	299.0	-188.5	-63%
Finance costs	**(60.4)**	(42.6)	-17.8	-42%	**(250.3)**	(155.8)	-94.5	-61%
Share of results in an associate	**(31.6)**	-	-31.6	NC	**(31.6)**	-	-31.6	NC
Profit/(loss) before taxation	**286.9**	400.4	-113.5	-28%	**1,489.4**	(4.0)	1,493.4	>100%

1) Review of Performance (Cont'd)

Financial review for the current quarter compared with the immediate preceding quarter

The results of the Group are tabulated below:

	INDIVIDUAL QUARTER 4Q2019 RM'Mil	PRECEDING QUARTER 3Q2019 RM'Mil	Var RM'Mil	Var %
Revenue				
Leisure & Hospitality				
- Malaysia	**1,604.8**	1,796.2	-191.4	-11%
- United Kingdom and Egypt	**422.3**	414.7	7.6	2%
- United States of America and Bahamas	**368.5**	355.8	12.7	4%
	2,395.6	2,566.7	-171.1	-7%
Property	**27.6**	23.8	3.8	16%
Investments & others	**18.8**	37.3	-18.5	-50%
	2,442.0	2,627.8	-185.8	-7%
Adjusted EBITDA				
Leisure & Hospitality				
- Malaysia	**415.1**	537.5	-122.4	-23%
- United Kingdom and Egypt	**59.8**	85.7	-25.9	-30%
- United States of America and Bahamas	**65.3**	55.4	9.9	18%
	540.2	678.6	-138.4	-20%
Property	**11.9**	10.2	1.7	17%
Investments & others	**(0.7)**	5.6	-6.3	->100%
Adjusted EBITDA	**551.4**	694.4	-143.0	-21%
Pre-operating expenses	**(11.4)**	91.2	-102.6	->100%
Property, plant and equipment written off	**(4.7)**	(16.8)	12.1	72%
Net gain on disposal of property, plant and equipment	**-**	2.0	-2.0	NC
Net gain on disposal of investment properties	**132.1**	-	132.1	NC
Impairment losses	**(28.2)**	(18.6)	-9.6	-52%
Reversal of previously recognised impairment losses	**2.5**	11.1	-8.6	-77%
Others	**(6.8)**	(10.2)	3.4	33%
EBITDA	**634.9**	753.1	-118.2	-16%
Depreciation and amortisation	**(279.5)**	(273.6)	-5.9	-2%
Interest income	**23.5**	27.7	-4.2	-15%
Finance costs	**(60.4)**	(63.5)	3.1	5%
Share of results in an associate	**(31.6)**	-	-31.6	NC
Profit before taxation	**286.9**	443.7	-156.8	-35%

NC: Not comparable

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

a) Quarter ended 31 December 2019 ("4Q 2019") compared with quarter ended 31 December 2018 ("4Q 2018")

The Group's revenue in 4Q 2019 was RM2,442.0 million, a decrease of 3% compared with RM2,507.0 million in 4Q 2018.

The lower revenue for this quarter was mainly due to:

1. lower revenue from the leisure and hospitality business in Malaysia by RM93.8 million or 6%, mainly due to a lower hold percentage in the mid to premium players segments coupled with lower business volume from the mass market. This was mitigated by an increase in revenue from the non-gaming segment by RM128.6 million or 34%; mitigated by

2. higher revenue from the leisure and hospitality businesses in United States of America ("US") and Bahamas by RM25.5 million or 7% mainly due to higher revenue from Resorts World Casino New York City ("RWNYC operations") as a result of higher volume of business.

The Group's adjusted EBITDA in 4Q 2019 was RM551.4 million compared with RM748.5 million in 4Q 2018, a decrease of 26%. The lower adjusted EBITDA was mainly due to:

1. lower adjusted EBITDA from the leisure and hospitality business in Malaysia by RM167.1 million or 29%, mainly due to lower revenue and higher casino duty as a result of duty rate hike; and

2. lower adjusted EBITDA from the leisure and hospitality businesses in US and Bahamas by RM26.7 million or 29% mainly due to higher payroll costs and operating expenses from RWNYC operations, coupled with higher operating expenses from Bimini operations, mitigated by higher revenue.

The Group's profit before taxation was RM286.9 million in 4Q 2019, a decrease of 28% compared with RM400.4 million in 4Q 2018 mainly due to:

1. lower adjusted EBITDA as mentioned above;

2. the Group's share of results in an associate of RM31.6 million during the quarter relates to the share of loss of Empire Resorts, Inc ("Empire"), following the completion of Proposed Merger, as disclosed in Part I Note (j)(iii) above. The loss is mainly due to the Group's share of Empire's financing costs as well as depreciation and amortisation, whilst the Group's share of Empire's operating loss was RM3.1 million; mitigated by

3. recognition of a gain of RM132.1 million in 4Q 2019 from the disposal of investment properties in United Kingdom ("UK").

b) Financial year ended 31 December 2019 ("FY 2019") compared with financial year ended 31 December 2018 ("FY 2018")

The Group's revenue in FY 2019 was RM10,406.9 million, an increase of 5% compared with RM9,927.6 million in FY 2018. The increase was mainly attributable to:

1. higher revenue from the leisure and hospitality business in Malaysia by RM472.0 million or 7%, mainly attributable to an improved hold percentage in the mid to premium players segments. However, the overall business volume from gaming segment declined in FY 2019 due to reduction in incentives offered to the players as part of the cost rationalisation initiatives. The revenue from non-gaming segment increased by 39% as compared to FY 2018; and

2. higher revenue from the leisure and hospitality businesses in US and Bahamas by RM84.5 million or 6%, mainly due to the strengthening of USD against RM. Excluding this impact, revenue would have increased by 3% mainly due to higher volume of business from RWNYC operations, offset by

3. lower revenue from the leisure and hospitality businesses in UK and Egypt by RM104.3 million or 6% mainly due to lower hold percentage from its premium gaming segment in UK and lower revenue from Cairo, Egypt.

1) Review of Performance (Cont'd)

b) Financial year ended 31 December 2019 ("FY 2019") compared with financial year ended 31 December 2018 ("FY 2018") (Cont'd)

The Group's adjusted EBITDA in FY 2019 was RM2,641.4 million compared with RM2,872.8 million in FY 2018, a decrease of 8%. The lower adjusted EBITDA was mainly due to:

1. lower adjusted EBITDA from the leisure and hospitality business in Malaysia by RM249.1 million or 11%, mainly due to higher casino duty as a result of duty rate hike, mitigated by higher revenue;

2. lower adjusted EBITDA from "investment and others" segment by RM22.2 million or 49%, mainly due to lower unrealised foreign exchange translation gain on the Group's USD denominated assets in FY 2019;

3. lower adjusted EBITDA from the leisure and hospitality businesses in US and Bahamas by RM16.5 million or 5% mainly due to higher payroll costs and operating expenses from RWNYC operations, mitigated by lower operating loss from Bimini operations as a result of improved operational efficiencies; mitigated by

4. higher adjusted EBITDA from the leisure and hospitality businesses in UK and Egypt by RM49.2 million or 27%, mainly due to impact of adopting MFRS 16 as mentioned in Part I Note (a) above. This was partially offset by lower debts recovery.

The Group's profit before taxation was RM1,489.4 million in FY 2019, compared to loss before taxation of RM4.0 million in FY 2018 mainly due to:

1. impairment loss of RM1,834.3 million on the Group's investment in the promissory notes issued by the Mashpee Wampanoag Tribe ("Tribe") in FY 2018; and

2. recognition of one-off gains on the disposal of a subsidiary and investment properties in UK of RM123.8 million and RM132.1 million respectively in FY 2019; offset by

3. lower adjusted EBITDA as mentioned above;

4. lower interest income by RM188.5 million mainly due to impairment of the Group's investment in the promissory notes issued by the Tribe in FY 2018; and

5. higher finance costs by RM94.5 million mainly due to lower qualifying assets eligible for interest capitalisation during the period, upon completion of certain projects under Genting Integrated Tourism Plan.

2) Material Changes in Profit before Taxation for the Current Quarter ("4Q 2019") compared with Profit before Taxation for the Immediate Preceding Quarter ("3Q 2019")

Profit before taxation for 4Q 2019 was RM286.9 million compared with RM443.7 million in 3Q 2019, a decrease of RM156.8 million or 35% mainly due to:

1. lower adjusted EBITDA from the leisure and hospitality business in Malaysia by RM122.4 million due to lower revenue as a result of a lower hold percentage in the mid to premium players segment;

2. reversal of pre-operating expenses of RM91.2 million in 3Q 2019 mainly due to reversal of provision for termination costs relating to outdoor theme park at Resorts World Genting of RM101.4 million; and

3. share of loss of Empire of RM31.6 million in 4Q 2019; mitigated by

4. recognition of a gain of RM132.1 million in 4Q 2019 from the disposal of investment properties in UK.

3) Prospects

The expansion of the global economy is expected to modestly improve in 2020 as market sentiments gradually recover following potentially lower global trade tensions. However, downside risks are more pronounced due to heightened global concerns over the impact of the Coronavirus Disease 2019 (COVID-19) on the global economy. Additionally, concerns over protracted geopolitical tensions and policy uncertainties remain. In Malaysia, the expansion of the domestic economy is expected to continue at a slower pace.

Demand for international travel is expected to decline in the near-term following the imposition of travel restrictions and widespread concerns surrounding the COVID-19 outbreak. The regional leisure and hospitality industry will be adversely impacted, including the gaming industry.

Consequently, the Group is more cautious on the near-term prospects of the leisure and hospitality industry.

In Malaysia, the Group remains focused on the timely completion of the outdoor theme park as ongoing development works approach its final stages. Pre-opening arrangements for the theme park are currently underway as the Group prepares to capitalise on the growth in visitation once the domestic and regional tourism sector recovers. Meanwhile, the Group will keep leveraging its quality assets to grow key business segments and improve overall yield contributions at Resorts World Genting. Additionally, the Group will continue to drive operational and cost efficiencies as well as optimise yield management at the resort to better manage the challenging operating environment.

In the UK, the Group endeavours to continue delivering sustainable performance by focusing on strengthening its position in the mass market segment. Additionally, the Group will review its operations on an ongoing basis to identify streamlining opportunities to improve overall business efficiency. This includes leveraging the Group's revamped online interactive business to enhance offline and online gaming experiences for customers.

In the US, the Group is focused on strengthening its position in the New York State gaming market amid an increasingly competitive landscape. The ongoing expansion project at RWNYC is progressing well and the Group is currently working towards the completion of a new 400-room hotel, which is expected to open in the second half of 2020. Meanwhile, the Group is committed to implementing various strategies to improve Resorts World Catskills ("RWC")'s operating performance as well as capitalise on synergies between RWNYC and RWC to drive business volume at the resort. In the Bahamas, the Group remains focused on improving the accessibility and infrastructure at Resorts World Bimini to increase visitation to the property.

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 financial year ended 31 December 2019 are as follows:

	Current quarter ended 31 December 2019 RM'000	**Financial year ended 31 December 2019 RM'000**
Current taxation		
Malaysian income tax charge	18,495	116,243
Foreign income tax charge	6,944	56,774
	25,439	173,017
Deferred tax (credit)/charge	(14,898)	133
	10,541	173,150
Prior period taxation		
Income tax over provided	(5,892)	(15,990)
	4,649	157,160

The effective tax rates of the Group for the current quarter and financial year ended 31 December 2019 is lower than the statutory tax rate mainly due to tax incentives and income not subject to tax, offset by non-deductible expenses.

6) Status of Corporate Proposals Announced

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

7) Group Borrowings

The details of the Group's borrowings as at 31 December 2019 are as set out below:

	As at 31.12.2019				As at 31.12.2018
	Secured/ Unsecured	**Foreign Currency 'Mil**		**RM Equivalent 'Mil**	**RM Equivalent 'Mil**
Short term borrowings	Secured	USD	-	-	54.8
	Secured	GBP	14.9	79.8	133.8
	Unsecured	USD	50.3	208.1	151.6
	Unsecured	RM	N/A	1,236.1	137.4
				1,524.0	477.6
Long term borrowings	Secured	USD	310.2	1,284.4	1,124.8
	Secured	GBP	54.6	292.3	500.1
	Unsecured	USD	99.6	412.4	64.9
	Unsecured	RM	N/A	6,494.4	7,592.9
				8,483.5	9,282.7
Total borrowings	Secured	USD		1,284.4	1,179.6
	Secured	GBP		372.1	633.9
	Unsecured	USD		620.5	216.5
	Unsecured	RM		7,730.5	7,730.3
				10,007.5	9,760.3

8) Outstanding Derivatives

As at 31 December 2019, 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	80,320	2,192
- More than 1 year	294,507	3,006
		5,198

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 2018:

(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 December 2019, the Group does not have any financial liabilities measured at fair value through profit or loss.

10) Changes in Material Litigation

There are no pending material litigations as at 20 February 2020.

11) Dividend Proposed or Declared

a) (i) The Board of Directors ("Board") has declared a special single-tier dividend of 9.0 sen per ordinary share;

(ii) The special single-tier dividend shall be payable on 7 April 2020;

(iii) Entitlement to the special single-tier dividend:

A Depositor shall qualify for entitlement to the special single-tier dividend only in respect of:

- Shares transferred into the Depositor's Securities Account before 4.30 p.m on 16 March 2020 in respect of transfers; and

- Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

b) (i) A final single-tier dividend for the current financial year ended 31 December 2019 has been recommended by the Board for approval by shareholders;

(ii) The recommended final single-tier dividend, if approved, shall amount to 5.0 sen per ordinary share;

(iii) The final single-tier dividend paid in respect of the previous financial year ended 31 December 2018 amounted to 5.0 sen per ordinary share;

(iv) The date of payment of the recommended final single-tier dividend shall be determined by the Board and announced at a later date.

c) Should the final single-tier dividend be approved at the forthcoming Annual General Meeting, the total dividend paid/payable for the current financial year ended 31 December 2019 would amount to 20.0 sen per ordinary share, comprising an interim single-tier dividend of 6.0 sen per ordinary share, a special single-tier dividend of 9.0 sen per ordinary share and a proposed final single-tier dividend of 5.0 sen per ordinary share.

12) Profit before Taxation

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

	Current quarter ended 31 December 2019 RM'000	**Financial year ended 31 December 2019 RM'000**
Charges:		
Depreciation and amortisation	279,494	1,070,647
Impairment losses	28,243	67,615
Net loss on disposal of property, plant and equipment	-	1,743
Property, plant and equipment written off	4,704	22,996
Provision for termination related costs	-	27,602
Finance costs:		
- Interest on borrowings	123,244	469,370
- Other finance costs	11,148	55,757
- Less: capitalised costs	(56,518)	(193,042)
- Less: interest income earned	(17,432)	(81,779)
Finance costs charged to income statements	60,442	250,306

12) *Profit before Taxation (Cont'd)*

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

	Current quarter ended 31 December 2019 RM'000	Financial year ended 31 December 2019 RM'000
Credits:		
Net gain on disposal of property, plant and equipment	9	-
Net gain on disposal of investment properties	132,148	132,148
Net foreign currency exchange gain	4,618	4,725
Gain on disposal of subsidiary	-	123,825
Interest income	23,533	110,504
Investment income	6,115	20,486
Dividend income	1,511	5,847
Reversal of previously recognised impairment losses	2,501	13,645
Reversal of provision for termination related costs	9,039	-

13) *Earnings per share ("EPS")*

(a) The earnings used as the numerator in calculating basic and diluted EPS for the current quarter and financial year ended 31 December 2019 are as follows:

	Current quarter ended 31 December 2019 RM'000	Financial year ended 31 December 2019 RM'000
Profit for the financial period/year attributable to equity holders of the Company (used as numerator for the computation of basic and diluted EPS)	299,743	1,395,353

(b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted EPS for the current quarter and financial year ended 31 December 2019 are as follows:

	Current quarter ended 31 December 2019 Number of Shares ('000)	Financial year ended 31 December 2019 Number of Shares ('000)
Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of basic EPS)	5,653,649	5,653,445
Adjustment for dilutive effect of Employee Share Scheme	9,753	9,753
Adjusted weighted average number of ordinary shares in issue (used as denominator for the computation of diluted EPS)	5,663,402	5,663,198

(*) The weighted average number of ordinary shares in issue during the current quarter and financial year ended 31 December 2019 excludes the weighted average treasury shares held by the Company.

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 2018 was not qualified.

15) Approval of Interim Financial Statements

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 27 February 2020.

GENTING MALAYSIA BERHAD
198001004236 (58019-U)

PRESS RELEASE **For Immediate Release**

GENTING MALAYSIA BERHAD ANNOUNCES RESULTS FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019

KUALA LUMPUR, 27 February 2020 – Genting Malaysia Berhad (Group) today announced its financial results for the fourth quarter (4Q19) and financial year ended 31 December 2019 (FY19).

The Group's 4Q19 total revenue declined by 3% to RM2,442.0 million while its adjusted earnings before interest, taxation, depreciation and amortisation (EBITDA) was lower by 26% to RM551.4 million. The Group recorded profit before tax (PBT) and net profit of RM286.9 million and RM282.2 million respectively.

In FY19, the Group recorded a 5% increase in total revenue to RM10,406.9 million. However, adjusted EBITDA declined by 8% to RM2,641.4 million. The Group's PBT and net profit were higher at RM1,489.4 million and RM1,332.2 million respectively, primarily due to an impairment loss on the Group's investment in promissory notes issued by the Mashpee Wampanoag Tribe which resulted in the Group recording a net loss last year.

4Q19 Results

The Malaysian leisure and hospitality business registered lower revenue and adjusted EBITDA by 6% and 29% to RM1,604.8 million and RM415.1 million respectively. During the period, the Group's non-gaming segment recorded a 34% improvement in revenue as the entertainment offerings at Resorts World Genting (RWG) were well received. Nevertheless, the Group's decline in revenue and adjusted EBITDA was largely due to lower hold percentage in the mid to premium players segment as well as a decrease in volume of business in the mass market segment. Adjusted EBITDA was also impacted by higher gaming duties imposed.

In the United Kingdom (UK) and Egypt, revenue from the Group's operations remained relatively flat at RM422.3 million while adjusted EBITDA was lower at RM59.8 million. The Group also reported a one-off gain of RM132.1 million from the disposal of investment properties in the UK in the quarter.

The Group's operations in the United States (US) and Bahamas recorded a 7% improvement in revenue to RM368.5 million, mainly due to the higher volume of business registered at Resorts World Casino New York City (RWNYC). However, adjusted EBITDA declined to RM65.3 million primarily due to higher payroll and operating expenses incurred at RWNYC, coupled with an increase in operating costs at Resorts World Bimini.

On 15 November 2019, the Group completed the privatisation of Empire Resorts, Inc (Empire) via a 49:51 joint venture between the Group and Kien Huat Realty III Limited. Following its conclusion, the Group has recognised its share of Empire's loss of RM31.6 million in the period. This was primarily due to financing costs as well as depreciation and amortisation. Meanwhile, operating results at Resorts World Catskills (RWC) have registered marked improvements, with gaming revenues at the property registering a 33% increase in December 2019.

FY19 Results

The Group's leisure and hospitality business in Malaysia recorded a 7% growth in revenue to RM7,066.6 million, aided by an improved hold percentage in the mid to premium players segment. During the year, revenue from the Group's non-gaming segment also reported a 39% improvement, driven by the various attractions at RWG. Nevertheless, overall volume of business in the gaming segment registered a decline, primarily due to the reduction in incentives offered to customers as part of the Group's cost rationalisation initiatives. The Group also registered a decrease in adjusted EBITDA by 11% to RM2,048.2 million mainly due to the increase in gaming duties imposed.

In the UK and Egypt, the Group's operations reported a decrease in revenue to RM1,676.4 million. The decline was largely due to lower hold percentage in the Group's premium players segment in the UK, coupled with lower contributions from Crockfords Cairo in Egypt. However, adjusted EBITDA grew by 27% to RM231.6 million despite lower debt recovery, mainly due to the Group's adoption of a new accounting standard involving the reclassification of lease expenses.

In the US and Bahamas, the Group recorded a 6% improvement in revenue to RM1,469.4 million primarily due to the favourable foreign exchange translation of USD against RM. Excluding this impact, revenue from the Group's operations increased by 3%, largely attributable to the higher volume of business registered at RWNYC. Nevertheless, adjusted EBITDA declined to RM289.3 million mainly due to the higher payroll costs and operating expenses incurred at RWNYC. Meanwhile, the Group registered lower operating losses on its operations in the Bahamas as a result of improved operational efficiencies at Resorts World Bimini.

The Group's overall adjusted EBITDA includes the impact of lower foreign exchange translation gains on the Group's USD denominated assets. Excluding the effects of the foreign exchange translation, the Group's overall adjusted EBITDA decreased by 7% from last year.

The Board of Directors (Board) has declared a special single-tier dividend of 9.0 sen per ordinary share. The Board has also recommended a final single-tier dividend of 5.0 sen per ordinary share. If approved, total dividend for FY19 would amount to 20.0 sen per ordinary share, comprising an interim single-tier dividend of 6.0 sen per ordinary share, a special single-tier dividend and a proposed final single-tier dividend as mentioned above. This represents a 5% increase from the previous year.

Outlook

The expansion of the global economy is expected to modestly improve in 2020 as market sentiments gradually recover following potentially lower global trade tensions. However, downside risks are more pronounced due to heightened global concerns over the impact of the Coronavirus Disease 2019 (COVID-19) on the global economy. Additionally, concerns over protracted geopolitical tensions and policy uncertainties remain. In Malaysia, the expansion of the domestic economy is expected to continue at a slower pace.

Demand for international travel is expected to decline in the near-term following the imposition of travel restrictions and widespread concerns surrounding the COVID-19 outbreak. The regional leisure and hospitality industry will be adversely impacted, including the gaming industry.

Consequently, the Group is more cautious on the near-term prospects of the leisure and hospitality industry.

In Malaysia, the Group remains focused on the timely completion of the outdoor theme park as ongoing development works approach its final stages. Pre-opening arrangements for the theme park are currently underway as the Group prepares to capitalise on the growth in visitation once the domestic and regional tourism sector recovers. Meanwhile, the Group will keep leveraging its quality assets to grow key business segments and improve overall yield contributions at RWG. Additionally, the Group will continue to drive operational and cost efficiencies as well as optimise yield management at the resort to better manage the challenging operating environment.

In the UK, the Group endeavours to continue delivering sustainable performance by focusing on strengthening its position in the mass market segment. Additionally, the Group will review its operations on an ongoing basis to identify streamlining opportunities to improve overall business efficiency. This includes leveraging the Group's revamped online interactive business to enhance offline and online gaming experiences for customers.

In the US, the Group is focused on strengthening its position in the New York State gaming market amid an increasingly competitive landscape. The ongoing expansion project at RWNYC is progressing well and the Group is currently working towards the completion of a new 400-room hotel, which is expected to open in the second half of 2020. Meanwhile, the Group is committed to implementing various strategies to improve RWC's operating performance as well as capitalise on synergies between RWNYC and RWC to drive business volume at the resort. In the Bahamas, the Group remains focused on improving the accessibility and infrastructure at Resorts World Bimini to increase visitation to the property.

A summary table of the results is attached below.

GENTING MALAYSIA BERHAD SUMMARY OF RESULTS	INDIVIDUAL QUARTER		Variance		FINANCIAL YEAR ENDED 31 DECEMBER		Variance	
	4Q2019	4Q2018	4Q19 vs 4Q18		2019	2018	FY19 vs FY18	
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	RM'Mil	%
Revenue								
Leisure & Hospitality								
- Malaysia	**1,604.8**	1,698.6	-93.8	-6%	**7,066.6**	6,594.6	472.0	7%
- United Kingdom and Egypt	**422.3**	426.6	-4.3	-1%	**1,676.4**	1,780.7	-104.3	-6%
- United States of America and Bahamas	**368.5**	343.0	25.5	7%	**1,469.4**	1,384.9	84.5	6%
	2,395.6	2,468.2	-72.6	-3%	**10,212.4**	9,760.2	452.2	5%
Property	**27.6**	26.3	1.3	5%	**101.7**	96.3	5.4	6%
Investments & others	**18.8**	12.5	6.3	50%	**92.8**	71.1	21.7	31%
	2,442.0	2,507.0	-65.0	-3%	**10,406.9**	9,927.6	479.3	5%
Adjusted EBITDA								
Leisure & Hospitality								
- Malaysia	**415.1**	582.2	-167.1	-29%	**2,048.2**	2,297.3	-249.1	-11%
- United Kingdom and Egypt	**59.8**	62.1	-2.3	-4%	**231.6**	182.4	49.2	27%
- United States of America and Bahamas	**65.3**	92.0	-26.7	-29%	**289.3**	305.8	-16.5	-5%
	540.2	736.3	-196.1	-27%	**2,569.1**	2,785.5	-216.4	-8%
Property	**11.9**	13.8	-1.9	-14%	**49.3**	42.1	7.2	17%
Investments & others	**(0.7)**	(1.6)	0.9	56%	**23.0**	45.2	-22.2	-49%
Adjusted EBITDA	**551.4**	748.5	-197.1	-26%	**2,641.4**	2,872.8	-231.4	-8%
Pre-operating expenses	**(11.4)**	(69.4)	58.0	84%	**(64.9)**	(116.3)	51.4	44%
Property, plant and equipment written off	**(4.7)**	(0.7)	-4.0	->100%	**(23.0)**	(22.3)	-0.7	-3%
Net gain/(loss) on disposal of property, plant and equipment	**-**	2.1	-2.1	NC	**(1.7)**	1.0	-2.7	->100%
Net gain on disposal of investment properties	**132.1**	-	132.1	NC	**132.1**	-	132.1	NC
Impairment losses	**(28.2)**	(24.2)	-4.0	-17%	**(67.6)**	(1,969.9)	1,902.3	97%
Reversal of previously recognised impairment losses	**2.5**	-	2.5	NC	**13.6**	27.1	-13.5	-50%
Gain on disposal of a subsidiary	**-**	-	-	-	**123.8**	-	123.8	NC
Others	**(6.8)**	0.2	-7.0	->100%	**(22.3)**	15.2	-37.5	->100%
EBITDA/(LBITDA)	**634.9**	656.5	-21.6	-3%	**2,731.4**	807.6	1,923.8	>100%
Depreciation and amortisation	**(279.5)**	(242.7)	-36.8	-15%	**(1,070.6)**	(954.8)	-115.8	-12%
Interest income	**23.5**	29.2	-5.7	-20%	**110.5**	299.0	-188.5	-63%
Finance costs	**(60.4)**	(42.6)	-17.8	-42%	**(250.3)**	(155.8)	-94.5	-61%
Share of results in an associate	**(31.6)**	-	-31.6	NC	**(31.6)**	-	-31.6	NC
Profit/(loss) before taxation	**286.9**	400.4	-113.5	-28%	**1,489.4**	(4.0)	1,493.4	>100%
Taxation	**(4.7)**	305.0	-309.7	->100%	**(157.2)**	(82.3)	-74.9	-91%
Profit/(loss) for the financial period	**282.2**	705.4	-423.2	-60%	**1,332.2**	(86.3)	1,418.5	>100%
Basic earnings/(loss) per share (sen)	**5.30**	12.74	-7.4	-58%	**24.68**	(0.35)	25.0	>100%
Diluted earnings/(loss) per share (sen)	**5.29**	12.69	-7.4	-58%	**24.64**	(0.35)	25.0	>100%

NC : Not comparable

About Genting Malaysia

Genting Malaysia is one of the leading leisure and hospitality corporations in the world. Listed on Bursa Malaysia with approximately RM17 billion in market capitalisation, Genting Malaysia owns and operates major resort properties including Resorts World Genting (RWG) in Malaysia, Resorts World Casino New York City (RWNYC) and Resorts World Catskills (RWC) (which is 49%-owned via an associate company) in the United States (US), Resorts World Bimini (RW Bimini) in the Bahamas, Resorts World Birmingham and approximately 40 casinos in the United Kingdom (UK) and Crockfords Cairo in Egypt. Genting Malaysia also owns and operates two seaside resorts in Malaysia, namely Resorts World Kijal in Terengganu and Resorts World Langkawi on Langkawi island.

RWG is a premier leisure and entertainment resort in Malaysia. It is equipped with about 10,500 rooms spread across 7 hotels, theme parks and entertainment attractions, dining and retail outlets, as well as international shows and business convention facilities. The transformation at RWG has seen the Group introducing a plethora of new facilities and attractions which include the First World Hotel Tower 3, the Awana SkyWay cable car system, the Crockfords Hotel, new attractions in the SkyAvenue entertainment complex and First World Plaza, as well as the new Skytropolis Indoor Theme Park. The Genting Highlands Premium Outlet (a joint venture between Genting Plantations Berhad and Simon Property Group) at the mid-hill further complements the new and existing offerings at RWG.

In the UK, Genting Malaysia owns and operates approximately 40 casinos, making it one of the largest casino operators in the country. The Group is also involved in an interactive business which operates an online gaming platform comprising an online casino and sports book operation which provides customers a seamless multi-channel gaming experience. Additionally, Genting Malaysia operates Resorts World Birmingham, the first integrated leisure complex of its kind in the UK, offering gaming and entertainment facilities, retail and dining outlets and a 182-room four-star hotel. In the Middle East, Crockfords Cairo, an exclusive casino nestled within the posh surroundings of The Nile Ritz-Carlton Hotel in Cairo, is the Group's first venture into the region.

In the US, Genting Malaysia's RWNYC, the first and only video gaming machine facility in New York City, and RWC, a premium destination resort situated within the scenic Catskills Mountains, collectively offer the ultimate gaming, hospitality and entertainment experience, featuring a live table games casino, over 400 rooms across 2 hotels, video gaming machines, diverse bar and restaurant choices, exciting shows and unforgettable events. In addition, the ongoing expansion project at RWNYC is progressing well and the Group is currently working towards the completion of a new 400-room hotel, which is expected to open in the second half of 2020. Over in Miami, the Group owns the 527-room Hilton Miami Downtown which sits on 30 acres of prime freehold waterfront land.

In the Bahamas, the Group operates RW Bimini, which features a casino, The Hilton at RW Bimini, restaurants and bars, various resort amenities as well as the largest yacht and marina complex on the island surrounded by turquoise waters and white-sand beaches.

Genting Malaysia is a member of the Genting Group, one of Asia's leading and best-managed multinational companies. The Genting Group is led by Tan Sri Lim Kok Thay, a visionary entrepreneur who has successfully established the Resorts World brand as a leader in the leisure and hospitality sector in Malaysia, Singapore, the Philippines, the US, the Bahamas and the UK. Tan Sri Lim Kok Thay also has significant investments in other industries globally including oil palm plantations, property development, power generation, oil and gas, cruise and biotechnology.

For more information, visit http://www.gentingmalaysia.com or contact ir.genm@genting.com.

For information on the major properties of Genting Malaysia
Resorts World Genting, visit www.rwgenting.com
Genting Casinos UK Limited, visit www.gentingcasinos.co.uk
Resorts World Casino New York City, visit www.rwnewyork.com
Resorts World Catskills, visit www.rwcatskills.com
Resorts World Birmingham, visit www.resortsworldbirmingham.co.uk
Resorts World Bimini, visit www.rwbimini.com

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