

FIRST QUARTERLY REPORT

Quarterly report on consolidated results for the three months ended 31 March 2020. The figures have not been audited.

**CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE MONTHS ENDED 31 MARCH 2020**

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	First quarter ended 31 March		Three months ended 31 March	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
Revenue	1,955,868	2,735,580	1,955,868	2,735,580
Cost of sales	(1,636,558)	(2,053,343)	(1,636,558)	(2,053,343)
Gross profit	319,310	682,237	319,310	682,237
Other income	75,265	193,648	75,265	193,648
Other expenses	(290,174)	(511,382)	(290,174)	(511,382)
Other gains/(losses)	(19,289)	3,738	(19,289)	3,738
Profit from operations before impairment losses	85,112	368,241	85,112	368,241
Impairment losses	(346,311)	(17,834)	(346,311)	(17,834)
(Loss)/profit from operations	(261,199)	350,407	(261,199)	350,407
Finance costs	(85,342)	(67,775)	(85,342)	(67,775)
Share of results in an associate	(100,108)	-	(100,108)	-
(Loss)/profit before taxation	(446,649)	282,632	(446,649)	282,632
Taxation	(7,267)	(29,486)	(7,267)	(29,486)
(Loss)/profit for the financial period	(453,916)	253,146	(453,916)	253,146
(Loss)/profit attributable to:				
Equity holders of the Company	(417,957)	268,289	(417,957)	268,289
Non-controlling interests	(35,959)	(15,143)	(35,959)	(15,143)
	(453,916)	253,146	(453,916)	253,146
(Loss)/earnings per share attributable to equity holders of the Company:				
Basic (loss)/earnings per share (sen)	(7.39)	4.75	(7.39)	4.75
Diluted (loss)/earnings per share (sen)	(7.39)	4.74	(7.39)	4.74

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

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2020

	UNAUDITED INDIVIDUAL QUARTER		UNAUDITED CUMULATIVE PERIOD	
	First quarter ended 31 March		Three months ended 31 March	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>
(Loss)/profit for the financial period	(453,916)	253,146	(453,916)	253,146
Other comprehensive income/(loss)				
Items that may be reclassified subsequently to profit or loss:				
Cash flow hedges				
- Fair value loss	(2,420)	(2,853)	(2,420)	(2,853)
Foreign currency exchange differences				
- Exchange differences on translation of foreign operations	285,106	(139,166)	285,106	(139,166)
- Reclassification to profit or loss upon disposal of a subsidiary	-	(2,627)	-	(2,627)
	285,106	(141,793)	285,106	(141,793)
Other comprehensive income/(loss), net of tax	282,686	(144,646)	282,686	(144,646)
Total comprehensive (loss)/income for the financial period	(171,230)	108,500	(171,230)	108,500
Total comprehensive (loss)/income attributable to:				
Equity holders of the Company	(120,445)	116,262	(120,445)	116,262
Non-controlling interests	(50,785)	(7,762)	(50,785)	(7,762)
	(171,230)	108,500	(171,230)	108,500

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

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2020

	UNAUDITED As at 31.03.2020 RM'000	As at 31.12.2019 RM'000
ASSETS		
Non-current assets		
Property, plant and equipment	16,600,987	16,620,869
Land held for property development	184,596	184,596
Investment properties	1,948,093	1,895,587
Intangible assets	4,500,358	4,472,829
Right-of-use assets	822,032	871,984
Associate	680,621	629,465
Financial assets at fair value through other comprehensive income	120,707	115,929
Financial assets at fair value through profit or loss	125,015	122,747
Other non-current assets	67,567	74,036
Deferred tax assets	289,195	262,110
	<u>25,339,171</u>	<u>25,250,152</u>
Current assets		
Inventories	125,825	123,293
Trade and other receivables	707,987	632,135
Amounts due from related companies	2,388	1,715
Financial assets at fair value through profit or loss	782,803	776,650
Restricted cash	49,783	52,438
Cash and cash equivalents	6,462,974	6,476,398
	<u>8,131,760</u>	<u>8,062,629</u>
TOTAL ASSETS	<u>33,470,931</u>	<u>33,312,781</u>
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the Company		
Share capital	1,764,424	1,764,424
Reserves	17,076,431	17,731,307
Treasury shares	(987,934)	(998,094)
	<u>17,852,921</u>	<u>18,497,637</u>
Non-controlling interests	<u>(378,392)</u>	<u>(327,607)</u>
TOTAL EQUITY	<u>17,474,529</u>	<u>18,170,030</u>
Non-current liabilities		
Other long term liabilities	354,789	337,546
Long term borrowings	9,403,960	8,483,550
Amount due to a related company	16,074	15,430
Lease liabilities	759,109	779,078
Deferred tax liabilities	791,784	796,728
Derivative financial instruments	4,910	3,006
	<u>11,330,626</u>	<u>10,415,338</u>
Current liabilities		
Trade and other payables	2,497,955	2,978,463
Amount due to holding company	9,318	19,883
Amounts due to related companies	35,833	59,185
Amount due to an associate	36,077	20,000
Short term borrowings	1,468,199	1,523,957
Lease liabilities	84,097	90,592
Derivative financial instruments	2,665	2,192
Taxation	23,524	33,141
Dividend payable	508,108	-
	<u>4,665,776</u>	<u>4,727,413</u>
TOTAL LIABILITIES	<u>15,996,402</u>	<u>15,142,751</u>
TOTAL EQUITY AND LIABILITIES	<u>33,470,931</u>	<u>33,312,781</u>
NET ASSETS PER SHARE (RM)	<u>3.16</u>	<u>3.27</u>

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

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2020

	Attributable to equity holders of the Company						Non-controlling Interests	Total Equity	
	Share Capital	Fair Value Reserve	Cash Flow Hedges Reserve	Other Reserves	Treasury Shares	Retained Earnings			Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
Balance at 1 January 2020	1,764,424	(30,733)	(5,172)	1,560,855	(998,094)	16,206,357	18,497,637	(327,607)	18,170,030
Loss for the financial period	-	-	-	-	-	(417,957)	(417,957)	(35,959)	(453,916)
Other comprehensive (loss)/income	-	-	(2,420)	299,932	-	-	297,512	(14,826)	282,686
Total comprehensive (loss)/income for the financial period	-	-	(2,420)	299,932	-	(417,957)	(120,445)	(50,785)	(171,230)
Transactions with owners:									
Buy-back of shares	-	-	-	-	(30,145)	-	(30,145)	-	(30,145)
Performance-based employee share scheme	-	-	-	13,982	-	-	13,982	-	13,982
Employee share scheme shares vested to employees	-	-	-	(40,305)	40,305	-	-	-	-
Transfer of employee share scheme shares purchase price difference on shares vested	-	-	-	(10,492)	-	10,492	-	-	-
Appropriation:									
Special single-tier dividend declared for the financial year ended 31 December 2019	-	-	-	-	-	(508,108)	(508,108)	-	(508,108)
Total transactions with owners	-	-	-	(36,815)	10,160	(497,616)	(524,271)	-	(524,271)
At 31 March 2020	1,764,424	(30,733)	(7,592)	1,823,972	(987,934)	15,290,784	17,852,921	(378,392)	17,474,529

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

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONT'D)
FOR THE THREE MONTHS ENDED 31 MARCH 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 1 January 2019	1,764,424	(30,733)	(2,513)	1,616,429	(999,062)	15,868,923	18,217,468	(267,400)	17,950,068
Profit/(loss) for the financial period	-	-	-	-	-	268,289	268,289	(15,143)	253,146
Other comprehensive (loss)/income	-	-	(2,853)	(149,174)	-	-	(152,027)	7,381	(144,646)
Total comprehensive (loss)/income for the financial period	-	-	(2,853)	(149,174)	-	268,289	116,262	(7,762)	108,500
Transactions with owners:									
Buy-back of shares	-	-	-	-	(40,089)	-	(40,089)	-	(40,089)
Performance-based employee share scheme	-	-	-	7,332	-	-	7,332	-	7,332
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)
Total transactions with owners	-	-	-	(45,121)	968	(440,457)	(484,610)	-	(484,610)
At 31 March 2019	1,764,424	(30,733)	(5,366)	1,422,134	(998,094)	15,696,755	17,849,120	(275,162)	17,573,958

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

GENTING MALAYSIA BERHAD
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2020

	UNAUDITED	
	Three months ended	
	31 March	
	2020	2019
	RM'000	RM'000
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss)/profit before taxation	(446,649)	282,632
Adjustments for:		
Depreciation and amortisation	282,843	256,610
Property, plant and equipment written off	3,222	660
Net loss on disposal of property, plant and equipment	518	3,692
Finance costs	85,342	67,775
Interest income	(36,380)	(31,896)
Investment income	(5,615)	(4,134)
Dividend income	(1,233)	(1,500)
Impairment losses	346,311	17,834
Employee share grant scheme expenses	13,982	7,332
(Reversal of provision)/provision for termination related costs	(50)	198,260
Gain on disposal of a subsidiary	-	(123,825)
Share of results in an associate	100,108	-
Net exchange loss – unrealised	16,471	7,302
Other non-cash items and adjustments	(2,976)	12,878
	802,543	410,988
Operating profit before working capital changes	355,894	693,620
Net change in current assets	(55,612)	(21,407)
Net change in current liabilities	(517,406)	(225,243)
	(573,018)	(246,650)
Cash (used in)/generated from operations	(217,124)	446,970
Net tax paid	(54,276)	(20,385)
Retirement gratuities paid	(4,202)	(7,603)
	(58,478)	(27,988)
Net Cash Flow From Operating Activities	(275,602)	418,982
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(326,799)	(499,448)
Proceeds from disposal of property, plant and equipment	505	26,184
Purchase of investments	-	(13,245)
Proceeds from disposal of a subsidiary	-	177,795
Interest received	33,574	51,182
Investment in an associate	(108,350)	-
Other investing activities	31,998	23,419
Net Cash Flow From Investing Activities	(369,072)	(234,113)
CASH FLOWS FROM FINANCING ACTIVITIES		
Buy-back of shares	(30,145)	(40,089)
Repayment of borrowings and payment of transaction costs	(40,618)	(167,395)
Proceeds from bank borrowings	915,984	206,493
Repayment of lease liabilities	(38,831)	(27,325)
Finance costs paid	(210,012)	(206,117)
Net Cash Flow From Financing Activities	596,378	(234,433)
NET MOVEMENT IN CASH AND CASH EQUIVALENTS	(48,296)	(49,564)
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL PERIOD	6,476,398	7,999,679
EFFECT OF CURRENCY TRANSLATION	34,872	(29,376)
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	6,462,974	7,920,739
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and deposits	3,595,833	3,364,186
Money market instruments	2,867,141	4,556,553
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL PERIOD	6,462,974	7,920,739

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

GENTING MALAYSIA BERHAD
NOTES TO THE INTERIM FINANCIAL REPORT – FIRST QUARTER ENDED 31 MARCH 2020

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

a) Accounting Policies and Methods of Computation

The interim financial report is unaudited and has been prepared in accordance with MFRS 134 “Interim Financial Reporting” and paragraph 9.22 of Bursa Malaysia Securities Berhad (“Bursa Securities”) Listing Requirements. The financial information for the three months ended 31 March 2020 have been reviewed by the Company’s auditor in accordance with the International Standards on Review Engagements (“ISRE”) 2410 – Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

The interim financial report should be read in conjunction with the audited financial statements of the Group for the financial year ended 31 December 2019. The accounting policies and methods of computation adopted for the interim financial report are consistent with those adopted for the annual audited financial statements for the financial year ended 31 December 2019 except for the adoption of standards and amendments to standards and interpretations that are mandatory for the Group for the financial year beginning 1 January 2020:

Amendments to References to the Conceptual Framework in MFRS Standards	
Amendments to MFRS 3	Definition of a Business
Amendments to MFRS 101	Presentation of Financial Statements
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors

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

b) Seasonal or Cyclical Factors

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

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

The unusual items included in the interim financial information for the three months ended 31 March 2020 related to the impairment losses on the Group’s investments. The Group has carried out an impairment review on the non-financial assets with indication of impairment in view of the impact of Coronavirus Disease 2019 (“COVID-19”) on the business activities, in accordance with MFRS 136 “Impairment of Assets”. Impairment loss is recognised when the carrying amount of the asset, at the point of review, exceeds its recoverable amount. An impairment loss can be reversed, to the extent of the previously recognised impairment losses for the same asset, if the recoverable amount determined at the subsequent review exceeds the carrying amount.

Consequently, the Group recorded a total impairment loss of RM346.3 million during the three months ended 31 March 2020 as a result of the economic slowdown following the unprecedented phenomenon of COVID-19 pandemic, as detailed below:

- i) An impairment loss of RM223.3 million relating to the assets of Resorts World Birmingham;
- ii) An impairment loss of RM56.5 million relating to certain casino licences and assets in the United Kingdom;
and
- iii) An impairment loss of RM66.5 million relating to the assets of Resorts World Bimini.

Other than the above, there were no unusual items affecting the assets, liabilities, equity, net income or cash flows of the Group for the three months ended 31 March 2020.

d) Material Changes in Estimates

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

e) *Changes in Debt and Equity Securities*

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

During the three months ended 31 March 2020, the Company had acquired 12.0 million ordinary shares from the open market for a cash consideration of RM30.1 million. The share buy-back was made pursuant to the approval obtained from the Company's shareholders at the Company's Annual General Meeting held on 19 June 2019. The repurchased shares are held as treasury shares in accordance with the requirements of Section 127(4) of the Companies Act 2016.

During the three months ended 31 March 2020, 11.6 million treasury shares amounting to RM40.3 million have been transferred to the Eligible Employees under the Employee Share Grant Scheme pursuant to Section 127(7)(c) of the Companies Act 2016.

Other than the above, there were no material issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the three months ended 31 March 2020.

f) *Dividend Paid*

No dividend has been paid for the three months ended 31 March 2020.

g) *Segment Information*

The segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The performance of the operating segments is based on a measure of adjusted earnings/(losses) before interest, tax, depreciation and amortisation ("EBITDA/(LBITDA)"). This measurement basis excludes the effects of gain or loss on disposal of assets, assets written off, impairment loss or reversal of previously recognised impairment loss, pre-operating expenses and other non-recurring items.

The Group is organised into the following main business segments:

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

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

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

g) Segment Information (Cont'd)

Segment analysis for the three months ended 31 March 2020 is set out below:

	<u>Leisure & Hospitality</u>			<u>Total</u> RM'Mil	<u>Property</u>	<u>Investments</u> <u>& Others</u>	<u>Total</u> RM'Mil
	<u>Malaysia</u> RM'Mil	<u>United Kingdom and Egypt</u> RM'Mil	<u>United States of America and Bahamas</u> RM'Mil		RM'Mil	RM'Mil	
<u>Revenue</u>							
Total revenue	1,226.7	371.2	320.7	1,918.6	25.7	62.5	2,006.8
Inter segment	(1.6)	-	-	(1.6)	(2.5)	(46.8)	(50.9)
External	1,225.1	371.2	320.7	1,917.0	23.2	15.7	1,955.9
<u>Adjusted EBITDA/(LBITDA)</u>	331.2	22.8	14.7	368.7	10.3	(23.6)	355.4
Main foreign currency	RM	GBP	USD		RM/USD		
Exchange ratio of 1 unit of foreign currency to RM		5.3544	4.1810		4.1810		

During the three months ended 31 March 2020, revenue from the leisure & hospitality segment of RM1,917.0 million comprised gaming revenue and non-gaming revenue of RM1,449.2 million and RM467.8 million respectively. Non-gaming revenue included hotel room revenue which is recognised when services are rendered to the customers over their stay at the hotel, F&B revenue which is recognised when the services are rendered to the customers and rental income which is recognised on a straight-line basis over the lease term.

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

Adjusted EBITDA for reportable segments	RM'Mil 355.4
Pre-operating expenses	(19.6)
Property, plant and equipment written off	(3.2)
Net loss on disposal of property, plant and equipment	(0.5)
Impairment losses	(346.3)
Others	(0.6)
LBITDA	(14.8)
Depreciation and amortisation	(282.8)
Interest income	36.4
Finance costs	(85.3)
Share of results in an associate	(100.1)
Loss before taxation	(446.6)

g) Segment Information (Cont'd)

	<u>Leisure & Hospitality</u>			<u>Total</u> RM'Mil	<u>Property</u>	<u>Investments</u> <u>& Others</u>	<u>Total</u>
	Malaysia RM'Mil	United Kingdom and Egypt RM'Mil	United States of America and Bahamas RM'Mil		RM'Mil	RM'Mil	RM'Mil
Segment Assets	11,404.6	5,102.9	6,910.2	23,417.7	2,294.9	2,097.7	27,810.3
Segment Liabilities	1,726.2	1,210.7	664.7	3,601.6	147.8	51.4	3,800.8
Main foreign currency	RM	GBP	USD		RM/USD		
Exchange ratio of 1 unit of foreign currency to RM		5.3108	4.3130		4.3130		

RM'Mil

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

Segment assets	27,810.3
Interest bearing instruments	4,475.5
Associate	680.6
Unallocated corporate assets	504.5
Total assets	33,470.9

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

Segment liabilities	3,800.8
Interest bearing instruments	10,872.2
Unallocated corporate liabilities	1,323.4
Total liabilities	15,996.4

h) Property, Plant and Equipment

During the three months ended 31 March 2020, acquisitions (including capitalised interest) of property, plant and equipment by the Group were RM374.2 million.

i) Material Event Subsequent to the end of Financial Period

There were no other material events subsequent to the end of the current financial period ended 31 March 2020 that have not been reflected in this interim financial report.

j) Changes in the Composition of the Group

There were no material changes in the composition of the Group for the three months ended 31 March 2020.

k) Changes in Contingent Liabilities or Contingent Assets

There were no material changes in the contingent liabilities or contingent assets since the financial year ended 31 December 2019.

l) Capital Commitments

Authorised capital commitments not provided for in the financial statements as at 31 March 2020 are as follows:

	RM'Mil
Contracted	1,410.4
Not contracted	3,132.2
	<u>4,542.6</u>
Analysed as follows:	
- Property, plant and equipment	4,477.9
- Investments	64.7
	<u>4,542.6</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 2020 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>79,196</u>
ii) Licensing fee for the use of "Genting", "Resorts World" and "Awana" logo charged by GENT to the Group.	<u>41,981</u>
iii) Licensing fee for the use of "Resorts World" and "Genting" intellectual property outside Malaysia charged by GENT Group to the Group.	<u>207</u>
iv) Provision of management and support services by GENT Group to the Group.	<u>2,315</u>
v) Income from rental and related services provided to GENT Group.	<u>1,545</u>
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.	<u>15,443</u>
vii) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by the Group to GENT Group.	<u>1,685</u>
viii) Provision of management and support services by the Group to GENT Group.	<u>308</u>
ix) Income from rental of premises to Warisan Timah Holdings Sdn Bhd.	<u>569</u>
x) Provision of water supply services by an entity connected with shareholder of BB Entertainment Ltd ("BBEL") to the Group.	<u>361</u>
xi) Income from rental of office space to Genting Hong Kong Limited ("GENHK") Group.	<u>1,760</u>
xii) Provision of maintenance and construction services by an entity connected with shareholder of BBEL to the Group.	<u>4,810</u>
xiii) Licensing fee for the use of gaming software and system charged by RWI Group to the Group.	<u>1,191</u>
xiv) Provision of utilities, maintenance and security services by the Group to Genting Highlands Premium Outlets Sdn Bhd.	<u>561</u>
xv) Provision of onboard entertainment services by GENHK Group to the Group.	<u>1,826</u>

n) Fair Value of Financial Instruments

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3: Inputs for the assets or liabilities that are not based on observable market data (that is, unobservable inputs).

As at 31 March 2020, the Group's financial instruments measured and recognised at fair value on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
	RM'Mil	RM'Mil	RM'Mil	RM'Mil
Financial assets				
Financial assets at fair value through profit or loss	4.7	778.1	125.0	907.8
Financial assets at fair value through other comprehensive income	-	-	120.7	120.7
	<u>4.7</u>	<u>778.1</u>	<u>245.7</u>	<u>1,028.5</u>
Financial liability				
Derivative financial instruments	-	7.6	-	7.6

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

GENTING MALAYSIA BERHAD
ADDITIONAL INFORMATION REQUIRED BY BURSA SECURITIES – FINANCIAL PERIOD ENDED
31 MARCH 2020

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

1) Review of Performance

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

The results of the Group are tabulated below:

	INDIVIDUAL QUARTER				PRECEDING QUARTER			
	1Q2020	1Q2019	Var		4Q2019	Var		
	RM'Mil	RM'Mil	RM'Mil	%	RM'Mil	RM'Mil	%	
Revenue								
Leisure & Hospitality								
- Malaysia	1,225.1	1,909.5	-684.4	-36%	1,604.8	-379.7	-24%	
- United Kingdom and Egypt	371.2	419.3	-48.1	-11%	422.3	-51.1	-12%	
- United States of America and Bahamas	320.7	367.0	-46.3	-13%	368.5	-47.8	-13%	
	1,917.0	2,695.8	-778.8	-29%	2,395.6	-478.6	-20%	
Property	23.2	26.7	-3.5	-13%	27.6	-4.4	-16%	
Investments & others	15.7	13.1	2.6	20%	18.8	-3.1	-16%	
	1,955.9	2,735.6	-779.7	-29%	2,442.0	-486.1	-20%	
Adjusted EBITDA								
Leisure & Hospitality								
- Malaysia	331.2	555.6	-224.4	-40%	415.1	-83.9	-20%	
- United Kingdom and Egypt	22.8	41.0	-18.2	-44%	59.8	-37.0	-62%	
- United States of America and Bahamas	14.7	66.0	-51.3	-78%	65.3	-50.6	-77%	
	368.7	662.6	-293.9	-44%	540.2	-171.5	-32%	
Property	10.3	14.9	-4.6	-31%	11.9	-1.6	-13%	
Investments & others	(23.6)	6.6	-30.2	->100%	(0.7)	-22.9	->100%	
Adjusted EBITDA	355.4	684.1	-328.7	-48%	551.4	-196.0	-36%	
Pre-operating expenses	(19.6)	(210.6)	191.0	91%	(11.4)	-8.2	-72%	
Property, plant and equipment written off	(3.2)	(0.7)	-2.5	->100%	(4.7)	1.5	32%	
Net loss on disposal of property, plant and equipment	(0.5)	(3.7)	3.2	86%	-	-0.5	NC	
Net gain on disposal of investment properties	-	-	-	-	132.1	-132.1	NC	
Impairment losses	(346.3)	(17.8)	-328.5	->100%	(28.2)	-318.1	->100%	
Reversal of previously recognised impairment losses	-	-	-	-	2.5	-2.5	NC	
Gain on disposal of a subsidiary	-	123.8	-123.8	NC	-	-	-	
Others	(0.6)	-	-0.6	NC	(6.8)	6.2	91%	
(LBITDA)/EBITDA	(14.8)	575.1	-589.9	->100%	634.9	-649.7	->100%	
Depreciation and amortisation	(282.8)	(256.6)	-26.2	-10%	(279.5)	-3.3	-1%	
Interest income	36.4	31.9	4.5	14%	23.5	12.9	55%	
Finance costs	(85.3)	(67.8)	-17.5	-26%	(60.4)	-24.9	-41%	
Share of results in an associate	(100.1)	-	-100.1	NC	(31.6)	-68.5	->100%	
(Loss)/profit before taxation	(446.6)	282.6	-729.2	->100%	286.9	-733.5	->100%	

NC: Not comparable

1) Review of Performance (Cont'd)

a) Quarter ended 31 March 2020 ("1Q 2020") compared with quarter ended 31 March 2019 ("1Q 2019")

The Group's revenue in 1Q 2020 was RM1,955.9 million, a decrease of 29% compared with RM2,735.6 million in 1Q 2019. The Leisure and Hospitality segment of the Group recorded lower revenue in 1Q 2020 as a result of temporary closure of the respective resort operations since mid-March 2020 as per the respective government's directives arising from the COVID-19 outbreak.

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

1. a decrease in revenue from the leisure and hospitality business in Malaysia by RM684.4 million or 36%, mainly due to decline in the overall business volume from gaming and non-gaming segments following the unprecedented disruptions to the business activities as a result of COVID-19 outbreak. In addition, an exceptionally high hold percentage in the mid to premium players segments in 1Q 2019 has contributed to the higher revenue from gaming segment in 1Q 2019;
2. a decrease in revenue from the leisure and hospitality businesses in United Kingdom ("UK") and Egypt by RM48.1 million or 11%, mainly due to lower business volume from mass market segment and Cairo, Egypt as a result of temporary closure arising from the COVID-19 outbreak; and
3. a decrease in revenue from the leisure and hospitality businesses in United States of America ("US") and Bahamas by RM46.3 million or 13%, mainly due to lower revenue from Resorts World Casino New York City ("RWNYC operations") due to lower business volume following the COVID-19 outbreak.

The Group's adjusted EBITDA in 1Q 2020 was RM355.4 million compared with RM684.1 million in 1Q 2019, a decrease of 48%. The lower adjusted EBITDA was mainly due to:

1. a decrease in adjusted EBITDA from the leisure and hospitality business in Malaysia by RM224.4 million or 40%, mainly due to lower revenue, mitigated by lower costs relating to premium players business;
2. a decrease in adjusted EBITDA from the leisure and hospitality businesses in US and Bahamas by RM51.3 million or 78%, mainly due to lower revenue coupled with higher payroll cost and operating expenses from RWNYC operations; and
3. an adjusted LBITDA of RM23.6 million was recorded in 1Q 2020 from "investments and others" segment as compared with adjusted EBITDA of RM6.6 million in 1Q 2019, mainly due to unrealised foreign exchange translation loss on the USD denominated liabilities due to strengthening of USD against RM during the current quarter.

The Group's loss before taxation was RM446.6 million in 1Q 2020, compared to profit before taxation of RM282.6 million in 1Q 2019 mainly due to:

1. lower adjusted EBITDA as mentioned above;
2. impairment losses of RM346.3 million as mentioned in Part 1(c) above;
3. recognition of a gain of RM123.8 million from the disposal of a subsidiary in UK in 1Q 2019; and
4. the Group's share of results in an associate of RM100.1 million during the quarter relates to the share of loss of Empire Resorts, Inc ("Empire"). The loss was mainly due to the Group's share of costs associated with the refinancing of Empire's loans as well as depreciation and amortisation, whilst the Group's share of Empire's operating loss was RM13.5 million; mitigated by
5. lower pre-operating expenses by RM191.0 million mainly due to the provision of related costs as a result of the termination of contracts related to the outdoor theme park at Resorts World Genting of RM198.3 million in 1Q 2019.

2) Material Changes in Loss before Taxation for the Current Quarter (“1Q 2020”) compared with Profit before Taxation for the Immediate Preceding Quarter (“4Q 2019”)

Loss before taxation for 1Q 2020 was RM446.6 million compared to profit before taxation of RM286.9 million in 4Q 2019, mainly due to:

1. impairment losses of RM346.3 million as mentioned in Part 1(c) above;
2. recognition of a gain of RM132.1 million in 4Q 2019 from the disposal of investment properties in UK;
3. lower adjusted EBITDA from leisure and hospitality business in Malaysia by RM83.9 million due to lower revenue as a result of decline in the overall business volume from the gaming and non-gaming segments in 1Q 2020;
4. lower adjusted EBITDA from leisure and hospitality businesses in US and Bahamas by RM50.6 million mainly due to lower revenue from RWNYC operations due to lower business volume; and
5. higher share of loss of Empire by RM68.5 million in 1Q 2020 as compared to 4Q 2019, mainly due to the share of costs associated with the refinancing of Empire’s loans.

3) Prospects

The COVID-19 pandemic and the preventive measures taken by governments worldwide have placed significant pressure on the respective countries’ economies. The tourism, leisure & hospitality and gaming industries are among the hardest hit by this unprecedented crisis. As the global economy is expected to contract, governments worldwide have introduced economic stimuli packages and fiscal support to mitigate the impact of COVID-19. Additionally, gradual easing of containment measures worldwide would also encourage improvements in economic activity and growth.

In Malaysia, the pandemic and Movement Control Order (“MCO”) that began on 18 March 2020 have impacted both external and domestic demand, resulting in marginal economic growth and the weakening of labour market conditions. However, economic activity has gradually resumed since the government eased the MCO which allowed more businesses to operate.

However, Resorts World Genting, Resorts World Awana, Resorts World Kijal and Resorts World Langkawi remain closed until further notice. Nevertheless, the Group is currently preparing for the resumption of operations and is focused on leveraging domestic demand to drive visitation and revenue. As development works on the outdoor theme park (“OTP”) were affected by the MCO, the Group is working on a revised timeline for the completion and opening of the OTP.

In the US and Bahamas, RWNYC, Resorts World Catskills and Resorts World Bimini continue to be temporarily closed until further notice. Whilst construction of RWNYC’s expansion has been halted in compliance with government directives, the Group expects the development of the project to restart shortly.

In the UK and Egypt, Resorts World Birmingham, the Group’s other land-based casinos in the UK and Crockfords Cairo continue to be temporarily closed until further notice. However, the Group’s digital business in the UK, GentingBet, continues to operate in line with expectations.

While the full extent of the impact of COVID-19 on the Group’s financial performance and operations for the financial year ending 31 December 2020 (“FY2020”) is uncertain at this point in time, the Board wishes to caution that the Group expects its financial results for the remaining period in FY2020 to be adversely impacted.

In the meantime, the Group will continue to implement various aggressive cost control measures across all its operating entities, including a reduction in operational expenditure such as payroll and related costs and the cancellation or deferment of non-essential capital expenditure. The Group has also put in place stringent health and precautionary measures at all its properties to ensure the safety and well-being of its employees and visitors at all times. These measures are part of the Group’s ongoing initiative as it prepares for the recovery of the leisure and hospitality sector.

4) Variance of Actual Profit from Forecast Profit

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

5) Taxation

Taxation charges for the current quarter ended 31 March 2020 are as follows:

	Current quarter ended 31 March 2020 RM'000
Current taxation	
Malaysian income tax charge	13,861
Foreign income tax charge	12,002
	<hr/> 25,863
Deferred tax credit	(18,596)
	<hr/> 7,267 <hr/>

The effective tax rate of the Group for the current quarter ended 31 March 2020 is higher than the statutory tax rate mainly due to non-deductible expenses mitigated by tax incentives and income not subject to tax.

6) Status of Corporate Proposals Announced

There were no corporate proposals announced but not completed as at 14 May 2020.

7) Group Borrowings

The details of the Group's borrowings as at 31 March 2020 are as set out below:

	As at 31.03.2020			As at 31.12.2019	
	Secured/ Unsecured	Foreign Currency 'Mil		RM Equivalent 'Mil	RM Equivalent 'Mil
Short term borrowings	Secured	USD	7.5	32.3	-
	Secured	GBP	15.6	82.8	79.8
	Unsecured	USD	49.2	212.2	208.1
	Unsecured	RM	N/A	1,140.9	1,236.1
				<hr/> 1,468.2	<hr/> 1,524.0
Long term borrowings	Secured	USD	507.6	2,189.3	1,284.4
	Secured	GBP	54.6	290.2	292.3
	Unsecured	USD	99.6	429.8	412.4
	Unsecured	RM	N/A	6,494.7	6,494.4
				<hr/> 9,404.0	<hr/> 8,483.5
Total borrowings	Secured	USD		2,221.6	1,284.4
	Secured	GBP		373.0	372.1
	Unsecured	USD		642.0	620.5
	Unsecured	RM		7,635.6	7,730.5
				<hr/> 10,872.2	<hr/> 10,007.5

8) *Outstanding Derivatives*

As at 31 March 2020, the values and maturity analysis of the outstanding derivatives of the Group are as follows:

Types of Derivative	Contract/Notional Value RM'000	Fair Value Liabilities RM'000
<u>Interest Rate Swaps</u>		
GBP		
- Less than 1 year	79,662	2,665
- More than 1 year	292,095	4,910
		<u>7,575</u>

Other than the above, there is no significant change for the financial derivatives in respect of the following since the last financial year ended 31 December 2019:

- (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 2020, the Group does not have any financial liabilities measured at fair value through profit or loss.

10) *Changes in Material Litigation*

There are no pending material litigations as at 14 May 2020.

11) *Dividend Proposed or Declared*

No dividend has been proposed or declared for the current quarter ended 31 March 2020.

12) *Loss before Taxation*

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

	Current quarter ended 31 March 2020 RM'000
<u>Charges:</u>	
Depreciation and amortisation	282,843
Net loss on disposal of property, plant and equipment	518
Property, plant and equipment written off	3,222
Impairment losses	346,311
Net foreign currency exchange losses	17,418
Finance costs:	
- Interest on borrowings	119,170
- Other finance costs	14,134
- Less: capitalised costs	(47,962)
Finance costs charged to income statements	85,342
<u>Credits:</u>	
Interest income	36,380
Investment income	5,615
Dividend income	1,233

13) Loss per share

- (a) The loss used as the numerator in calculating basic and diluted loss per share for the current quarter ended 31 March 2020 are as follows:

	Current quarter ended 31 March 2020 RM'000
Loss for the financial period attributable to equity holders of the Company (used as numerator for the computation of basic and diluted loss per share)	<u>(417,957)</u>

- (b) The weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share for the current quarter ended 31 March 2020 are as follows:

	Current quarter ended 31 March 2020 Number of Shares ('000)
Weighted average number of ordinary shares in issue (*) (used as denominator for the computation of basic loss per share)	5,653,236
Adjustment for dilutive effect of Employee Share Scheme (**)	<u>-</u>
Adjusted weighted average number of ordinary shares in issue (used as denominator for the computation of diluted loss per share)	<u>5,653,236</u>

(*) *The weighted average number of ordinary shares in issue during the current quarter ended 31 March 2020 excludes the weighted average treasury shares held by the Company.*

(**) *The calculation of diluted loss per share for the current quarter ended 31 March 2020 did not take into account the Employee Share Scheme of the Company as it had an anti-dilutive effect on the basic loss per share. Therefore, the diluted loss per share is the same as basic loss per share.*

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

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

15) Approval of Interim Financial Statements

The interim financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 21 May 2020.